Agenda

- Introductions
- Capital Market Update
- Financing Options
- Financing Process
- Case Studies
- Discussion

Appendix: Janney Montgomery Scott, LLC
Market Overview

Interest Rates are Low on an Historical Basis

- Variable rates are at all-time lows
- Fixed rates remain affordable and attractive

Interest Rates Forecasted to be Higher in 2015 and 2016

- Federal Reserve policy announcements are being closely watched

Strong Credit Ratings for Libraries

- Tax collection agreements allow libraries to attain strong credit ratings, which enables affordable bond market access

Vibrant Bank Direct Purchase Market

- In response to 2008-09 credit crisis and to Basel III, the bank approach to non-profit lending has changed significantly and continues to evolve
- Tax-exempt and Taxable financing options available
- Vibrant market for investment grade and sub-investment grade borrowers
Interest Rate History

Interest rates remain at very attractively low levels on an historical basis.
Janney Interest Rate Forecast


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Funds Overnight Rate</td>
<td>0.13%</td>
<td>0.13%</td>
<td>0.13%</td>
<td>0.13%</td>
<td>1.25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3-month Bill</td>
<td>0.01%</td>
<td>0.06%</td>
<td>0.09%</td>
<td>0.91%</td>
<td>1.51%</td>
</tr>
<tr>
<td>2-year Note</td>
<td>0.45%</td>
<td>0.55%</td>
<td>0.84%</td>
<td>1.74%</td>
<td>2.04%</td>
</tr>
<tr>
<td>5-year Note</td>
<td>1.79%</td>
<td>1.87%</td>
<td>1.93%</td>
<td>2.37%</td>
<td>2.65%</td>
</tr>
<tr>
<td>10-year Note</td>
<td>2.79%</td>
<td>2.88%</td>
<td>3.30%</td>
<td>3.64%</td>
<td>3.68%</td>
</tr>
<tr>
<td>30-year Bond</td>
<td>3.62%</td>
<td>3.61%</td>
<td>3.92%</td>
<td>4.00%</td>
<td>4.03%</td>
</tr>
</tbody>
</table>

| 2s/10s                           | 234bps  | 233bps  | 246bps  | 189bps  | 164bps  |
| 10s/30s                          | 83bps   | 74bps   | 62bps   | 37bps   | 36bps   |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1m LIBOR</td>
<td>0.15%</td>
<td>0.19%</td>
<td>0.17%</td>
<td>0.91%</td>
<td>1.53%</td>
</tr>
<tr>
<td>3m LIBOR</td>
<td>0.23%</td>
<td>0.25%</td>
<td>0.25%</td>
<td>1.17%</td>
<td>1.67%</td>
</tr>
<tr>
<td>2yr Swap</td>
<td>0.57%</td>
<td>0.67%</td>
<td>1.06%</td>
<td>1.87%</td>
<td>2.16%</td>
</tr>
<tr>
<td>10yr Swap</td>
<td>2.91%</td>
<td>2.99%</td>
<td>3.42%</td>
<td>3.75%</td>
<td>3.80%</td>
</tr>
<tr>
<td>30 yr Swap</td>
<td>3.61%</td>
<td>3.65%</td>
<td>4.02%</td>
<td>4.10%</td>
<td>4.13%</td>
</tr>
</tbody>
</table>

*All numbers are period end forecasts.*
## Financing Considerations

### Issuer
- Dormitory Authority of the State of New York
- Local Development Corporation (formed by city or county)
- Other

### Legal Security
- Property tax revenues provide the most important form of security for bondholders.
- The remittance of these tax collections will be governed by *Tax Pledge and Collection Agreements*

### Credit Rating
- Critical in determining the Library's interest rate
- Rating based on legal security
- The credit ratings of the taxing entity and the strength of the legal agreements will be very important

### Financing Structure
- Fixed-rate municipal bonds (tax-exempt)
- Bank financing (taxable or tax-exempt)
Comparison of Financing Options

Cost of Capital / Interest Rate
- Variable Rate Line of Credit
- Bank Direct Purchase*
- Fixed Rate Public Bond Offering**

Commitment Term
- Variable Rate Line of Credit
- Bank Direct Purchase*
- Fixed Rate Public Bond Offering**

Financing Risk (renewal risk, interest rate risk, etc.)
- Variable Rate Line of Credit
- Bank Direct Purchase*
- Fixed Rate Public Bond Offering**

* Bank Direct Purchase: Tax-Exempt Revenue Bonds or Taxable Loan
** Public Bond Offering Requires a Credit Rating
Dual Track Financing Approach

Janney Montgomery Scott

Direct Lenders
Janney will solicit proposals from commercial banks and other lenders

Credit Rating Agency
Credit Rating Indication

Taxable Loan Term Sheets
Tax-Exempt Loan Term Sheets

Quantify Public Bond Underwriting Options

Compare Financing Options & Select Plan of Finance
- Janney to compare financing options quantitatively and qualitatively and present the results
- Janney to coordinate the closing process for the selected plan of finance

"Dan Froehlich and Joe Bosch worked with Rippowam Cisqua School in 2012 to refinance our outstanding debt. Their expertise, knowledge and guidance were invaluable to us throughout the process - from initial planning to final negotiations. Because of their diligence and professionalism during a process made complex by the local development corporation, the school was able to successfully secure financing at an excellent rate. We are very grateful to Dan and Joe for their efforts and their support of our school."

Deborah Hurrell
Assistant Head for Finance and Operations
Rippowam Cisqua School
Bedford, NY
## Estimated Financing Timeline

<table>
<thead>
<tr>
<th>Planning (2-4 Weeks)</th>
<th>Procurement (4-6 Weeks)</th>
<th>Implementation (4-6 Weeks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Borrower engages Janney</td>
<td>• Final credit book submitted to 15-25 banks and rating agency</td>
<td>• Form financing working group</td>
</tr>
<tr>
<td>• Borrower submits necessary data to Janney</td>
<td>• Receipt of bank term sheets and rating indication</td>
<td>• Financing documents prepared</td>
</tr>
<tr>
<td>• Janney completes project credit book</td>
<td>• Financing Options Presented to Finance Committee</td>
<td>• Interest rate(s) set</td>
</tr>
<tr>
<td></td>
<td>• Plan of Finance Selected</td>
<td>• Closing</td>
</tr>
</tbody>
</table>

3-4 Months
On April 30, 2013 the Dormitory Authority of the State of New York issued one series of bonds on behalf of the Ethelbert B. Crawford Public Library. The Library will use the bond proceeds to purchase and reconstruct an existing 10,800 square foot library building centrally located in the Village of Monticello at 479 Broadway.

- The Library engaged Janney Montgomery Scott, LLC as its sole underwriter and investment banker in November 2012 in order to underwrite the Series 2013 Bonds.

- The Library attained a credit rating of “Aa3” from Moody’s Investors Service.

- The Series 2013 Bonds were structured as tax-exempt revenue bonds with serial bonds maturing from 2014 through 2028 and a term bond maturing in 2033.

- The bonds were priced on April 18, 2013 and the Library was able to lock-in a True Interest Cost of 3.07% and an All-Inclusive Cost of Capital of 3.67%, including all fees and closing costs.

- Average annual debt service is approximately $350,000 per year for 20 years, well below the authorized levy of $510,000 which was approved in a special election on August 9, 2012.
Suffern Free Library Case Study

- On June 27, 2012 the Dormitory Authority of the State of New York issued bonds on behalf of the Suffern Free Library. Janney Montgomery Scott, LLC served as the sole underwriter and investment banker.

- The Library used the bond proceeds to refund the Authority’s Suffern Free Library Association Series 1998 Bonds.

- These prior bond proceeds were used to acquire and construct the 37,000 square foot library building at 210 Lafayette Avenue in Suffern, New York.

- The bonds were rated ‘Aa1’ by Moody’s Investors Service, just one notch below Aaa.

- The Series 2012 Bonds were structured as tax-exempt revenue bonds with serial bonds maturing in every year from 2013 through 2027.

- The bonds were priced on June 18, 2012 and the Library was able to lock-in a True Interest Cost of 2.63% and an All-Inclusive Cost of Capital of 3.24%, including all fees and closing costs.

- The net present value savings that resulted from this refunding equaled $752,493 or 13.22% of the refunded bond par amount.

- The Library will realize average annual budgetary savings of $113,821 from 2013 through 2027.
Nyack Library Case Study

- On June 7, 2007 the County of Rockland Industrial Development Agency issued two series of bonds on behalf of The Nyack Library.

- The Library used the bond proceeds to construct an addition to the existing library, to renovate the existing library, to refinance an existing mortgage and the refinancing of two contiguous commercial properties.

- The bonds were rated 'AAA' by Standard & Poor's based on a bond insurance policy from Ambac Assurance Corporation.

- The Series 2007A Bonds were structured as tax-exempt revenue bonds with serial bonds maturing from 2008 through 2022 and term bonds maturing in 2032 and with final maturity in 2037.

- The Series 2007B Bonds were structured as taxable revenue bonds with term bonds maturing in 2017 and with final maturity in 2027.

(1) Mr. Bosch and Mr. Froehlich were the lead bankers for this bond issue while at a previous firm.
Overview of Janney Montgomery Scott

- Janney is a leading middle market investment bank headquartered in Philadelphia
  - Capital markets offices located in New York, Philadelphia, Providence, Boston, Pittsburgh, Bedminster NJ, Chicago, Atlanta, San Francisco, Washington DC and Ponte Vedra FL
- Janney’s Education & Non-Profit Finance Group is based in New York City
- Janney is a full-service investment banking firm providing:
  - Extensive public finance investment banking and advisory expertise
  - Vast retail distribution network
  - Leading institutional sales & trading capabilities
  - Highly regarded fixed income and equity research products
- Janney operates as an independent subsidiary of The Penn Mutual Life Insurance Company, one of the largest mutual insurance companies in the U.S.

Janney

- Founded 1832
- Second oldest continuous membership on the NYSE
- Member of all primary US markets, FINRA and SIPC
- Revenue of $0.5 billion
- Capital Base of $0.3 billion
- Client Assets of $52 billion
- 93 consecutive quarters of profitability

Penn Mutual

- Founded 1847
- Second oldest mutual life insurance company in the US
- Revenue of $1.4 billion
- Capital & Surplus of $1.4 billion
- Total Assets of $12 billion
- Rated ‘AA-’ by Standard & Poor’s
- Rated ‘Aa3’ by Moody’s
New York Presence

Retail Network
- 700+ established Financial Advisors in 96 offices in 16 states and Washington D.C.
- $50.5BN in Assets Under Management ("AUM")
- 131 New York Financial Advisors in 16 retail offices
  - $7.6BN of AUM, including $1.2BN of directly-held municipal bonds
- Retail network provides secondary market liquidity to institutional investors

Retail Distribution Benefits
- Janney often places bonds into inventory to hold aggressive pricing for its issuer clients, releasing bonds into retail distribution system over time
- Maximizes Janney's ability to "serialize" bonds, resulting in a lower interest cost structure
- Less concentrated ownership reduces volatility
- Retail demand increases liquidity
- Retail investors tend to be loyal, adding to positions over time, reducing volatility

New York Retail Offices

<table>
<thead>
<tr>
<th>Office</th>
<th>FAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany</td>
<td>17</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>4</td>
</tr>
<tr>
<td>East Hampton</td>
<td>2</td>
</tr>
<tr>
<td>Garden City</td>
<td>25</td>
</tr>
<tr>
<td>Great Neck</td>
<td>4</td>
</tr>
<tr>
<td>Hauppauge</td>
<td>4</td>
</tr>
<tr>
<td>Johnstown</td>
<td>2</td>
</tr>
<tr>
<td>Lake Placid</td>
<td>2</td>
</tr>
<tr>
<td>Melville</td>
<td>11</td>
</tr>
<tr>
<td>Midtown NYC</td>
<td>13</td>
</tr>
<tr>
<td>New York City</td>
<td>24</td>
</tr>
<tr>
<td>Saratoga Springs</td>
<td>4</td>
</tr>
<tr>
<td>Skaneateles</td>
<td>1</td>
</tr>
<tr>
<td>Syracuse</td>
<td>7</td>
</tr>
<tr>
<td>Tarrytown</td>
<td>7</td>
</tr>
<tr>
<td>Williamsville/Buffalo</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>131</td>
</tr>
</tbody>
</table>

Institutional Network
- 44 institutional sales and trading professionals located in five offices
- Firm maintains relationships with 28 of the largest 30 institutional municipal securities holders by volume, and over 150 institutional investors, including primary purchasers of bonds across the nation
- Firm targets Tier II and III accounts which are often overlooked, but are large buyers of tax-exempt issues
Janney Montgomery Scott: Recent Non-Profit Finance Experience

### Public Sales

- **Monroe County Industrial Development Corporation**
  - Monroe Community College Association
  - $34,335,000 Revenue Bonds Series 2014 A&B
  - Sole Manager
  - Delivered on April 10, 2014

- **Westchester County Local Development Corporation**
  - Purchase College Foundation
  - $15,095,000 Revenue Refunding Bonds Series 2013
  - Sole Manager
  - Delivered on August 7, 2013

- **Dormitory Authority of the State of New York**
  - E.B. Crawford Public Library
  - $5,080,000 Revenue Bonds Series 2013
  - Sole Manager
  - Delivered on April 30, 2013

- **Tomkins County Development Corporation**
  - Tomkins Cortland Community College Foundation
  - $40,960,000 Revenue Bonds Series 2013 A&B
  - Sole Manager
  - Delivered on January 31, 2013

- **Orange County Funding Corporation**
  - Mount Saint Mary College
  - $37,160,000 Revenue Bonds Series 2012 A&B
  - Sole Manager
  - Delivered on November 20, 2012

- **Dormitory Authority of the State of New York**
  - Suffern Free Library
  - $4,825,000 Revenue Bonds Series 2012
  - Sole Manager
  - Delivered on June 27, 2012

### Private Placements

- **Build NYC Resource Corporation**
  - Mary McDowell Friends School
  - $7,500,000 Revenue Bonds, Series 2013
  - Line of Credit
  - Placement Agent: Delivered on December 13, 2013

- **Jefferson County Civic Facility Development Corporation**
  - Jefferson Community College
  - $22,525,000 Revenue Bonds Series 2013
  - Placement Agent: Delivered on June 27, 2013

- **Orange County Funding Corporation**
  - Mount Saint Mary College
  - $24,255,000 Revenue Bonds Series 2012C
  - Placement Agent: Delivered on December 20, 2012

- **Warren and Washington Civic Development Corporation**
  - Adirondack Community College
  - $25,200,000 Revenue Bonds Series 2012
  - Placement Agent: Delivered on March 1, 2012

- **Temple Shaaray Tefila**
  - Congregation Beth Elohim
  - $1,000,000 Term Loan
  - Financial Adviser: Delivered on October 15, 2013

- **Rockland County Industrial Development Agency**
  - Dominican College
  - $8,705,000 Refunding of Series 2005 A&B
  - Placement Agent: Delivered on August 22, 2013

- **New Jersey Educational Facilities Authority**
  - Bloomfield College
  - $33,800,000 Revenue Bonds Series 2013
  - Placement Agent: Delivered on May 13, 2013

- **Hartwick College**
  - Rippowam Cisqua School
  - $6,795,000 Term Loan
  - Placement Agent: Delivered on May 31, 2013

- **Orange County Capital Resource Corporation**
  - Congregation Beth Elohim
  - $1,000,000 Term Loan
  - Financial Adviser: Delivered on July 26, 2013
Finance Professionals

Joseph C. Bosch, Managing Director
(212) 888-2527
jbosch@janney.com

Focus
Higher education, independent schools, student housing and other non-profit organizations

Joseph Bosch is Managing Director in the firm’s New York Public Finance office. Mr. Bosch has more than 28 years of experience in the provision of investment banking services to states, municipalities, public benefit corporations and not-for-profit corporations. Mr. Bosch has focused his most recent investment banking efforts on the capital finance requirements of public and independent sector clients in the northeast, with particular emphasis placed on the provision of services to higher education and secondary school organizations.

Mr. Bosch previously served within the Public Finance Departments of George K. Baum & Company, Fleet Securities and Drexel Burnham Lambert. He also served in the public sector of the State of New York. During his nine-year career in the public sector he served as chief operating officer of the New York State Medical Care Facilities Finance Agency, deputy secretary to the governor for Housing and Community Development and a senior staff member of the Assembly Ways and Means Committee and the Legislative Commission on Expenditure Review.

Mr. Bosch holds a Master’s Degree in Public Administration from New York University and a Bachelor’s Degree from Duke University.

Dan Froehlich, Vice President
(212) 888-2528
dfroehlich@janney.com

Focus
Higher education, independent schools, student housing and other non-profit organizations

Dan Froehlich is a vice president in the firm’s New York Public Finance office. He is involved in the development, execution and structuring of both tax-exempt and taxable debt financings for colleges and universities, independent schools and other nonprofit entities. He has structured numerous fixed rate and variable rate financings and has worked with borrowers to determine interest rate hedge strategies. Mr. Froehlich is also responsible for compiling and preparing credit and debt capacity analysis reports, which are used by borrowers in the course of their strategic planning. Mr. Froehlich has worked in public finance since 2005.

Mr. Froehlich served for seven years with the City of New York, Department of Parks & Recreation, most recently as the Deputy Chief of Operations. Mr. Froehlich holds an M.B.A. from New York University and a bachelor’s degree from the University of Pennsylvania.
Required Disclosure

Janney Montgomery Scott LLC ("Janney") has sent you this document in its capacity as a potential underwriter/placement agent acting at arm’s length. In accordance with financial regulations and requirements it is important that you understand that Janney is not acting as your municipal advisor, swap advisor, financial advisor or in any other fiduciary or advisory capacity. MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. Janney’s primary role, as underwriter, is to purchase bonds with a view to distribution in an arm’s-length commercial transaction with an issuer. Janney will have financial and other interests that differ from those of the issuer. Unlike a municipal advisor, Janney, as underwriter, does not have a fiduciary duty to the issuer under federal securities laws and is therefore not required by federal law to act in the best interests of the issuer without regard to our own financial or other interests. Janney, as underwriter, has a duty to purchase the bonds from an issuer at a fair and reasonable price, but must balance that duty with our duty to sell the bonds to investors at prices that are fair and reasonable. Janney, as underwriter, will review the official statement for the bonds in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction. Prior to entering into any transaction you should take steps to ensure that you fully understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. Janney strongly encourages you to seek advice from your own independent advisors in assessing the proposed transaction and, upon our request, provide evidence of your receipt of this advice. Janney is not your fiduciary regarding the proposed transaction and you should not expect Janney to be your fiduciary in any capacity.

This report is the intellectual property of Janney and may not be reproduced, distributed, or published by any person for any purpose without Janney’s express prior written consent. This report and any names, rates or data used has been prepared by Janney and is to be used for informational purposes only. The information presented herein is taken from sources believed to be reliable, but is not guaranteed by Janney as to accuracy or completeness. Unless otherwise noted, all data and modeling comes from Bloomberg, your Janney Banker and Janney Fixed Income Strategy. Please contact your Janney Banker for further information.

(1) Required Disclosure applies to situations where Janney is an underwriter or private placement agent but not a financial advisor. Disclosure is required under the Municipal Securities Rulemaking Board’s Rule G-17, which became effective on August 2, 2012 and applies to all municipal bond underwriters.