

**INVITATION TO OFFER BONDS FOR PURCHASE**

made by

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

*to the Beneficial Owners of*

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
STATE PERSONAL INCOME TAX REVENUE BONDS (GENERAL PURPOSE)**

**Series 2019F  
(Federally  
Taxable)**

**Series 2021B  
(Federally  
Taxable)**

**Series 2021C  
(Federally  
Taxable)**

**Series 2022B  
(Federally  
Taxable)**

**BASE CUSIP: 64990F**

**of the maturities and corresponding CUSIP numbers listed on page (i) hereof for a cash price**

<b>THIS INVITATION WILL EXPIRE AT 5:00 P.M. EASTERN TIME, ON TUESDAY, OCTOBER 24, 2023 UNLESS EARLIER CANCELED OR EXTENDED AS DESCRIBED HEREIN. TENDERED TARGET BONDS MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE. See "TERMS OF THIS INVITATION" herein.</b>
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This Invitation to Offer Bonds for Purchase, dated October 11, 2023 (as it may be amended or supplemented, including the cover page, inside cover page and Appendices, this "**Invitation**"), is made by the Dormitory Authority of the State of New York ("**DASNY**"), as acknowledged and approved by the Director of the Budget of the State of New York ("**DOB**") on behalf of the State of New York (the "**State**"), with the assistance of Jefferies LLC, as lead Dealer Manager, along with Ramirez & Co., Inc. as co-Dealer Manager (together, the "**Dealer Managers**"), to the beneficial owners (the "**Holders**" or "**Bondholders**") of certain maturities of DASNY's outstanding State Personal Income Tax Revenue Bonds (General Purpose), Series 2019F (Federally Taxable), Series 2021B (Federally Taxable), Series 2021C (Federally Taxable), and Series 2022B (Federally Taxable) as described on page (i) hereof (the "**Target Bonds**"). DASNY is providing the Holders of the Target Bonds with the opportunity to offer to sell all or a portion of their Target Bonds to DASNY for cash purchase by DASNY. Should DASNY determine to purchase any Target Bonds of a CUSIP, there will be a single purchase price (a "**Purchase Price**") for such purchased Target Bonds of such CUSIP at which all such Target Bonds of such CUSIP will be purchased. The Purchase Price for the Target Bonds of a CUSIP which DASNY determines to purchase, if any, will not exceed 100% of par and will be based on a fixed spread ("**Fixed Spread**") to be added to the yields on certain benchmark United States Treasury Securities (each a "**Benchmark Treasury Security**"), as set forth on page (i) of this Invitation. The Fixed Spreads will be set forth in a pricing notice which is expected to be dated October 18, 2023 (as it may be amended and supplemented, the "**Pricing Notice**"), a form of which is attached hereto as Appendix B. Each Bondholder is invited by DASNY to submit an offer (an "**Offer**") to sell to DASNY, for payment in cash, all or part of its beneficial ownership interests in the Target Bonds in **Authorized Denominations** (as defined herein). The Target Bonds, if any, which DASNY decides to purchase will be purchased on October 27, 2023, unless such date is extended by DASNY (as it may be extended, the "**Settlement Date**"), assuming all conditions to this Invitation have then been satisfied or waived by DASNY. Accrued but unpaid interest on Target Bonds purchased by DASNY, if any, up to but not including the Settlement Date (the "**Accrued Interest**") will also be paid on the Settlement Date.

The total amount paid to all Bondholders whose Target Bonds are validly tendered and accepted for purchase by DASNY pursuant to this Invitation (the "**Aggregate Purchase Price**"), plus Accrued Interest will be funded from legally available moneys which have been or may be provided by the State to DASNY for such purpose. DASNY at its sole discretion, in consultation with DOB on behalf of the State, will determine the amount of its Target Bonds to purchase from among those validly tendered pursuant to this Invitation. **The purchase of any Target Bonds by DASNY tendered pursuant to this Invitation is subject to certain conditions, including, without limitation, the Financing Benefit Conditions (as defined herein). See "INTRODUCTION – General" herein.**

**TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE BY HOLDERS PURSUANT TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH DASNY DOES NOT PURCHASE PURSUANT TO THIS INVITATION (ALL SUCH TARGET BONDS BEING COLLECTIVELY REFERRED TO HEREIN AS THE "UNPURCHASED BONDS") WILL REMAIN OUTSTANDING. UNPURCHASED BONDS THAT ARE OFFERED BY HOLDERS BUT NOT PURCHASED BY DASNY WILL BE RETURNED TO THEIR RESPECTIVE HOLDERS. DASNY, AS DIRECTED BY THE STATE, EXPECTS TO LEGALLY DEFEASE SOME OF THE UNPURCHASED BONDS BY DECEMBER 31, 2023. IN NO EVENT SHALL THIS INVITATION IN ANY WAY AFFECT THE ABILITY OF DASNY OR ANY OTHER ISSUER OF STATE-SUPPORTED DEBT DESIGNATED AS AN "AUTHORIZED ISSUER" UNDER THE LEGISLATION AUTHORIZING THE TARGET BONDS TO REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS AT ANY TIME. See "INTRODUCTION – General" and "– Unpurchased Bonds" herein.**

To make an informed decision as to whether, and how, to offer Target Bonds, Holders should carefully read this Invitation in its entirety, including the Appendices, and are advised to consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional ("**Financial Representative**").

Any Bondholder wishing to offer Target Bonds must follow the procedures for Offers more specifically described herein. Bondholders and their Financial Representatives with questions about this Invitation should contact the Dealer Managers or the Information Agent and Tender Agent. For more information about risks associated with this Invitation, please see "ADDITIONAL CONSIDERATIONS" herein.

**Key Dates and Times**

*All of these dates and times are subject to change. All times are Eastern time.  
Notices of changes will be sent in the manner provided for in this Invitation.*

Launch Date	October 11, 2023
Pricing Notice	On or about October 18, 2023
Expiration Date	5:00 P.M. on October 24, 2023
Preliminary Notice of Acceptance	Approximately 9:00 A.M. on October 25, 2023
Determination of Purchase Prices	Approximately 12:00 P.M. on October 25, 2023
Notice of Purchase Prices	October 25, 2023
Acceptance Date	October 25, 2023
Settlement Date	October 27, 2023

The Dealer Managers  
for this Invitation are

**Lead Dealer Manager**  
**Jefferies LLC**

**Co-Dealer Manager**  
**Ramirez & Co., Inc.**

The Information Agent and Tender Agent  
for this Invitation is

**Globic Advisors Inc.**

## BONDS SUBJECT TO THIS INVITATION

### Target Bonds Offered for Purchase

#### Dormitory Authority of the State of New York

#### State Personal Income Tax Revenue Bonds (General Purpose) (Federally Taxable)

#### BASE CUSIP: 64990F

<u>Series</u>	<u>CUSIP (64990F)<sup>1</sup></u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Par Call Date</u>	<u>Outstanding Principal Amount</u>	<u>Benchmark Treasury Security<sup>2</sup></u>	<u>Indicative Fixed Spread<sup>3</sup> (basis points)</u>
2019F	T20	February 15, 2029	2.727%		\$ 31,975,000	7-Year	37.5 bps
2019F	T38	February 15, 2030	2.777		29,280,000	7-Year	45.0 bps
2019F	QX5	February 15, 2031	2.877		32,565,000	10-Year	57.5 bps
2019F	QY3	February 15, 2032	2.957		21,225,000	10-Year	60.0 bps
2019F	QZ0	February 15, 2033	3.027		39,625,000	10-Year	65.0 bps
2019F	RA4	February 15, 2034	3.057		34,415,000	10-Year	67.5 bps
2019F	RB2	February 15, 2039 <sup>4</sup>	3.110		126,375,000	10-Year	80.0 bps
2019F	XE9	February 15, 2043 <sup>4</sup>	3.190		164,185,000	30-Year	80.0 bps
2021B	B52	March 15, 2029	2.069		6,965,000	7-Year	37.5 bps
2021C <sup>5</sup>	D84	March 15, 2029	1.952		149,755,000	7-Year	37.5 bps
2021C <sup>5</sup>	D92	March 15, 2030	2.052		152,680,000	7-Year	45.0 bps
2021C <sup>5</sup>	E26	March 15, 2031	2.152		155,815,000	10-Year	57.5 bps
2021C <sup>5</sup>	E34	March 15, 2032	2.252	March 15, 2031	159,165,000	10-Year	60.0 bps
2021C <sup>5</sup>	E42	March 15, 2034 <sup>4</sup>	2.202		164,085,000	10-Year	67.5 bps
2022B	Y65	March 15, 2029	3.159		43,470,000	7-Year	37.5 bps
2022B	Z49	March 15, 2035	3.849	March 15, 2031	38,935,000	10-Year	77.0 bps
2022B	Z56	March 15, 2037 <sup>4</sup>	3.999	March 15, 2031	87,070,000	10-Year	86.0 bps

<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of DASNY, the Dealer Managers, or the Information Agent and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

<sup>2</sup> Except for the 30-Year Benchmark Treasury Security which will be the “old long bond” (maturity date May 15, 2053, 3.625%, CUSIP No. 912810TR9) each Benchmark Treasury Security will be the most recently auctioned “on-the-run” U.S. Treasury Security for the maturity indicated as of date and time that the Purchase Price for the Target Bonds is set. The yield on each Benchmark Treasury Security to be used in establishing the applicable Purchase Price for the Target Bonds of each CUSIP will equal the bid-side yield of the applicable Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 12:00 p.m., Eastern time, on October 25, 2023.

<sup>3</sup> The Indicative Fixed Spreads are preliminary and subject to change. The actual Fixed Spread for each CUSIP will appear in the Pricing Notice.

<sup>4</sup> The Target Bonds maturing on February 15, 2039 (CUSIP No. 64990FRB2), February 15, 2043 (CUSIP No. 64990FXE9), March 15, 2034 (CUSIP No. 64990FE42) and March 15, 2037 (CUSIP No. 64990FZ56) are each priced to their average lives of March 18, 2038, June 6, 2042, September 16, 2033 and September 17, 2036, respectively. See “INTRODUCTION – Tender Consideration” of the Invitation for additional information.

<sup>5</sup> The aggregate amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to the Invitation will not exceed \$60,000,000.

## IMPORTANT INFORMATION

*This Invitation and the other information with respect to this Invitation are and will be available from Jefferies LLC, as lead Dealer Manager, along with Ramirez & Co., Inc. as co-Dealer Manager (together, the “Dealer Managers”), and Globic Advisors Inc. (the “Information Agent and Tender Agent”) at <https://emma.msrb.org> and <https://www.globic.com/dasny>. Bondholders wishing to offer their Target Bonds for purchase pursuant to this Invitation must follow the procedures described in this Invitation. DASNY may cancel, amend or otherwise modify or waive any terms or conditions of this Invitation as described herein. The obligation of DASNY to accept offered Target Bonds or to purchase Target Bonds offered and accepted for purchase is subject to the conditions set forth herein, including the Financing Benefit Conditions (as defined herein). DASNY further reserves the right to accept nonconforming Offers of Target Bonds or waive irregularities in any Offer of Target Bonds.*

*The consummation of this Invitation is also subject to certain other conditions as described herein. The purchase of any Target Bonds tendered pursuant to this Invitation is not contingent upon nor in any way related to the contemporaneous Invitation to Offer Bonds for Purchase made by DASNY and the New York State Urban Development Corporation, doing business as Empire State Development, as acknowledged and approved by DOB on behalf of the State, dated October 11, 2023. For information concerning the State Personal Income Tax Revenue Bond program, see Appendix A attached hereto, and the Annual Information Statement of the State, dated June 9, 2023 (the “State AIS”), incorporated by reference herein.*

**TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE BY HOLDERS PURSUANT TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH DASNY DOES NOT PURCHASE PURSUANT TO THIS INVITATION (ALL SUCH TARGET BONDS BEING COLLECTIVELY REFERRED TO HEREIN AS THE “UNPURCHASED BONDS”) WILL REMAIN OUTSTANDING. UNPURCHASED BONDS THAT ARE OFFERED BY HOLDERS BUT NOT PURCHASED BY DASNY WILL BE RETURNED TO THEIR RESPECTIVE HOLDERS. DASNY, AS DIRECTED BY THE STATE, EXPECTS TO LEGALLY DEFEASE SOME OF THE UNPURCHASED BONDS BY DECEMBER 31, 2023. IN NO EVENT SHALL THIS INVITATION IN ANY WAY AFFECT THE ABILITY OF DASNY OR ANY OTHER AUTHORIZED ISSUER TO REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS AT ANY TIME IN THE FUTURE.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THIS INVITATION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS INVITATION IS NOT BEING EXTENDED TO, AND OFFERS OF TARGET BONDS AND TARGET BONDS TENDERED PURSUANT TO THIS INVITATION WILL NOT BE ACCEPTED FROM OR ON BEHALF OF, BONDHOLDERS IN ANY JURISDICTION IN WHICH THIS INVITATION OR SUCH OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. IN ANY JURISDICTIONS WHERE SECURITIES, “BLUE SKY” OR OTHER LAWS REQUIRE THIS INVITATION TO BE MADE THROUGH A LICENSED OR REGISTERED BROKER OR DEALER, THIS INVITATION SHALL BE DEEMED TO BE MADE ON BEHALF OF DASNY THROUGH THE DEALER MANAGERS.**

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

The delivery of this Invitation shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith, since the date hereof. The information contained in this Invitation, including the Appendices, is as of the date of this Invitation only and is subject to change, completion, or amendment without notice.

DASNY, the Dealer Managers and the Information Agent and Tender Agent are not responsible (i) for transmitting any offer nor for (ii) the Depository Trust Company (“**DTC**”) process and Holders’ interactions with DTC and the DTC participants.

The Dealer Managers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including the Appendices or the State AIS incorporated by reference herein. The Dealer Managers have not independently verified any of the information contained herein, and assume no responsibility for the accuracy or completeness of any such information.

None of DASNY, the Dealer Managers or the Information Agent and Tender Agent makes any recommendation that any Bondholder offer or refrain from offering all or any portion of such Bondholder’s Target Bonds for purchase. Bondholders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional (“Financial Representative”) in making these decisions.

Certain statements included in this Invitation constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. DASNY does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Invitation, including the Appendices, contains important information which should be read in its entirety before any decision is made with respect to this Invitation.

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**INVITATION TO OFFER BONDS FOR PURCHASE**

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**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

*to the Beneficial Owners of*

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

**STATE PERSONAL INCOME TAX REVENUE BONDS (GENERAL PURPOSE)**

<b>Series 2019F</b>	<b>Series 2021B</b>	<b>Series 2021C</b>	<b>Series 2022B</b>
<b>(Federally</b>	<b>(Federally</b>	<b>(Federally</b>	<b>(Federally</b>
<b>Taxable)</b>	<b>Taxable)</b>	<b>Taxable)</b>	<b>Taxable)</b>

of the maturities and corresponding CUSIP numbers listed on page (i) hereof

**INTRODUCTION**

**General**

This Invitation to Offer Bonds for Purchase, dated October 11, 2023 (as it may be amended or supplemented, including the cover page, inside cover page and Appendices, this “**Invitation**”), is made by the Dormitory Authority of the State of New York (“**DASNY**”), as acknowledged and approved by the Director of the Budget of the State of New York (“**DOB**”) on behalf of the State of New York (the “**State**”), with the assistance of Jefferies LLC, as lead Dealer Manager, along with Ramirez & Co., Inc. as co-Dealer Manager (together, the “**Dealer Managers**”), to the beneficial owners (the “**Holder**” or “**Bondholders**”) of certain maturities of DASNY’s outstanding State Personal Income Tax Revenue Bonds (General Purpose), Series 2019F (Federally Taxable), Series 2021B (Federally Taxable), Series 2021C (Federally Taxable), and Series 2022B (Federally Taxable) as described on page (i) hereof (the “**Target Bonds**”). DASNY is providing the Holders of the Target Bonds with the opportunity to offer to sell all or a portion of their Target Bonds to DASNY for cash purchase by DASNY. Should DASNY determine to purchase any Target Bonds of a CUSIP, there will be a single purchase price (a “**Purchase Price**”) for such purchased Target Bonds of such CUSIP at which all such Target Bonds of such CUSIP will be purchased. The Purchase Price for the Target Bonds of a CUSIP which DASNY determines to purchase, if any, will not exceed 100% of par and will be based on a fixed spread (“**Fixed Spread**”) to be added to the yields on certain benchmark United States Treasury Securities (each a “**Benchmark Treasury Security**”), as set forth on page (i) of this Invitation. The Fixed Spreads will be set forth in a pricing notice which is expected to be dated October 18, 2023 (as it may be amended and supplemented, the “**Pricing Notice**”), a form of which is attached hereto as Appendix B. Each Bondholder is invited by DASNY to submit an offer (an “**Offer**”) to sell to DASNY, for payment in cash, all or part of its beneficial ownership interests in the Target Bonds in **Authorized Denominations** (as defined herein). The Target Bonds, if any, which DASNY decides to purchase will be purchased on October 27, 2023, unless such date is extended by DASNY (as it may be extended, the “**Settlement Date**”), assuming all conditions to this Invitation have then been satisfied or waived by DASNY. Accrued but unpaid interest on Target Bonds purchased by DASNY, if any, up to but not including the Settlement Date (the “**Accrued Interest**”) will also be paid on the Settlement Date.

DASNY may decide to purchase less than all (or none) of the Target Bonds offered to DASNY (see “**TERMS OF THIS INVITATION – Determination of Amounts to be Purchased**”). Offers must be submitted by 5:00 p.m., Eastern time, on October 24, 2023 (or such later date as DASNY may determine, the “**Expiration Date**”). DASNY may extend, amend, waive the terms of or otherwise modify this Invitation at any time on or prior to the Expiration Date. DASNY may also, at any time prior to the Settlement Date, cancel this Invitation if the conditions set forth herein, including the Financing Benefit Conditions, are not satisfied or waived by DASNY. See “**TERMS OF THIS INVITATION – Extension, Cancellation and Amendment; Changes to Terms**” for a description of the right of DASNY to extend, cancel, amend, waive the terms of or otherwise modify this Invitation.

The total amount paid to all Bondholders whose Target Bonds are validly tendered and accepted for purchase by DASNY pursuant to this Invitation (the “**Aggregate Purchase Price**”), plus Accrued Interest, will be funded from legally available moneys which have been or may be provided by the State to DASNY for such purpose. The total par amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to

this Invitation will not exceed \$60,000,000. DASNY at its sole discretion, in consultation with DOB on behalf of the State, will determine the amount of Target Bonds to purchase from among those validly tendered pursuant to this Invitation. **The purchase of any Target Bonds tendered pursuant to this Invitation is subject to certain conditions, including, without limitation, the Financing Benefit Conditions (as defined below). See “INTRODUCTION – General” herein.**

**Notwithstanding any other provision of this Invitation, the obligation of DASNY to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation is subject to the State making available to DASNY the funds for purchase of such Target Bonds, and the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: DASNY, in consultation with DOB on behalf of the State, determines in its reasonable discretion that it will obtain satisfactory and sufficient economic benefit as a result of market conditions, expected or actual level of participation by Holders of the Target Bonds, or any other factors not within the sole control of DASNY, when taken together with the planned defeasance of some Unpurchased Bonds (as defined herein), all on terms and conditions that are in the State’s best interest (collectively, the “Financing Benefit Conditions”). DASNY reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date.**

**TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE BY HOLDERS PURSUANT TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH DASNY DOES NOT PURCHASE PURSUANT TO THIS INVITATION (ALL SUCH TARGET BONDS BEING COLLECTIVELY REFERRED TO HEREIN AS THE “UNPURCHASED BONDS”) WILL REMAIN OUTSTANDING. UNPURCHASED BONDS THAT ARE OFFERED BY HOLDERS BUT NOT PURCHASED BY DASNY WILL BE RETURNED TO THEIR RESPECTIVE HOLDERS. DASNY, AS DIRECTED BY THE STATE, EXPECTS TO LEGALLY DEFEASE SOME OF THE UNPURCHASED BONDS BY DECEMBER 31, 2023. IN NO EVENT SHALL THIS INVITATION IN ANY WAY AFFECT THE ABILITY OF DASNY OR ANY OTHER ISSUER OF STATE-SUPPORTED DEBT DESIGNATED AS AN “AUTHORIZED ISSUER” UNDER THE LEGISLATION AUTHORIZING THE TARGET BONDS TO REFUND, REDEEM, DEFEASE, OR OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS AT ANY TIME. See “– Unpurchased Bonds” herein.**

#### **Purpose**

This Invitation is being issued as part of a plan of finance to purchase or defease a portion of the Target Bonds from legally available moneys which have been or may be provided by the State to DASNY for such purpose. DASNY, in consultation with DOB on behalf of the State, intends to purchase Target Bonds in order to obtain satisfactory and sufficient economic benefit as a result of the consummation of this Invitation when taken together with the planned defeasance of some Unpurchased Bonds.

On the Settlement Date, DASNY and the New York State Urban Development Corporation, doing business as Empire State Development (“**ESD**”) expect to purchase certain of their respective State Personal Income Tax Revenue Bonds (General Purpose) and State Sales Tax Revenue Bonds (General Purpose) pursuant to an Invitation to Offer Bonds for Purchase made by DASNY and ESD, as acknowledged and approved by DOB on behalf of the State, dated October 11, 2023 (the “**DASNY/ESD Invitation**”). DASNY’s purchase of Target Bonds pursuant to this Invitation is not contingent upon nor in any way related to the DASNY/ESD Invitation.

**For information concerning the State Personal Income Tax Revenue Bond program, see Appendix A attached hereto, and the Annual Information Statement of the State, dated June 9, 2023 (the “State AIS”), incorporated by reference herein. Bondholders must read the entirety of this Invitation, including the Appendices and the State AIS, in order to make an informed decision. See “TERMS OF THIS INVITATION – Information Incorporated by Reference” herein.**

The final decision by DASNY to purchase Target Bonds, and which Target Bonds will be accepted for purchase by DASNY, will be based upon market conditions and other factors outside of the control of DASNY.



## **Tender Consideration**

On or about October 18, 2023, DASNY will publish the Pricing Notice in the form attached hereto as Appendix B, which Pricing Notice will set forth either a confirmation of the indicative Fixed Spreads shown on page (i) of this Invitation or an amendment to the Fixed Spreads for each CUSIP of the Target Bonds.

The applicable Fixed Spread for a CUSIP, expressed as an interest rate percentage, will be added to the yield on the Benchmark Treasury Security corresponding thereto to arrive at a yield (each a “**Purchase Yield**”) used to calculate the Purchase Price for each maturity and corresponding CUSIP of the Target Bonds.

The yields on the Benchmark Treasury Securities (the “**Treasury Security Yields**”) will be determined at approximately 10:00 A.M. Eastern time on October 24, 2023, and will equal the bid-side yield of the Benchmark Treasury Securities as quoted on the Bloomberg Bond Trader FIT1 series of pages. Each Fixed Spread will be added to the relevant Treasury Security Yield to arrive at a Purchase Yield for each CUSIP. The Benchmark Treasury Security for each CUSIP is identified on page (i) of this Invitation and in the Pricing Notice.

The applicable Purchase Yield will be used to calculate the Purchase Prices for each maturity and corresponding CUSIP of the Target Bonds. The Purchase Prices will be calculated using the market standard bond pricing formula as of the Settlement Date using the relevant Purchase Yield and the maturity date for each of the Target Bonds, except that for the following Target Bonds, the Purchase Price will be calculated using the market standard bond pricing formula assuming their average life dates shown below as the maturity date:

<u>Series</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Average Life Date</u>
2019F	64990FRB2	February 15, 2039	March 18, 2038
2019F	64990FXE9	February 15, 2043	June 6, 2042
2021C	64990FE42	March 15, 2034	September 16, 2033
2022B	64990FZ56	March 15, 2037	September 17, 2036

DASNY will publish a Notice of Purchase Prices on October 25, 2023. In addition to the purchase prices of the Target Bonds accepted for purchase by DASNY, Accrued Interest on such Target Bonds will be paid by DASNY on the Settlement Date.

## **Binding Contract to Sell**

If a Bondholder’s Offer to sell Target Bonds is accepted by DASNY by the time specified herein, the Bondholder will be obligated to sell, and DASNY will be obligated to purchase, such Target Bonds on the Settlement Date at the Purchase Price for such Target Bonds, plus Accrued Interest, subject to the conditions described herein.

## **Sources of Funds to Purchase Target Bonds**

The Aggregate Purchase Price and Accrued Interest on the Target Bonds validly tendered and accepted for purchase will be funded from legally available moneys which have been or may be provided by the State to DASNY for such purpose, and paid on the Settlement Date.

## **Brokerage Commissions and Solicitation Fees**

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to DASNY, the Dealer Managers, or the Information Agent and Tender Agent in connection with this Invitation, Offers or consummation of accepted Offers. However, Bondholders should confer with the Financial Representative which maintains the account in which their Target Bonds are held to determine whether it will charge any commissions or fees.

## Unpurchased Bonds

Unpurchased Bonds will continue to be outstanding, and payable and secured pursuant to their terms, subject to the following sentence. DASNY, as directed by the State, expects to legally defease some of the Unpurchased Bonds by December 31, 2023 from legally available moneys which have been or may be provided by the State to DASNY for such purpose. Unpurchased Bonds that are offered but not purchased by DASNY will be returned to the respective Holders of such offered Target Bonds. Holders of Unpurchased Bonds will continue to bear the risk of ownership of such Unpurchased Bonds.

While it is presently expected that DASNY, as directed by the State, will legally defease some of the Unpurchased Bonds by December 31, 2023 from legally available moneys which have been or may be provided by the State to DASNY for such purpose, neither DASNY nor the State make any representation or guarantee that such defeasance will occur prior to December 31, 2023 or at any time in the future. It is possible that no Unpurchased Bonds will be defeased and the Unpurchased Bonds will remain outstanding.

If any Unpurchased Bonds are not legally defeased as expected pursuant to the preceding paragraph, DASNY and other Authorized Issuers may at any time redeem, refund (on an advance or current basis), or defease, all or any portion of the Unpurchased Bonds or may invite Holders to tender such Target Bonds for purchase by DASNY. See “ADDITIONAL CONSIDERATIONS”.

## Dealer Managers, Information Agent and Tender Agent

Jefferies LLC is the lead Dealer Manager, and Ramirez & Co., Inc. is the co-Dealer Manager for this Invitation. Investors with questions about this Invitation should contact the Dealer Managers or Globic Advisors Inc., which serves as Information Agent and Tender Agent for this Invitation, at the addresses and telephone numbers set forth on the page preceding Appendix A. See “DEALER MANAGERS” and “INFORMATION AGENT AND TENDER AGENT” herein.

## TERMS OF THIS INVITATION

### Expiration Date

DASNY’s invitation to submit Offers will expire at 5:00 p.m., Eastern time, on the Expiration Date. Holders tendering Target Bonds must follow the procedures more specifically described herein. Target Bonds offered after 5:00 p.m., Eastern time, on the Expiration Date and prior to the acceptance of Offers by DASNY as described below under the heading “Irrevocability of Offers; Return of Target Bonds Not Purchased” may be accepted by DASNY, in its sole discretion, for purchase.

DASNY may extend the Expiration Date, the Acceptance Date (each as defined herein) or the Settlement Date, or cancel, amend or otherwise modify or waive any conditions of this Invitation as described herein. See “Extension, Cancellation and Amendment; Changes to Terms”.

### Offers Only Through DASNY’s DTC ATOP Account

The Target Bonds are all held in book-entry-only form through the facilities of The Depository Trust Company (“DTC”) and banks, brokers and other institutions that are participants in DTC. DASNY, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program (“ATOP”) account (the “DTC ATOP account”) at DTC for the Target Bonds to which this Invitation relates promptly after the date of this Invitation.

***All Offers must be made through DASNY’s DTC ATOP account. DASNY will not accept any Offers that are not made through the DTC ATOP account. As a result, Holders who are not DTC participants can only make Offers through the financial institution that maintains the DTC account in which their Target Bonds are held.*** **LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.**

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the DTC ATOP account relating to this Invitation and the applicable maturity and CUSIP number in accordance with DTC's procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to this Invitation by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the DTC ATOP account. To ensure a Bondholder's Target Bonds are tendered to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder's Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the DTC ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date.

**DASNY, THE DEALER MANAGERS, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET BONDS TO THE DTC ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET BONDS.**

#### **Information to Bondholders**

DASNY may give information about this Invitation to the market and Bondholders by delivery of the information to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA") and DTC. Additionally, DASNY may give information about this Invitation to the Information Agent and Tender Agent who will deliver information provided to it by DASNY through its website, <https://www.globic.com/dasny> (such website, together with the EMMA website and DTC being collectively referred to herein as the "**Information Services.**"). Delivery of information by or on behalf of DASNY to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

**DASNY, the Dealer Managers, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.**

Bondholders who would like to receive information transmitted by or on behalf of DASNY to the Information Services may receive such information from the Dealer Managers or the Information Agent and Tender Agent by contacting them using the contact information under the heading "MISCELLANEOUS" below.

Any updates to this Invitation will be distributed through the Information Services.

#### **Information Incorporated by Reference**

The State AIS, filed with EMMA, is incorporated by reference in this Invitation. An electronic copy of the State AIS can be accessed through the EMMA system at [www.emma.msrb.org](http://www.emma.msrb.org). The statements made in this Invitation, including the Appendices, are made only as of the date on the cover page of this Invitation and the statements made in the State AIS incorporated by reference herein are made as of the date of the State AIS. Neither the delivery of this Invitation nor any purchase of Target Bonds pursuant to this Invitation shall, under any circumstances, create any implication that the information contained in this Invitation is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or in the State AIS since the date of this Invitation.

Any statements contained in this Invitation or in the State AIS incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Invitation to the extent that a statement contained in this Invitation or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Invitation modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Invitation.

## **Authorized Denominations**

A Bondholder may submit one or more Offers to sell Target Bonds of a CUSIP that it owns in an amount of its choosing, not to exceed the principal amount of such Target Bonds owned by the Bondholder, but in a principal amount equal to \$5,000 or any integral multiple thereof (“**Authorized Denominations**”).

## **Accrued Interest**

In addition to the Aggregate Purchase Price, Accrued Interest will be paid by DASNY to Bondholders whose Target Bonds have been accepted for purchase on the Settlement Date.

## **Provisions Applicable to All Offers**

*Need for Advice.* A Bondholder should ask its Financial Representative for help in determining: (a) whether to offer Target Bonds for purchase, and (b) the principal amount of Target Bonds to be offered for purchase, in each case in response to this Invitation. A Bondholder also should inquire as to whether its Financial Representative or financial advisor will charge a fee for submitting Offers if DASNY purchases the Bondholder’s offered Target Bonds. DASNY, the Dealer Managers, and the Information Agent and Tender Agent will not charge any Bondholder for submitting Offers or tendering Target Bonds.

*Need for Specificity of Offer.* No Offer of Target Bonds of a CUSIP may exceed the principal amount of Target Bonds of such CUSIP owned by the Bondholder and must include (a) the CUSIP number(s) of the Target Bonds being offered and (b) the principal amount of the Target Bonds being offered for purchase (such principal amount must be stated in Authorized Denominations and if not so stated, for Offers to sell less than all of the Bondholder’s position in the Target Bonds, such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Bondholder located outside of the United States should check with its Financial Representative to determine if there are any additional minimal increments, alternative settlement timing or other limitations.

No “all or none”, alternative, conditional or contingent Offers will be accepted.

**ALL OFFERS FOR PURCHASE MUST BE MADE THROUGH THE DTC ATOP ACCOUNT. DASNY WILL NOT ACCEPT ANY OFFERS FOR PURCHASE THAT ARE NOT MADE THROUGH THE DTC ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.** See “TERMS OF THIS INVITATION– Tender of Target Bonds through Financial Institutions; DTC ATOP Account” herein.

*General.* By offering to sell Target Bonds pursuant to this Invitation, a Bondholder represents and agrees with DASNY as set forth under “– Representations by Tendering Bondholders to DASNY”. All Offers shall survive the death or incapacity of the tendering Bondholder. All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by DASNY to the Information Services can review the EMMA Website or the website of the Information Agent and Tender Agent at <https://www.globic.com/dasny>, or otherwise must make appropriate arrangements with their Financial Representatives or the Information Agent and Tender Agent.

## **Representations by Tendering Bondholders to DASNY**

By offering to sell and tendering Target Bonds for purchase pursuant to this Invitation, each tendering Bondholder represents to and agrees with DASNY that:

(a) the Bondholder has received this Invitation and has had the opportunity to review this Invitation, in its entirety, including “Certain Information Regarding the State Personal Income Tax Revenue Bond Program” attached hereto as Appendix A, and the State AIS incorporated by reference herein, prior to making its decision to submit an Offer to tender Target Bonds, and agrees if its Offer is accepted by DASNY with respect to any Target Bonds, it will be obligated to sell such Target Bonds on the terms and conditions set forth in this Invitation, and if the purchase of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Invitation;

(b) the Bondholder has full power and authority to offer to tender, sell, assign and transfer the tendered Target Bonds; and if its Offer is accepted by DASNY with respect to any Target Bonds, on the Settlement Date, DASNY will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the purchase price for such Target Bonds plus Accrued Interest;

(c) the Bondholder has made its own independent decision to offer and tender its Target Bonds for purchase pursuant to this Invitation, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from DASNY, the Dealer Managers or the Information Agent and Tender Agent as investment advice or as a recommendation to offer and tender the Bondholder's Target Bonds, it being understood that the information from DASNY, the Dealer Managers and the Information Agent and Tender Agent related to the terms and conditions of this Invitation made pursuant to this Invitation shall not be considered investment advice or a recommendation to offer and tender Target Bonds; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Invitation and the Bondholder's Offer.

#### **Tender of Target Bonds through Financial Institutions; DTC ATOP Account**

DASNY, through the Information Agent and Tender Agent, will establish the DTC ATOP account for purposes of this Invitation within three Business Days (as defined below) after the date of this Invitation. Offers to sell Target Bonds in accordance with this Invitation may be made to DASNY through the DTC ATOP account. Any financial institution that is a participant in DTC may make a book-entry Offer of the Target Bonds by causing DTC to transfer the Target Bonds into the DTC ATOP account in accordance with DTC's procedures.

Concurrently with the delivery of Target Bonds through book-entry transfer into the DTC ATOP account, an Agent's Message (defined below) in connection with such book-entry transfer must be transmitted to and received at the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date (as this date may have been changed pursuant to this Invitation).

The confirmation of a book-entry transfer into the DTC ATOP account as described above is referred to herein as a "**Book-Entry Confirmation.**" The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the DTC participant and forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering the Target Bonds that are the subject of such Book-Entry Confirmation, and stating (1) the CUSIP number, series, principal amount of the Target Bonds that have been offered by such participant pursuant to this Invitation, and (2) that such participant on behalf of the related Holder agrees to be bound by the terms of this Invitation. By causing DTC to transfer Target Bonds into the DTC ATOP account, a financial institution warrants to DASNY that it has full authority, and has received from the Bondholder(s) of such Target Bonds all direction necessary, to tender and sell such Target Bonds as set forth in this Invitation. Bondholders who are not DTC participants can only tender Bonds pursuant to this Invitation by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the DTC ATOP account. To ensure a Bondholder's Target Bonds are tendered to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Target Bonds to the DTC ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date.

Target Bonds delivered into the DTC ATOP account must be in an amount expressed as the principal amount of such Target Bonds of its choosing (in Authorized Denominations).

"**Business Day**" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which the offices of DASNY or banking institutions in New York, New York, are required or authorized by law to be closed.

**DASNY, THE DEALER MANAGERS, AND THE INFORMATION AGENT AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET BONDS TO DASNY'S DTC ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET BONDS.**

**Determinations as to Form and Validity of Offers; Right of Waiver**

All questions as to the validity (including the time of receipt at the DTC ATOP account), form, eligibility, and acceptance of Offers will be determined by DASNY in its sole discretion, and will be final, conclusive and binding on the Holders.

DASNY reserves the right to waive any irregularities or defects in any Offer. DASNY, the Dealer Managers and the Information Agent and Tender Agent are not obligated to give notice to the Holders of any defects or irregularities in Offers, and they will have no liability for failing to give such notice.

**Amendments and Withdrawals of Offers Prior to Expiration Date**

A Holder may amend its Offer by causing a withdrawal message for the Offer to be received at the DTC ATOP account with a new Offer for the same Target Bonds to be submitted to the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date.

A Holder may withdraw its Offer by causing a withdrawal notice to be received at the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date.

Any amendment or withdrawal must be submitted in substantially the same manner as an Offer in response to this Invitation. *All amendments or withdrawal notices must be made through the DTC ATOP account. DASNY will not accept any amendments or withdrawals that are not made through the DTC ATOP account.* Holders who are not DTC participants can only amend or withdraw their Offer by making arrangements with and instructing their DTC participant to submit the Holder's amended Offer or the Holder's notice of withdrawal through the DTC ATOP account.

**Bondholders who have tendered their Target Bonds for purchase will not receive any information from DASNY, the Dealer Managers or the Information Agent and Tender Agent concerning Offers by other Bondholders. Offering Bondholders will not be afforded an opportunity to amend their offers after 5:00 p.m. on the Expiration Date. An amended or withdrawn offer must specify the applicable CUSIP number, and with respect to amended offers, the principal amount previously offered and the new amount being offered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by DASNY in its sole discretion and will be final, conclusive and binding.**

**Irrevocability of Offers; Return of Target Bonds Not Purchased**

All Offers will become irrevocable at 5:00 p.m., Eastern time, on the Expiration Date, subject to change as set forth in “– Extension, Cancellation and Amendment; Changes to Terms”.

Bondholders will not have the ability to submit amended offers after the Expiration Date.

DASNY will instruct DTC to return to the offering institutions those Target Bonds that were offered but were not accepted for purchase. None of DASNY, the Dealer Managers or the Information Agent and Tender Agent is responsible or liable for the return of Target Bonds to offering institutions or Bondholders or for when such Target Bonds are returned.

**Determination of Amounts to be Purchased**

DASNY is not required to purchase any Target Bond offered. DASNY will determine which Target Bonds (and the corresponding CUSIP), if any, it will purchase. DASNY therefore has the right to purchase none, some, or all of the offered Target Bonds for each CUSIP.

On October 25, 2023, unless such date is extended by DASNY (the “**Acceptance Date**”), DASNY will make a final determination of the principal amount of Target Bonds of each CUSIP that it wishes to purchase (each such principal amount, a “**Purchased Amount**”) from among those Target Bonds of such CUSIP that were offered for purchase. DASNY will determine the amount, if any, of Target Bonds of each CUSIP that it purchases as specified on the Acceptance Date based on its determination, in consultation with DOB, of the economic benefit from such purchase. The total par amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to this Invitation will not exceed \$60,000,000. The final determination whether to purchase Target Bonds, and, if less than all of the Target Bonds of a particular CUSIP are finally accepted for purchase, the reduction of the amounts of Target Bonds of such CUSIP that will be purchased, will be made on a pro rata basis as described in “– Acceptance of Offers for Purchase and Notice of Acceptance” herein. Notice of the final Purchased Amount for each CUSIP, the Principal Amount of all Target Bonds (if any) to be purchased, and if relevant, allocation of the final Purchased Amount to each sinking fund redemption requirement will be provided to the Information Services on the Acceptance Date. See “– Notice of Acceptance”.

### **Determination of Purchase Price**

The Purchase Price for the Target Bonds of each CUSIP will be determined at approximately 12:00 P.M. Eastern time on October 25, 2023 as further described herein under “INTRODUCTION – Tender Consideration” using the Fixed Spreads as set forth in the Pricing Notice expected to be delivered on or about October 18, 2023, a form of which is attached hereto as Appendix B. The Purchase Prices will be included in the Notice of Purchase Prices expected to be delivered to the Information Services on or about October 25, 2023.

### **Sinking Fund Amortization of Certain Unpurchased Bonds**

The Target Bonds with the following CUSIPs: 64990FRB2, 64990FXE9, 64990FE42 and 64990FZ56, are subject to mandatory sinking fund redemption in specified annual principal amounts prior to their respective maturity dates. Since fewer than all of such Target Bonds may be purchased by DASNY pursuant to this Invitation, if any of such Target Bonds are purchased, each of the original principal amounts to be redeemed on each mandatory sinking fund redemption date or paid at maturity of such Target Bonds may be reduced. DASNY is permitted to and intends to apply purchases of the Target Bonds with CUSIPs 64990FRB2 and 64990FXE9 to any sinking fund redemption requirement of its choosing including, without limit, to the earliest sinking fund requirements. Such application may result in the extension of the average life of such Unpurchased Bonds. As such, those Unpurchased Bonds will continue to be subject to the mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule. With respect to the Target Bonds with CUSIPs 64990FE42 and 64990FZ56, any purchase of such Target Bonds is required to be applied to any sinking fund redemption on a pro rata pass-through distribution of principal basis. As a result of the purchase of such Target Bonds, the sinking fund schedule of the Unpurchased Bonds of such CUSIP numbers will be adjusted downward pro rata so the average life of such Unpurchased Bonds will not be materially changed.

### **Acceptance of Offers for Purchase and Notice of Acceptance**

All Offers will become irrevocable as of 5:00 p.m., Eastern time, on the Expiration Date, subject to change as set forth in “– Extension, Cancellation and Amendment; Changes to Terms”.

On the Acceptance Date, DASNY will make a final determination of the Purchased Amount of Target Bonds of each CUSIP that it wishes to purchase from among those Target Bonds offered for purchase. Notice of the final Purchased Amount of each CUSIP and the aggregate principal amount of all Target Bonds to be purchased will be provided to the Information Services on the Acceptance Date (the “**Notice of Acceptance**”). This notification will state the Purchased Amount of the Target Bonds of each CUSIP that DASNY has agreed to purchase, which may be zero, and the Purchase Price for the Target Bonds of each CUSIP (if any) that DASNY will purchase.

If, as of the Acceptance Date, DASNY accepts any Offer, the accepted Offer will constitute an irrevocable agreement by the offering Bondholder to sell and DASNY to purchase such Target Bonds, subject to satisfaction or waiver of all conditions to DASNY’s obligation to purchase tendered Target Bonds. Notwithstanding the prior sentence, DASNY may cancel this Invitation at any time prior to the Settlement Date if the conditions set forth herein are not satisfied or waived by DASNY. DASNY will have no obligation to purchase Target Bonds if this Invitation is canceled. See “– Extension, Cancellation and Amendment; Changes to Terms”.

If the aggregate principal amount of Target Bonds of a particular CUSIP tendered and accepted for purchase is less than aggregate principal amount of Target Bonds of a particular CUSIP tendered for purchase, DASNY will accept such Target Bonds on a pro rata basis. In such case, the principal amount of each individual offer will be reduced, pro rata, based upon the ratio of principal amount of the Target Bonds of a particular CUSIP accepted for purchase divided by the aggregate principal amount of Target Bonds of a particular CUSIP tendered for purchase. If, as a result of any such pro rata acceptance, DASNY is required to accept a principal amount of Target Bonds that is not equal to an Authorized Denomination, DASNY will round up to the nearest principal amount of Target Bonds to be accepted from any affected tender submission so that the principal amount of its Target Bonds accepted will be equal to an Authorized Denomination and not in an amount in excess of the amount accepted for purchase.

#### **Settlement Date; Purchase of Target Bonds**

Subject to satisfaction of all conditions to DASNY's obligation to purchase Target Bonds offered and accepted for purchase pursuant to this Invitation, as described herein, including, without limitation, the Financing Benefit Conditions, on the Settlement Date, DASNY will purchase and pay for all Target Bonds validly tendered for sale to DASNY pursuant to accepted Offers, at the applicable Purchase Price, plus Accrued Interest and the tendering Bondholders will sell such Target Bonds to DASNY for such consideration.

If the conditions to DASNY's obligation to purchase Target Bonds are satisfied or waived, DASNY will pay the Aggregate Purchase Price and Accrued Interest in immediately available funds on the Settlement Date by deposit of such amount with DTC. DASNY expects that, in accordance with DTC's standard procedures, DTC will transmit amounts sufficient to purchase the tendered Target Bonds at the relevant Purchase Price and Accrued Interest in immediately available funds to its participant financial institutions that hold such tendered Target Bonds for delivery to the Bondholders. **None of DASNY, the Dealer Managers or the Information Agent and Tender Agent has any responsibility or liability for the distribution of such amounts by DTC or its participant financial institutions to Bondholders.**

#### **Extension, Cancellation and Amendment; Changes to Terms**

DASNY may extend this Invitation by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Expiration Date, or any prior extension thereof. Notice of an extension of the Expiration Date will be effective when such notice is given.

DASNY may extend the Acceptance Date and/or the Settlement Date by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Acceptance Date and/or Settlement Date, as applicable, or any prior extension thereof. Notice of an extension of the Acceptance Date and/or the Settlement Date will be effective when such notice is given.

DASNY may amend, waive the terms of or otherwise modify this Invitation at any time on or prior to the Expiration Date, by giving notice to the Information Services of such amendment, waiver or other modification. The amendment, waiver or modification will be effective at the time specified in such notice.

DASNY may, at any time prior to the Settlement Date, cancel this Invitation if the conditions set forth herein are not satisfied or waived by DASNY by giving notice to the Information Services of such cancellation. DASNY will have no obligation to purchase Target Bonds if cancellation of this Invitation occurs.

If DASNY amends, modifies or waives any of the terms or conditions of this Invitation in any respect, DASNY may (but is not required to) disseminate additional Invitation materials and extend this Invitation to the extent required to allow, in DASNY's judgment, reasonable time for dissemination to Holders and for Holders to respond.

If DASNY amends the terms of this Invitation, which amendment may include a waiver of any term, in any material respect, notice of such amendment or waiver will be given no later than three (3) Business Days before the Expiration Date, as extended to provide reasonable time for dissemination of such amendment or waiver to Holders and for Holders to respond.



No extension or amendment or other modification or waiver of the terms or conditions of this Invitation will change DASNY's right to decline to purchase Target Bonds without liability on the conditions stated herein or give rise to any liability of DASNY or the Information Agent and Tender Agent to any Holder or nominee.

### ADDITIONAL CONSIDERATIONS

In deciding whether to submit an Offer in response to this Invitation, each Bondholder should consider carefully, in addition to the other information contained in this Invitation, the following:

**Unpurchased Bonds.** Holders of Unpurchased Bonds will continue to hold such Unpurchased Bonds and such Unpurchased Bonds will remain outstanding. See "INTRODUCTION – Unpurchased Bonds" herein. The average life of those Unpurchased Bonds that are term bonds subject to annual sinking fund redemption with CUSIP numbers 64990FRB2 and 64990FXE9 may be extended. See "TERMS OF THIS INVITATION - Sinking Fund Amortization of Certain Unpurchased Bonds" herein.

**Expected Legal Defeasance of Unpurchased Bonds.** DASNY, as directed by the State, expects to legally defease some of the Unpurchased Bonds by December 31, 2023 from legally available moneys which have been or may be provided by the State to DASNY for such purpose by funding an escrow consisting of direct non-callable obligations of the United State of America and initial cash to provide for payment of the principal or redemption price of and interest on the applicable Unpurchased Bonds. The defeased Unpurchased Bonds will no longer be outstanding under the applicable resolution. Defeasance may result in the withdrawal of certain ratings on the defeased Unpurchased Bonds (see "- Ratings" below). Accordingly, it is possible that such Unpurchased Bonds would have a market value at which a Bondholder could sell such defeased Unpurchased Bonds at a more or less advantageous price than will be available through this Invitation.

**Other Refunding or Tender.** DASNY or any other Authorized Issuer may at any time redeem, refund (on an advance or current basis), or defease, all or any portion of the Unpurchased Bonds or may invite Holders to tender such Target Bonds for purchase by DASNY. Accordingly, it is possible that such Target Bonds would be redeemed or purchased at a more or less advantageous price than will be available through this Invitation at any time as part of another transaction.

**Market for Target Bonds.** The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondholders may be able to sell Target Bonds at a price greater than the Purchase Price(s).

**Ratings.** As of the date of this Invitation, the Series 2019F Target Bonds are rated "Aa1" (stable outlook) by Moody's Investors Service, Inc., and "AA+" (stable outlook) by Fitch Ratings Inc., and the Series 2021B, Series 2021C, and Series 2022B Target Bonds are rated AA+ (stable outlook) by S&P and AA+ (stable outlook) by Fitch. The ratings of the Target Bonds by each rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency.

There is no assurance that the current ratings assigned to the Target Bonds will continue for any given period of time or that any of such ratings will not be revised upward or downward, suspended or withdrawn entirely by any rating agency. Any such upward or downward revision, suspension or withdrawal of such ratings may have an effect on the availability of a market for or the market price of the Target Bonds. Each Bondholder should review these ratings and consult with its Financial Representatives concerning them.

**Market Conditions.** The purpose of this Invitation is to provide DASNY with the opportunity to retire a portion of the Target Bonds. The final decision to purchase Target Bonds, and which Target Bonds will be accepted for purchase by DASNY will be based upon the amount of moneys available to the State for such purchase, and market conditions and other factors outside of the control of DASNY.

**Certain Potential Effects of this Invitation on Target Bonds Not Purchased pursuant to this Invitation.** The purchase of Target Bonds by DASNY may have certain potential adverse effects on owners of Unpurchased Bonds, including that the principal amount of the Unpurchased Bonds available to trade publicly will

be reduced, which could adversely affect the liquidity and market value of the Unpurchased Bonds. The average lives of Unpurchased Bonds that are Target Bonds with CUSIPs 64990FRB2 and 64990FXE9 may be extended.

### **SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

The following is a general summary of the U.S. federal income tax consequences for tendering Bondholders. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. The discussion below does not purport to deal with U.S. federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in the Target Bonds in light of the investor's particular circumstances or to certain types of investors subject to special treatment under U.S. federal income tax laws. Tendering Bondholders should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS"), and no assurance can be given that the IRS will not take contrary positions, with respect to any of the U.S. federal income tax consequences discussed below. This U.S. federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by DASNY or any of its advisors or agents to the Bondholders, and Bondholders therefore should not rely upon such discussion.

**BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE TENDER OF TARGET BONDS PURSUANT TO THIS INVITATION, INCLUDING REGARDING THE RECEIPT OF ACCRUED INTEREST ON ANY TENDERED TARGET BONDS UP TO, BUT NOT INCLUDING THE SETTLEMENT DATE, WHICH ACCRUED INTEREST IS NOT REFLECTED IN THE PURCHASE PRICE.**

A Bondholder who tenders its Target Bonds for cash pursuant to this Invitation generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized, which is the purchase price (not including Accrued Interest) received by the Bondholder, and the Bondholder's adjusted tax basis in its tendered Target Bonds. Any gain or loss arising in connection with a taxable sale pursuant to this Invitation may be capital gain or loss (either long-term or short-term, depending on the Bondholder's holding period for the tendered Target Bonds) or may be ordinary income or loss, depending on the particular circumstances of the Bondholder. Non-corporate holders may be eligible for reduced rates of U.S. federal income tax on long-term capital gains. The deductibility of capital losses is subject to various limitations. A Bondholder's amount realized and adjusted tax basis are determined as set forth in the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (collectively, the "Code").

Payments to a Bondholder in connection with a tender of Target Bonds pursuant to this Invitation may, under certain circumstances, be subject to U.S. federal backup withholding. Backup withholding applies if such Bondholder: (i) fails to furnish such Bondholder's social security number or other taxpayer identification number ("TIN"); (ii) furnishes an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such Bondholder is not subject to backup withholding. Bondholders should consult their own tax advisors regarding whether backup withholding applies to them and, if backup withholding applies, regarding qualification for an exemption from backup withholding and the procedures for obtaining such exemption.

### **DEALER MANAGERS**

DASNY has retained Jefferies LLC, as lead Dealer Manager, and Ramirez & Co., Inc. as co-Dealer Manager for this Invitation. DASNY has agreed to pay to the Dealer Managers a fee for their services and to reimburse the Dealer Managers for their reasonable expenses relating to this Invitation. References in this Invitation to the Dealer Managers are to Jefferies LLC and Ramirez & Co., Inc. only in their capacities as Dealer Managers. The compensation of the Dealer Managers is based upon the amount of Target Bonds accepted for purchase by DASNY.

The Dealer Managers may contact Bondholders regarding this Invitation and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Dealer Managers, together with their respective affiliates, each comprise a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Managers and their affiliates may have, from time to time, performed and may in the future perform, various investment banking services for DASNY for which they received or will receive fees and expenses. In the ordinary course of their various business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of DASNY, including the Target Bonds. Affiliates of the Dealer Managers may have holdings of Target Bonds that they are unable to disclose for legal or regulatory reasons.

The Dealer Managers are not acting as financial or municipal advisors to DASNY in connection with this Invitation.

### **INFORMATION AGENT AND TENDER AGENT**

Globic Advisors Inc. has been retained to serve as Information Agent and Tender Agent for this Invitation. DASNY has agreed to pay the Information Agent and Tender Agent fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable expenses relating to this Invitation.

### **MISCELLANEOUS**

No one has been authorized by DASNY, DOB, the Dealer Managers or the Information Agent and Tender Agent to recommend to any Holders whether to offer to sell Target Bonds in response to this Invitation or the amount of Target Bonds to offer, and none of DASNY, DOB, the Dealer Managers or the Information Agent and Tender Agent makes any recommendation that any Bondholder offer to sell (or refrain from offering) all or any portion of such Holder's Target Bonds. No one has been authorized by DASNY, DOB, the Dealer Managers or the Information Agent and Tender Agent to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation (inclusive of the Appendices), and any such recommendation, information, and representations given or made cannot be relied upon as having been authorized by DASNY, DOB, the Dealer Managers or the Information Agent and Tender Agent. Bondholders must make these decisions and should read this Invitation and consult with their Financial Representative in doing so.

#### **The Information Agent and Tender Agent for this Invitation is:**

**Globic Advisors Inc.**  
**Attn: Robert Stevens**  
**485 Madison Ave, 7<sup>th</sup> Floor**  
**New York, New York 10022**  
**Phone: (212) 227-9622**  
**Email: [rstevens@globic.com](mailto:rstevens@globic.com)**

#### **The Dealer Managers for this Invitation are:**

**Jefferies LLC**  
**Attn: Municipal Syndicate Desk**  
**520 Madison Avenue**  
**New York, New York 10022**  
**Tel: (800) 567-8567**  
**Email: [muni\\_underwriting@jefferies.com](mailto:muni_underwriting@jefferies.com)**

**Ramirez & Co., Inc.**  
**Attn: Ted Sobel**  
**61 Broadway, 29<sup>th</sup> Floor**  
**New York, New York 10006**  
**Tel : 212-37-7127**  
**Email : [ted.sobel@ramirezco.com](mailto:ted.sobel@ramirezco.com)**

Dated: October 11, 2023

**APPENDIX A**

**CERTAIN INFORMATION REGARDING THE  
STATE PERSONAL INCOME TAX REVENUE BOND PROGRAM**

## **Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program**

On December 22, 2017, former President Trump signed into law the Tax Cuts and Jobs Act of 2017 (the “TCJA”) (H.R. 1, P.L. 115-97), making major changes to the Federal Internal Revenue Code, most of which were effective in tax year 2018. The TCJA made extensive changes to Federal personal income taxes, corporate income taxes, and estate taxes. The State has since enacted legislation, described below to mitigate the negative impact of the TCJA on State taxpayers, which have impacted the State Personal Income Tax Revenue Bond financing program.

To offset the potential reduction in New York State Personal Income Tax Receipts, the Fiscal Year (“FY”) 2019 Enacted Budget amended the State Finance Law and the Enabling Act so as to hold harmless the State Personal Income Tax Revenue Bond Financing Program. Accordingly, the enacted legislation provided for:

1. An increase from 25 percent to 50 percent in the statutory allocation of New York State Personal Income Tax Receipts imposed by Article 22 of the Tax Law, which exclude refunds owed to taxpayers, that is required to be deposited in the Revenue Bond Tax Fund to provide for the payment of State Personal Income Tax Revenue Bonds.

2. An increase in the statutory maximum amount of New York State Personal Income Tax Receipts and New York State ECEP Receipts required to be deposited to the aggregate of the annual New York State Personal Income Tax Receipts and New York State ECEP to be the greater of 40 percent of the annual New York State Personal Income Tax Receipts or \$12 billion in the event that the State Legislature either fails to appropriate or, once appropriated, fails to pay, amounts sufficient to make financing agreement payments for outstanding New York State Personal Income Tax Revenue Bonds (the “Maximum Revenue Bond Tax Fund Deposit”). Prior to the State legislative changes, the amount required to be deposited was the greater of 25 percent of Revenue Bond Tax Fund Receipts or \$6 billion.

***Employer Compensation Expense Program (ECEP) / Charitable Gifts Trust Fund.*** State tax reforms enacted in 2018 to mitigate issues arising from the TCJA included the creation of an optional payroll tax program (ECEP), and establishment of a new State Charitable Gifts Trust Fund. The ECEP and the Charitable Gifts Trust Fund were expected to reduce New York State Personal Income Tax Receipts, to the extent that employers elected to participate in the ECEP and taxpayers made donations to the Charitable Gifts Trust Fund.

The ECEP was created pursuant to Article 24 of the Tax Law and a corresponding amendment to the Enabling Act provide that 50 percent of New York State ECEP Receipts, which exclude refunds owed to employers, be deposited into the Revenue Bond Tax Fund. The ECEP establishes an optional tax on payroll expenses that employers can elect to pay if they have employees that earn over \$40,000 annually in the State. Accompanying State legislation created a new Personal Income Tax credit for employees whose wages are subject to the ECEP tax. The credit is calculated using a statutory formula that corresponds in value to the tax imposed by the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of New York State ECEP Receipts. Therefore, from a Revenue Bond Tax Fund perspective, the ECEP was expected to be revenue neutral.

The State Charitable Gifts Trust Fund was created to accept gifts for the purposes of improving health care and education in the State and allowing taxpayers who itemize deductions to claim a Personal Income Tax deduction. The State Legislation also created a Personal Income Tax credit equal to 85 percent of the donation amount. However, subsequent IRS regulatory action effectively curtailed further donations to the Charitable Gifts Trust Fund beyond the \$93 million in donations the State received in 2018. As a result, the State does not expect that the Charitable Gifts Trust Fund will have a material impact on the Personal Income Tax Revenue Bond Program or on amounts deposited into the Revenue Bond Tax Fund unless (i) the State were to prevail in a 2019 lawsuit filed by the State and joined by Connecticut and New Jersey seeking to restore the full federal

income tax deduction for charitable contributions, regardless of the amount of any state tax credit provided to taxpayers as a result of contributions made to the Charitable Gifts Trust Fund, and (ii) the federal limitations on the deductibility of state and local tax payments (“SALT”), which are currently scheduled to expire on December 31, 2025, are extended by Congress. Accordingly, projections of New York State Personal Income Tax Receipts do not include an estimate of charitable donations or the impact of such donations on Revenue Bond Tax Fund Receipts.

***Pass-Through Entity Tax.*** In connection with the FY 2022 Enacted Budget Financial Plan, the State Legislature enacted legislation that provides for an optional pass-through entity tax (the “PTET”) on the State sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay PTET will pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders will receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity. Additionally, the program includes a resident tax credit that allows reciprocity with other states that have implemented substantially similar taxes, which currently include Connecticut and New Jersey.

The New York State Division of the Budget (the “Division of the Budget”) expects that the PTET legislation will be revenue neutral for the State on a multi-year basis; however, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral for the State within each fiscal year and redistribution of total revenue across fiscal years is expected to be significant. To hold harmless the Revenue Bond Tax Fund and to maintain comparable levels of amounts to be deposited into the Revenue Bond Tax Fund for the Bondholders, the State Legislature also enacted legislation that causes 50 percent of receipts from PTET to be deposited into the Revenue Bond Tax Fund. Accordingly, aggregate contributions to the Revenue Bond Tax Fund are expected to be unaffected because 50 percent of both New York State Personal Income Tax Receipts and New York State PTET Receipts will be deposited into the Revenue Bond Tax Fund.

The Fiscal Year 2024 Enacted Budget Financial Plan includes estimates for PTET receipts and a corresponding decrease in PIT receipts. The overall impact on projected Revenue Bond Tax Fund receipts is that PTET increased FY 2022 receipts, decreased FY 2023 receipts by a significant amount, and is expected to decrease FY 2024 receipts. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized.

The U.S. Treasury Department and IRS have determined that State and local income taxes imposed on and paid by a partnership or an S corporation on its income, such as the PTET, are allowable as a Federal deduction to taxable income and in November 2020, the IRS released Notice 2020-75 which stated the intention to issue regulations with respect to such pass-through taxes.

## **SOURCES OF REVENUE BOND TAX FUND RECEIPTS**

### **General History of the State Personal Income Tax**

In 1919, New York State became the seventh state to enact a personal income tax. The present system of conformity to federal tax law with respect to income and deductions was adopted in 1960. The personal income tax is New York’s largest source of tax revenue and consistently accounts for more than one-half of all State tax receipts.

The State’s personal income tax structure adheres closely to the definitions of adjusted gross income and itemized deductions used for federal personal income tax purposes, with certain modifications, such as: (1) the inclusion of investment income from debt instruments issued by other states and municipalities and the exclusion of income on certain federal obligations; and (2) the exclusion of pension income received by federal, New York State and local government employees, private pension and annuity income up to \$20,000 (\$40,000

for married couples filing jointly), and any Social Security income and refunds otherwise included in federal adjusted gross income.

Changes in federal tax law from time to time may positively or negatively affect the amount of personal income tax receipts collected by the State. State Tax Law changes may also impact personal income tax receipts by authorizing a wide variety of credits against the personal income tax liability of taxpayers. See “Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program.”

Major tax credits include: Empire State Child Credit; Earned Income Tax Credit; Child and Dependent Care Credit; Household Credit; College Tuition Credit; Long-term Care Insurance Credit; Investment Credits; Solar Energy System Equipment; STAR credit for new homeowners and the New York City STAR PIT credit.

### **Personal Income Tax Rates**

Taxable income equals New York adjusted gross income (“AGI”) less deductions and exemptions. The tax provides separate rate schedules for married couples, single individuals and heads of households. For the 2009 through 2011 tax years, the State income tax was imposed at rates ranging from 4.0 percent to 8.97 percent on the taxable income of individuals, estates and trusts. For taxpayers with \$100,000 or more of AGI, the savings from graduated marginal tax rates is recaptured through a supplementary mechanism in effect since 1991. Between tax years 2012 and 2017, the tax tables were revised to include additional middle-income brackets with reduced tax rates and a new top bracket, which imposed a tax rate of 8.82 percent. The tax tables were also subject to annual inflation-based adjustment beginning tax year 2013 and ending tax year 2017. Tax rate reductions were applied to the aforementioned middle-income brackets in tax year 2018 as part of a scheduled eight-year phase-in of middle-income tax cuts. Beginning tax year 2021, the former 8.82 percent top rate increased to 9.65 percent and two new high-income brackets were added, including a new top rate of 10.9 percent. The phase-in of the middle-income tax cuts was accelerated by FY 2023 Enacted Budget legislation, rendering the cuts fully-effective beginning tax year 2023.

The following tables set forth the current rate schedules for tax years 2023 through 2027 and for tax years 2028 and thereafter.

## New York State Personal Income Tax Rates for Tax Years 2023 through 2027

### Married Filing Jointly and Qualified Widow(er)

**Tax\***

Taxable Income:

Not over \$17,150 .....	4% of taxable income
Over \$17,150 but not over \$23,600 .....	\$686 plus 4.50% of excess over \$17,150
Over \$23,600 but not over \$27,900 .....	\$976 plus 5.25% of excess over \$23,600
Over \$27,900 but not over \$161,550 .....	\$1,202 plus 5.50% of excess over \$27,900
Over \$161,550 but not over \$323,200 .....	\$8,553 plus 6.00% of excess over \$161,550
Over \$323,200 but not over \$2,155,350 .....	\$18,252 plus 6.85% of excess over \$323,200
Over \$2,155,350 but not over \$5,000,000 .....	\$143,754 plus 9.65% of excess over \$2,155,350
Over \$5,000,000 but not over \$25,000,000 .....	\$418,263 plus 10.3% of excess over \$5,000,000
Over \$25,000,000 .....	\$2,478,263 plus 10.9% of excess over \$25,000,000

### Single, Married Filing Separately, Estates and Trusts

**Tax\***

Taxable Income:

Not over \$8,500 .....	4% of taxable income
Over \$8,500 but not over \$11,700 .....	\$340 plus 4.50% of excess over \$8,500
Over \$11,700 but not over \$13,900 .....	\$484 plus 5.25% of excess over \$11,700
Over \$13,900 but not over \$80,650 .....	\$600 plus 5.50% of excess over \$13,900
Over \$80,650 but not over \$215,400 .....	\$4,271 plus 6.00% of excess over \$80,650
Over \$215,400 but not over \$1,077,550 .....	\$12,356 plus 6.85% of excess over \$215,400
Over \$1,077,550 but not over \$5,000,000 .....	\$71,413 plus 9.65% of excess over \$1,077,550
Over \$5,000,000 but not over \$25,000,000 .....	\$449,929 plus 10.3% of excess over \$5,000,000
Over \$25,000,000 .....	\$2,509,929 plus 10.9% of excess over \$25,000,000

### Head of Household

**Tax\***

Taxable Income:

Not over \$12,800 .....	4% of taxable income
Over \$12,800 but not over \$17,650 .....	\$512 plus 4.50% of excess over \$12,800
Over \$17,650 but not over \$20,900 .....	\$730 plus 5.25% of excess over \$17,650
Over \$20,900 but not over \$107,650 .....	\$901 plus 5.50% of excess over \$20,900
Over \$107,650 but not over \$269,300 .....	\$5,672 plus 6.00% of excess over \$107,650
Over \$269,300 but not over \$1,616,450 .....	\$15,371 plus 6.85% of excess over \$269,300
Over \$1,616,450 but not over \$5,000,000 .....	\$107,651 plus 9.65% of excess over \$1,616,450
Over \$5,000,000 but not over \$25,000,000 .....	\$434,163 plus 10.3% of excess over \$5,000,000
Over \$25,000,000 .....	\$2,494,163 plus 10.9% of excess over \$25,000,000

\* A supplemental income tax recaptures the savings due to graduated marginal tax rates such that, for example, when a taxpayer's AGI exceeds \$25,050,000 in tax years 2023 through 2027, all taxable income becomes effectively subject to a flat 10.9 percent tax rate.

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**New York State Personal Income Tax Rates for Tax Years 2028 and Thereafter**

**Married Filing Jointly**

**Tax<sup>±</sup>**

Taxable Income:

Not over \$17,150 .....	4% of taxable income
Over \$17,150 but not over \$23,600 .....	\$686 plus 4.50% of excess over \$17,150
Over \$23,600 but not over \$27,900 .....	\$976 plus 5.25% of excess over \$23,600
Over \$27,900 but not over \$161,550 .....	\$1,202 plus 5.50% of excess over \$27,900
Over \$161,550 but not over \$323,200 .....	\$8,553 plus 6.00% of excess over \$161,550
Over \$323,200 but not over \$2,155,350 .....	\$18,252 plus 6.85% of excess over \$323,200
Over \$2,155,350 .....	\$143,754 plus 8.82% of excess over \$2,155,350

**Single, Married Filing Separately, Estates and Trusts**

**Tax<sup>\*</sup>**

Taxable Income:

Not over \$8,500 .....	4% of taxable income
Over \$8,500 but not over \$11,700 .....	\$340 plus 4.50% of excess over \$8,500
Over \$11,700 but not over \$13,900 .....	\$484 plus 5.25% of excess over \$11,700
Over \$13,900 but not over \$80,650 .....	\$600 plus 5.50% of excess over \$13,900
Over \$80,650 but not over \$215,400 .....	\$4,271 plus 6.00% of excess over \$80,650
Over \$215,400 but not over \$1,077,550 .....	\$12,356 plus 6.85% of excess over \$215,400
Over \$1,077,550 .....	\$71,413 plus 9.65% of excess over \$1,077,550

**Head of Household**

**Tax<sup>\*</sup>**

Taxable Income:

Not over \$12,800 .....	4% of taxable income
Over \$12,800 but not over \$17,650 .....	\$512 plus 4.50% of excess over \$12,800
Over \$17,650 but not over \$20,900 .....	\$730 plus 5.25% of excess over \$17,650
Over \$20,900 but not over \$107,650 .....	\$901 plus 5.50% of excess over \$20,900
Over \$107,650 but not over \$269,300 .....	\$5,672 plus 6.00% of excess over \$107,650
Over \$269,300 but not over \$1,616,450 .....	\$15,371 plus 6.85% of excess over \$269,300
Over \$1,616,450 .....	\$107,651 plus 8.82% of excess over \$1,616,450

<sup>±</sup> A supplemental income tax recaptures the savings due to graduated marginal tax rates such that when a taxpayer's AGI exceeds \$2,205,350 for married filing jointly taxpayers for tax years after 2027, all taxable income becomes effectively subject to a flat 8.82 percent tax rate.

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## **Components of the Personal Income Tax**

The components of personal income tax liability include withholding, estimated payments, final returns, delinquencies and refunds. Taxpayers prepay their tax liability through payroll withholding taxes imposed by Section 671 of Article 22 of the Tax Law (the “Withholding Component”) and estimated taxes imposed by Section 685 of Article 22 of the Tax Law. The New York State Department of Taxation and Finance collects the personal income tax from employers and individuals and reports the amount collected to the State Comptroller, who deposits collections net of overpayments and administrative costs.

Initiated in 1959, withholding tax is the largest component of income tax collections. New York requires employers to withhold and remit personal income taxes on wages, salaries, bonuses, commissions and similar income. The amount of withholding varies with the rates, deductions and exemptions. Under current law, employers must remit withholding liability within three business days after each payroll once the cumulative amount of liability reaches \$700. Certain small businesses and educational and health care organizations may make their withholding remittance within five business days, and employers with less than \$700 of withheld tax can remit it on a quarterly basis. Large employers (aggregate tax of more than \$100,000 per year) must make timely payment by electronic funds transfer or by certified check.

## **Employer Compensation Expense Program**

The ECEP was enacted in 2018 in response to federal legislation which limited the personal income tax deduction for state and local taxes to \$10,000 per taxpayer annually. Businesses are provided the option to participate in the ECEP, and those that elect to participate remit a tax on annual wages paid to each employee in excess of \$40,000. The tax rate is 1.5 percent in 2019, 3 percent in 2020, and 5 percent in 2021 and thereafter. The ECEP tax must be paid electronically on the same dates that the electing employer’s withholding tax payments are required to be made. An employer that overpays the tax may apply for a refund.

Employers participating in the ECEP for a given tax year must make an election by December 1st of the preceding year. Remittance of taxes on payrolls begin January immediately following election to participate. New York State ECEP receipts from participating employers are deposited into the Revenue Bond Tax Fund beginning January 1st as well. For example, employers participating in the ECEP for tax year 2023 made elections by December 1st, 2022, and receipts from these participants – including deposits into the Revenue Bond Tax Fund - began in January 2023.

New York State ECEP Receipts are dependent on the extent to which employers elect to participate in the program. In State Fiscal Year 2022-23, the State received approximately \$7 million of New York State ECEP Receipts, based primarily on the 287 employers that elected to participate in tax year 2022. The participation data count for tax year 2023 has increased to 423, but substantial uncertainty exists with respect to the projected amount of New York State ECEP Receipts during State Fiscal Year 2022-23 and thereafter due to its limited and volatile history.

From a Revenue Bond Tax Fund perspective, the ECEP is expected to be revenue neutral. New York State ECEP Receipts collected from participating employers are expected to be offset by a comparable decrease in personal income tax receipts, because employees whose wages are subject to the ECEP may claim a Personal Income Tax credit calculated using a statutory formula that corresponds in value to the tax by the ECEP. As a result, aggregate receipts deposited to the Revenue Bond Tax Fund are expected to remain substantially the same regardless of the amount of ECEP Receipts.

## Pass-Through Entity Tax Program

As part of the FY 2022 Enacted Budget, the State Legislature enacted legislation that provides for an optional pass-through entity tax on the State sourced income of (i) partnerships and (ii) S corporations. Qualifying entities that elect to pay into PTET will pay a graduated tax on their State sourced ordinary income (and guaranteed payments for partnerships) at the partnership or corporation level and their individual partners, members and shareholders will receive a refundable tax credit equal to the proportionate or pro rata share of taxes paid by the electing entity.

For each taxable year beginning on or after January first, two thousand twenty-one, the PTET schedule is as follows:

If pass-through entity income taxable is:

Not over \$2,000,000 .....	6.85% of taxable income
Over \$2,000,000 but not over \$5,000,000 .....	\$137,000 plus 9.65% of the excess over \$2,000,000
Over \$5,000,000 but not over \$25,000,000 .....	\$426,500 plus 10.30% of excess over \$5,000,000
Over \$25,000,000 .....	\$2,486,500 plus 10.90% of excess over \$25,000,000

The FY 2024 Enacted Budget Financial Plan includes estimates for PTET receipts and a corresponding decrease in PIT receipts. The overall effect on projected receipts to the Revenue Bond Tax Fund, to which 50 percent of both PIT and PTET receipts are deposited, is that PTET has significantly increased FY 2022 receipts, significantly decreased FY 2023 receipts, and is expected to decrease FY 2024 receipts. Projections are, however, based on limited experience to date, and there can be no assurance that such projections will be realized. See “Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program”.

## Revenue Bond Tax Fund Receipts

The Enabling Act provides that 50 percent of the New York State Personal Income Tax Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers.

The Enabling Act also provides that 50 percent of the New York State ECEP Receipts shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to employers.

Effective April 1, 2021, pursuant to legislative changes, 50 percent of the New York State PTET Receipts, shall be deposited in the Revenue Bond Tax Fund. Such receipts currently exclude refunds paid to taxpayers. See “Legislative Changes to the State Personal Income Tax Revenue Bond Financing Program.”

Beginning on the first day of each month, the Enabling Act requires the State Comptroller to deposit in the Revenue Bond Tax Fund all of the receipts from the Withholding Component, all of the New York State ECEP Receipts and all of the New York State PTET Receipts until 50 percent of estimated monthly New York State Personal Income Tax Receipts, 50 percent of estimated monthly New York State ECEP Receipts, and 50 percent of the estimated monthly New York State PTET Receipts respectively, have been deposited into the Revenue Bond Tax Fund.

The following table sets forth certain historical and projected information concerning New York State Personal Income Tax Receipts, the Withholding Component, New York State PTET Receipts, New York State ECEP Receipts and deposits to the Revenue Bond Tax Fund from State Fiscal Years 2013-14 through 2023-24.

**NYS Personal Income Tax Receipts and Withholding Component, NYS PTET Receipts  
NYS ECEP Receipts, and Revenue Bond Tax Fund Receipts  
State Fiscal Years 2013-14 through 2023-24\*  
(Dollars in Millions)**

State Fiscal Year	New York State Personal Income Tax Receipts	Withholding Component	Withholding State Personal Income Tax Receipts	New York State PTET Receipts	New York State ECEP Receipts	Revenue Bond Tax Fund Receipts
2013-14	\$42,961	\$33,368	\$ 77.7	N/A	N/A	\$10,740
2014-15	43,710	34,907	79.9	N/A	N/A	10,927
2015-16	47,055	36,549	77.7	N/A	N/A	11,764
2016-17	47,566	37,524	78.9	N/A	N/A	11,891
2017-18	51,501	40,269	78.2	N/A	N/A	12,875
2018-19	48,087	41,084	85.4	N/A	\$ 0.1	24,044*
2019-20	53,659	43,118	80.4	N/A	2.0	26,831*
2020-21	54,967	44,218	80.4	N/A	3.2	27,485*
2021-22 †	70,737	53,328	75.4	\$16,430	12.8	43,590*
2022-23 †	58,776	52,477	89.3	14,997	6.7	36,863*
2023-24 (proj.)†	52,819	53,108	100.5	12,462	10.0	32,934*

\* Reflects increased deposits to the Revenue Bond Tax Fund, resulting from FY 2019 Enacted Budget legislation.

† Includes New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts. Reflects the timing of PTET receipts that results in a decrease in PIT receipts, which are estimated to be revenue-neutral to the State on a multi-year basis, but are not estimated to be revenue-neutral to the State within each fiscal year.

For State Fiscal Year 2022-23, New York State Personal Income Tax Receipts totaled approximately \$58.8 billion and accounted for approximately 52.6 percent of State tax receipts in all State Funds. The FY 2024 Enacted Budget Financial Plan estimates that total New York State Personal Income Tax Receipts (net of refunds to taxpayers but before deposits to the School Tax Relief (STAR) Fund) will decrease by 10.1 percent to approximately \$52.8 billion in State Fiscal Year 2023-24. The decrease in FY 2023-24 receipts and the resulting increased share of total receipts represented by the withholding component are due to sharp declines in extension and final return payments attributable to tax year 2022. New York State ECEP Receipts are estimated to total \$10 million in State Fiscal Year 2023-24, increasing from the \$7 million total in State Fiscal Year 2022-23, driven by increased participation in tax year 2023.

Total State personal income tax receipts (as distinguished from New York State Personal Income Tax Receipts as defined herein and presented in the table above) estimates are based on the State personal income tax liability estimated by the Division of the Budget for each of the relevant tax years and the patterns of receipts and refunds for each tax year. Such tax year liability estimates are, in turn, based largely on forecasts of State adjusted gross income, with adjustments made for legislative changes (see “— General History of the State Personal Income Tax” above) that will affect each year’s tax liability. The level of total State personal income tax receipts is necessarily dependent upon economic and demographic conditions in the State, and therefore there can be no assurance that historical data with respect to total State personal income tax receipts will be indicative of future receipts. Since the institution of the modern income tax in New York in 1960, total personal income tax receipts have fallen eight times on a year-over-year basis, in State Fiscal Years 1964-65, 1971-72, 1977-78, 1990-91, 2002-03, 2009-10, 2018-19 and 2022-23. Total State personal income tax receipts are projected to decline again in State Fiscal Year 2023-24 due to sharp declines in extension and final return payments attributable to tax year 2022.

The following table shows the pattern of State adjusted gross income growth and personal income tax liability for tax years 2014 through 2023.

**NYS Adjusted Gross Income (AGI) and Personal Income Tax Liability 2014 to 2023\***

<b>Tax Year</b>	<b>NYS AGI</b>	<b>Percent Change</b>	<b>Personal Income Tax Liability</b>	<b>Percent Change</b>
<i>(\$ in millions)</i>				
2014.....	\$ 776,477	8.7%	\$41,910	12.3%
2015.....	807,775	4.0	43,503	3.8
2016.....	794,105	(1.7)	41,736	(4.1)
2017.....	874,568	10.1	48,000	15.0
2018 .....	906,868	3.7	48,712	1.5
2019 .....	930,755	2.6	49,567	1.8
2020 .....	990,849	6.5	54,517	10.0
2021 .....	1,122,488	13.3	71,972	32.0
2022 (est.) .....	1,044,058	(7.0)	64,121	(10.9)
2023 (proj.) .....	1,027,952	(1.5)	61,325	(4.4)

\* NYS AGI and personal income tax liability reflect amounts reported on timely filed individual returns, and therefore do not include tax paid by fiduciaries or through audits.

The table indicates that under the State’s progressive income tax structure with graduated tax rates, tax liability generally changes at a faster percentage rate than adjusted gross income, absent major law changes or economic events. Since tax year 2014, adjusted gross income has grown in all but two years, with the annual decline in tax year 2016 in large part due to strategic income shifting in response to or anticipated changes in the federal tax code. In tax year 2022, turmoil in the equities market and concerns that a recession might occur as a result of the Federal Reserve’s actions to wring inflation out of the economy through higher interest rates led to declining adjusted gross income.

The FY 2024 Enacted Budget Financial Plan estimates that tax year 2021 personal income tax liability totaled \$72.0 billion, increasing 32.0 percent from the prior year and reflecting not only the economic impact of the COVID-19 pandemic, including the extraordinary support to personal incomes provided by the Federal government and the robust recovery of equity markets, but also the effects of new, high-income tax brackets and rates that are effective with the 2021 tax year. Personal income tax liability is projected to decrease by 10.9 percent to \$64.1 billion in tax year 2022 for the reasons affecting adjusted gross income discussed in the paragraph above.

**Debt Service Coverage**

The following table sets forth (1) Revenue Bond Tax Fund Receipts for a twelve consecutive calendar month period ended not more than six months prior to the date of such calculation, (2) maximum Calculated Debt Service on the outstanding State Personal Income Tax Revenue Bonds, and (3) resulting debt service coverage. There can be no assurance that actual Revenue Bond Tax Fund Receipts will not be less than the amounts collected during the calculation period, as a result of numerous factors affecting Revenue Bond Tax Fund Receipts that cannot be predicted at this time.

**Debt Service Coverage on State Personal Income Tax Revenue Bonds\***  
(Dollars in Thousands)

Revenue Bond Tax Fund Receipts.....	\$37,660,353
Maximum Calculated Debt Service.....	4,283,566
Debt Service Coverage .....	8.8x

\* As of September 29, 2023

As of September 29, 2023, approximately \$40.1 billion of State Personal Income Tax Revenue Bonds were outstanding.

**Projected Debt Service Coverage**

Based upon the assumptions used in preparing the following table including assumed State Personal Income Tax Revenue Bond issuances averaging approximately \$6.0 billion annually over the next four years, State Personal Income Tax Revenue Bond debt service coverage based only upon the Revenue Bond Tax Fund’s receipt of the New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts is expected to decline from 6.8 times in State Fiscal Year 2023-24 to 5.5 times in State Fiscal Year 2026-27.

**Projected Debt Service Coverage on State Personal Income Tax Revenue Bonds\***  
**State Fiscal Years 2023-24 through 2026-27**  
(Dollars in Millions)

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>
Projected Revenue Bond Tax Fund Receipts <sup>†</sup>	\$32,935	\$33,996	\$34,266	\$34,260
Projected New State Personal Income Tax Revenue Bonds Issuances	5,311	5,425	6,385	6,406
Projected Total State Personal Income Tax Revenue Bonds Outstanding	47,485	52,086	56,437	61,464
Projected Maximum Annual Debt Service	4,810	5,175	5,704	6,244
Projected Debt Service Coverage	6.8x	6.6x	6.0x	5.5x

\* As of the 2024 Enacted Budget Financial Plan.

<sup>†</sup> Includes New York State Personal Income Tax Receipts, New York State ECEP Receipts, and New York State PTET Receipts. Reflects the timing of PTET receipts and subsequent decrease in PIT receipts, which are estimated to be revenue-neutral to the State on a multi-year basis, but are not estimated to be revenue-neutral to the State within each fiscal year.

Additional State Personal Income Tax Revenue Bonds may be issued, subject to satisfaction of a 2.0 times debt service coverage test. All State Personal Income Tax Revenue Bonds issued by any Authorized Issuer will be on a parity with each other as to payments from the Revenue Bond Tax Fund, subject to annual appropriation by the State Legislature.

**Impact of Charitable Gifts Trust Fund on State Personal Income Tax Revenue Bonds**

As a result of (i) the 2019 IRS regulatory action that effectively curtailed donations to the Charitable Gifts Trust Fund and, (ii) the Federal SALT deduction limit is scheduled to expire on December 31, 2025, the State does not expect that the Charitable Gifts Trust Fund will have any material impact on the Personal Income Tax Revenue Bond Program or on amounts deposited into the Revenue Bond Tax Fund.

**APPENDIX B**

**FORM OF PRICING NOTICE**

**RELATING TO THE**

**INVITATION TO OFFER BONDS FOR PURCHASE**

made by

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

*to the Beneficial Owners of*

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
STATE PERSONAL INCOME TAX REVENUE BONDS (GENERAL PURPOSE)**

**Series 2019F  
(Federally  
Taxable)**

**Series 2021B  
(Federally  
Taxable)**

**Series 2021C  
(Federally  
Taxable)**

**Series 2022B  
(Federally  
Taxable)**

**BASE CUSIP: 64990F**

**of the maturities and corresponding CUSIP numbers listed on page (i) hereof for a cash price**

*The purpose of this Pricing Notice, dated October \_\_ 2023 (the "Pricing Notice"), is to either confirm or amend the Fixed Spreads for the Target Bonds. All other terms relating to the Invitation (hereinafter defined) remain unchanged.*

Pursuant to the Invitation to Offer Bonds for Purchase, dated October 11, 2023 (as it may be amended or supplemented, including the cover page, inside cover page and Appendices, the "**Invitation**"), the Dormitory Authority of the State of New York ("**DASNY**") as acknowledged and approved by the Director of the Budget of the State of New York ("**DOB**") on behalf of the State of New York (the "**State**") invited offers to tender Target Bonds for cash at the applicable purchase price (the "**Purchase Price**") based on a fixed spread ("**Fixed Spread**") to be added to the yields on certain benchmark United States Treasury Securities (each a "**Benchmark Treasury Security**"), plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date. All terms used herein and not otherwise defined are used as defined in the Invitation.

As set forth in the Invitation, DASNY retains the right to extend the Invitation by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Expiration Date, and retain the right to amend the terms of the Invitation (including a waiver of any term) in any material respect, provided, that DASNY shall provide notice of any such amendment or waiver to the Information Services. In such event, any offers submitted with respect to the affected Target Bonds prior to such change in the Purchase Price for such Target Bonds pursuant to the Invitation will remain in full force and effect and any Bondholder of such affected Target Bonds, as applicable, wishing to revoke their offer to tender such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended.

The Invitation, including the Appendices, is available: (i) at the Municipal Securities Rulemaking Board through its EMMA website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at <https://www.globic.com/dasny>.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

**INVITATION – FIXED SPREADS**

**Target Bonds Offered for Purchase**

**Dormitory Authority of the State of New York**

**State Personal Income Tax Revenue Bonds (General Purpose) (Federally Taxable)**

**BASE CUSIP: 64990F**

Pursuant to the Invitation, the Fixed Spreads for the Target Bonds are listed below. [There has been no change in the Indicative Fixed Spreads listed in Table 1 on page (i) of the Invitation.]

<u>Series</u>	<u>CUSIP</u> <u>(64990F)<sup>1</sup></u>	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>Principal</u> <u>Amount</u>	<u>Benchmark</u> <u>Treasury Security<sup>2</sup></u>	<u>Fixed Spread</u> <u>(basis points)</u>
2019F	T20	February 15, 2029	2.727%	\$ 31,975,000	7-Year	
2019F	T38	February 15, 2030	2.777	29,280,000	7-Year	
2019F	QX5	February 15, 2031	2.877	32,565,000	10-Year	
2019F	QY3	February 15, 2032	2.957	21,225,000	10-Year	
2019F	QZ0	February 15, 2033	3.027	39,625,000	10-Year	
2019F	RA4	February 15, 2034	3.057	34,415,000	10-Year	
2019F	RB2	February 15, 2039 <sup>3</sup>	3.110	126,375,000	10-Year	
2019F	XE9	February 15, 2043 <sup>3</sup>	3.190	164,185,000	30-Year	
2021B	B52	March 15, 2029	2.069	6,965,000	7-Year	
2021C <sup>4</sup>	D84	March 15, 2029	1.952	149,755,000	7-Year	
2021C <sup>4</sup>	D92	March 15, 2030	2.052	152,680,000	7-Year	
2021C <sup>4</sup>	E26	March 15, 2031	2.152	155,815,000	10-Year	
2021C <sup>4</sup>	E34	March 15, 2032	2.252	159,165,000	10-Year	
2021C <sup>4</sup>	E42	March 15, 2034 <sup>3</sup>	2.202	164,085,000	10-Year	
2022B	Y65	March 15, 2029	3.159	43,470,000	7-Year	
2022B	Z49	March 15, 2035	3.849	38,935,000	10-Year	
2022B	Z56	March 15, 2037 <sup>3</sup>	3.999	87,070,000	10-Year	

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<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of DASNY, the Dealer Managers, or the Information Agent and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

<sup>2</sup> Except for the 30-Year Benchmark Treasury Security which will be the “old long bond” (maturity date May 15, 2053, 3.625%, CUSIP No. 912810TR9) each Benchmark Treasury Security will be the most recently auctioned “on-the-run” U.S. Treasury Security for the maturity indicated as of date and time that the Purchase Price for the Target Bonds is set. The yield on each Benchmark Treasury Security to be used in establishing the applicable Purchase Price for the Target Bonds of each CUSIP will equal the bid-side yield of the applicable Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 12:00 p.m., Eastern time, on October 25, 2023.

<sup>3</sup> The Target Bonds maturing on February 15, 2039 (CUSIP No. 64990FRB2), February 15, 2043 (CUSIP No. 64990FXE9), March 15, 2034 (CUSIP No. 64990FE42) and March 15, 2037 (CUSIP No. 64990FZ56) are each priced to their average lives of March 18, 2038, June 6, 2042, September 16, 2033 and September 17, 2036, respectively. See “INTRODUCTION – Tender Consideration” of the Invitation for additional information.

<sup>4</sup> The aggregate amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to the Invitation will not exceed \$60,000,000.



**Example based on the following closing yields for the Benchmark Treasury Securities as of October \_\_, 2023 and the Fixed Spreads:**

The tables below provide an example of the Purchase Price realized by a Bondholder that submits an Offer based on the following yields for the Benchmark Treasury Securities as of October \_\_, 2023 and the Fixed Spreads. This example is being provided for convenience only and is not to be relied upon by a Bondholder as an indication of the Purchase Yield or Purchase Price that may be paid by DASNY.

Based on these Benchmark Treasury Security yields, the following Purchase Prices would be derived:

<u>Series</u>	<u>CUSIP (64990F)<sup>1</sup></u>	<u>Maturity</u>	<u>Benchmark Treasury Security<sup>2</sup></u>	<u>Indicative Benchmark Yield</u>	<u>Fixed Spread (Basis Points)</u>	<u>Indicative Purchase Yield</u>	<u>Indicative Purchase Price as a Percentage of Par</u>
2019F	T20	February 15, 2029	7-Year				
2019F	T38	February 15, 2030	7-Year				
2019F	QX5	February 15, 2031	10-Year				
2019F	QY3	February 15, 2032	10-Year				
2019F	QZ0	February 15, 2033	10-Year				
2019F	RA4	February 15, 2034	10-Year				
2019F	RB2	February 15, 2039 <sup>3</sup>	10-Year				
2019F	XE9	February 15, 2043 <sup>3</sup>	30-Year				
2021B	B52	March 15, 2029	7-Year				
2021C <sup>4</sup>	D84	March 15, 2029	7-Year				
2021C <sup>4</sup>	D92	March 15, 2030	7-Year				
2021C <sup>4</sup>	E26	March 15, 2031	10-Year				
2021C <sup>4</sup>	E34	March 15, 2032	10-Year				
2021C <sup>4</sup>	E42	March 15, 2034 <sup>3</sup>	10-Year				
2022B	Y65	March 15, 2029	7-Year				
2022B	Z49	March 15, 2035	10-Year				
2022B	Z56	March 15, 2037 <sup>3</sup>	10-Year				

<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of DASNY, the Dealer Managers, or the Information Agent and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

<sup>2</sup> Except for the 30-Year Benchmark Treasury Security which will be the “old long bond” (maturity date May 15, 2053, 3.625%, CUSIP No. 912810TR9) each Benchmark Treasury Security will be the most recently auctioned “on-the-run” U.S. Treasury Security for the maturity indicated as of date and time that the Purchase Price for the Target Bonds is set. The yield on each Benchmark Treasury Security to be used in establishing the applicable Purchase Price for the Target Bonds of each CUSIP will equal the bid-side yield of the applicable Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 12:00 p.m., Eastern time, on October 25, 2023.

<sup>3</sup> The Target Bonds maturing on February 15, 2039 (CUSIP No. 64990FRB2), February 15, 2043 (CUSIP No. 64990FXE9), March 15, 2034 (CUSIP No. 64990FE42) and March 15, 2037 (CUSIP No. 64990FZ56) are each priced to their average lives of March 18, 2038, June 6, 2042, September 16, 2033 and September 17, 2036, respectively. See “INTRODUCTION – Tender Consideration” of the Invitation for additional information.

<sup>4</sup> The aggregate amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to the Invitation will not exceed \$60,000,000.

As a measure of the sensitivity of the Purchase Price to changes in the yield on the Benchmark Treasury Security, the following table shows the impact on the Purchase Prices of a 0.10% (10 basis point) movement in the yield on the Benchmark Treasury Security.

<u>Series</u>	<u>CUSIP (64990F)<sup>1</sup></u>	<u>Maturity</u>	<u>Benchmark Treasury Security<sup>2</sup></u>	<u>Indicative Benchmark Yield</u>	<u>Indicative Purchase Price as a Percentage of Par</u>		
					<u>Assuming 0.10% Increase in Benchmark Yield</u>	<u>Current Benchmark Yield</u>	<u>Assuming 0.10% Decrease in Benchmark Yield</u>
2019F	T20	February 15, 2029	7-Year				
2019F	T38	February 15, 2030	7-Year				
2019F	QX5	February 15, 2031	10-Year				
2019F	QY3	February 15, 2032	10-Year				
2019F	QZ0	February 15, 2033	10-Year				
2019F	RA4	February 15, 2034	10-Year				
2019F	RB2	February 15, 2039 <sup>3</sup>	10-Year				
2019F	XE9	February 15, 2043 <sup>3</sup>	30-Year				
2021B	B52	March 15, 2029	7-Year				
2021C <sup>4</sup>	D84	March 15, 2029	7-Year				
2021C <sup>4</sup>	D92	March 15, 2030	7-Year				
2021C <sup>4</sup>	E26	March 15, 2031	10-Year				
2021C <sup>4</sup>	E34	March 15, 2032	10-Year				
2021C <sup>4</sup>	E42	March 15, 2034 <sup>3</sup>	10-Year				
2022B	Y65	March 15, 2029	7-Year				
2022B	Z49	March 15, 2035	10-Year				
2022B	Z56	March 15, 2037 <sup>3</sup>	10-Year				

<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of DASNY, the Dealer Managers, or the Information Agent and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

<sup>2</sup> Except for the 30-Year Benchmark Treasury Security which will be the “old long bond” (maturity date May 15, 2053, 3.625%, CUSIP No. 912810TR9) each Benchmark Treasury Security will be the most recently auctioned “on-the-run” U.S. Treasury Security for the maturity indicated as of date and time that the Purchase Price for the Target Bonds is set. The yield on each Benchmark Treasury Security to be used in establishing the applicable Purchase Price for the Target Bonds of each CUSIP will equal the bid-side yield of the applicable Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 12:00 p.m., Eastern time, on October 25, 2023.

<sup>3</sup> The Target Bonds maturing on February 15, 2039 (CUSIP No. 64990FRB2), February 15, 2043 (CUSIP No. 64990FXE9), March 15, 2034 (CUSIP No. 64990FE42) and March 15, 2037 (CUSIP No. 64990FZ56) are each priced to their average lives of March 18, 2038, June 6, 2042, September 16, 2033 and September 17, 2036, respectively. See “INTRODUCTION – Tender Consideration” of the Invitation for additional information.

<sup>4</sup> The aggregate amount of the Series 2021C Bonds validly tendered and purchased by DASNY pursuant to the Invitation will not exceed \$60,000,000.