

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
SECURED HOSPITAL REVENUE REFUNDING BONDS

NORTH GENERAL HOSPITAL, SERIES 2003

<u>Maturity Dates</u>	<u>CUSIP Numbers</u>	<u>Outstanding Principal Amounts</u>
02/15/2017	649901G58	\$7,600,000
02/15/2018	649901G66	\$8,040,000
02/15/2019	649901G74	\$8,500,000
02/15/2020	649901G82	\$1,390,000
02/15/2020	649901G90	\$7,595,000
02/15/2025	649901H24	\$45,290,000

On January 23, 2003, the Dormitory Authority of the State of New York (“DASNY”) issued the above listed bonds (the “Bonds”) in the original aggregate principal amount of \$138,135,000 for the benefit of North General Hospital (the “Hospital”). The Bonds were secured, in part, by payments to be made by the Hospital pursuant to a loan agreement between DASNY and the Hospital (the “Loan Agreement”) and such Loan Agreement was secured by a Mortgage on the Hospital’s real property, reserve funds held by the Bond trustee (the “Trustee”) and certain payment obligations of the State of New York (“State”), under a service contract by and between DASNY and the State (the “Service Contract”), which payment obligations are subject to annual appropriation by the State Legislature.

On July 2, 2010, the Hospital and certain of its affiliates filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. Pursuant to a Court approved Plan of Liquidation, on June 30, 2011, the Hospital’s real property was transferred to a subsidiary created by DASNY and then sold or leased to other parties.

In order to make the scheduled payment of principal and interest due on the Bonds on February 15, 2017, the Trustee received payment from the State pursuant to the Service Contract. This payment under the Service Contract is due to historic financial difficulties experienced by the Hospital. Regardless of the Hospital’s cessation of operations, DASNY currently expects that subsequent payments of principal of and interest on the Bonds will be paid from one or more of the following sources: (1) future lease payments; (2) payments to be made by the State pursuant to the Service Contract; and (3) other funds that may be available for such purpose.

Dated: February 21, 2017