

**ANNUAL CERTIFICATE OF COMPLIANCE
FOR 501 (c)(3) INSTITUTIONS
For the Fiscal Year Ending in 2016**

Re: NYSARC, Inc.

Dormitory Authority of the State of New York NYSARC, Inc. Revenue Bonds, Series 2015, \$36,355,000, Consisting of: Series 2015A, \$35,050,000 and Series 2015B (Taxable), \$1,305,000, Dated: October 8, 2015
Dormitory Authority of the State of New York NYSARC, Inc. Revenue Bonds, Series 2012A, \$25,750,000, Dated: November 21, 2012
Dormitory Authority of the State of New York NYSARC, Inc. Revenue Bonds, Series 2010A, \$42,855,000, Dated: January 27, 2011
Dormitory Authority of the State of New York NYSARC, Inc. Revenue Bonds, Series 2009A, \$46,150,000, Dated: July 30, 2009
Dormitory Authority of the State of New York, NYSARC, Inc. Insured Revenue Bonds (Principal Amount Reoffered) \$7,465,000 Series 2007B, (Fixed Rate), Dated: January 30, 2007, Reoffering Delivery Date: August 6, 2009
Dormitory Authority of the State of New York, NYSARC, Inc. Insured Revenue Bonds Series 2007A, \$11,045,000, Dated: January 30, 2007

(collectively, the “Bonds”)

The undersigned hereby certifies as follows:

I am the **Chief Financial Officer** of **NYSARC, Inc.**, hereinafter referred to as the Institution, and I am an Authorized Officer of the Institution.

By virtue of my position at the Institution, I would expect to become aware, in the ordinary course of business, of any breach of the terms, conditions and covenants contained in the following documents (check all that apply) associated with the Bonds (collectively, the “Bond Documents”):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Loan Agreement(s) | <input checked="" type="checkbox"/> Mortgage (s) |
| <input type="checkbox"/> Reimbursement Agreement(s) | <input checked="" type="checkbox"/> Tax Certificate |
| <input type="checkbox"/> Master Trust Indenture and Supplemental Indentures | |
| <input checked="" type="checkbox"/> Bond Purchase and Continuing Covenants Agreement | |

In connection with responding to this Annual Certificate of Compliance, I am familiar with the Institution’s obligations set forth in the Bond Documents executed on behalf of the Institution in connection with the above-referenced Bonds.

Use of Property

- Does the Institution own, occupy and use the Project(s) financed with the proceeds of the above-referenced Bonds in a manner related to its tax-exempt charitable purpose?

☒ Yes

☐ No

2. Has the Institution sold, leased or otherwise disposed of any portion of any such Project(s) or does the Institution have plans to do so?

☐ Yes

☒ No

3. Has the Institution granted or permitted any liens against the Mortgaged Property, except those which were (a) filed prior to, or in connection with, the issuance of the Bonds, or (b) subsequently consented to by DASNY and any other parties required to consent thereto?

☐ Yes

☒ No

Use By Third Parties

1. Does any other party, business or individual have the right – by contract or otherwise – to use or occupy any portion of such Project(s) for which the Institution is entitled to receive payment for such use? *(Please note this includes any use of the Project(s) by other than an employee, student, patient or consumer of the Institution, for example, operation of a book store, operation of a sports camp or other similar program, operation of a cafeteria or food court, professional and/or management contracts with non-employees, lease of any portion of Project(s) space and similar agreements).*

☐ Yes

☒ No

2. Has the Institution entered into any contracts with respect to the use, management or operation of the Project(s) or amended or extended any such contracts after the date of issue of the relevant bond issue?

☐ Yes

☒ No

- a. If management contracts are involved, has the Institution determined that such contract, amendment or extension complies with the applicable safe harbor requirements of the IRS?

☐ Yes

☐ No

☒ N/A

- b. If sponsored research contracts are involved, has the Institution determined that such sponsored research contract, amendment or extension complies with the applicable safe harbor requirements of the IRS?

☐ Yes

☐ No

☒ N/A

IRS Compliance

1. Has the Institution implemented policies and procedures to enable the Institution to comply with post-issuance tax compliance requirements including any reporting requirements (i) of the Internal Revenue Service applicable to the Bonds, or (ii) related to Form 990-Schedule K (Supplemental Information on Tax Exempt Bonds)?

☒ Yes

☐ No

Record Retention

1. Has the Institution implemented procedures to retain adequate records and information to support the tax-exempt status of the Bonds for at least as long as the above referenced Bonds and any refunding bonds are outstanding, plus three (3) years after the final retirement date of such obligations as required by Internal Revenue Code. The records and information to be retained includes, but is not limited to documentation evidencing: (i) expenditure of bond proceeds, (ii) use of the bond financed property (e.g., copies of management contracts and sponsored research contracts), (iii) documentation pertaining to any investments of bond proceeds, and (iv) documentation pertaining to any derivative contracts?

☒ Yes☐ No**IRS Filings and Tax Exempt Status**

1. Does the Institution's most recently filed Schedule K report private business use and unrelated trade or business use levels above the limits permitted in the Tax Certificate(s)?

☐ Yes☒ No

2. Has the Institution received any correspondence from the Internal Revenue Service questioning its status as an organization described in Section 501(c)(3) of the Internal Revenue Code?

☐ Yes, please attach a copy☒ No

3. Does the Institution hereby reaffirm its status as an organization described in Section 501(c)(3) of the Internal Revenue Code?

☒ Yes☐ No**Use of Proceeds**

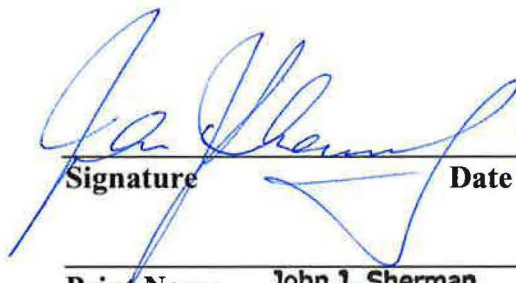
1. Has the Institution made a final allocation of bond proceeds by the prescribed time period provided in IRS regulations and does the Institution maintain adequate records reflecting such final allocation? (Refer to Institution's obligations identified in the Tax Certificate for further details)

☒ Yes☐ No

2. Has the Institution received an insurance payment, eminent domain award or property damage award for any part of the Project(s) or Mortgaged Property, as defined in the Bond Documents?

☐ Yes☒ No**Bond Document Compliance**

To the best of my knowledge, having made reasonable inquiry, there has been no breach of any of the terms, conditions or covenants contained in the Bond Documents.

 4/26/17
Signature Date

Print Name John J. Sherman
Chief Financial Officer

Title