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# 1 **Enhancers with cooperative Notch binding sites are more resistant to regulation**

## 2 **by the Hairless co-repressor**

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### 20 **Key words**

21 Notch signaling, *Drosophila*, Enhancer, transcription factor binding sites, cooperativity, Hairless, co-  
22 repressor, gene regulation

## 23 **Abstract**

24 Notch signaling controls many developmental processes by regulating gene expression. Notch-  
25 dependent enhancers recruit activation complexes consisting of the Notch intracellular domain, the  
26 Cbf/Su(H)/Lag1 (CSL) transcription factor (TF), and the Mastermind co-factor via two types of DNA sites:  
27 monomeric CSL sites and cooperative dimer sites called Su(H) paired sites (SPS). Intriguingly, the CSL TF  
28 can also bind co-repressors to negatively regulate transcription via these same sites. Here, we tested how  
29 enhancers with monomeric CSL sites versus dimeric SPSs bind *Drosophila* Su(H) complexes *in vitro* and  
30 mediate transcriptional outcomes *in vivo*. Our findings reveal that while the Su(H)/Hairless co-repressor  
31 complex similarly binds SPS and CSL sites in an additive manner, the Notch activation complex binds SPSs,  
32 but not CSL sites, in a cooperative manner. Moreover, transgenic reporters with SPSs mediate stronger,  
33 more consistent transcription and are more resistant to increased Hairless co-repressor expression  
34 compared to reporters with the same number of CSL sites. These findings support a model in which SPS  
35 containing enhancers preferentially recruit cooperative Notch activation complexes over Hairless  
36 repression complexes to ensure consistent target gene activation.

## 37 Introduction

38 Notch signaling is a highly conserved cell-to-cell communication pathway that conveys  
39 information required for proper cellular decisions in many tissues and organs. During embryonic  
40 development, the Notch signaling pathway is used to specify distinct cell fates and thereby plays crucial  
41 roles during organogenesis including vasculogenesis (Siekman and Lawson, 2007), hematopoiesis  
42 (Carlesso et al., 1999), neurogenesis (Ahmad et al., 1995; Xu et al., 1990), and cardiac development  
43 (McCright et al., 2001; Park et al., 1998; Ronces et al., 2000). Additionally, Notch regulates tissue  
44 homeostasis, including epidermal differentiation and maintenance (Heitzler and Simpson, 1991),  
45 lymphocyte differentiation (Robson MacDonald et al., 2001), muscle and bone regeneration (Fukushima  
46 et al., 2017; Hilton et al., 2008; Koch et al., 2013), and angiogenesis (Siekman and Lawson, 2007).  
47 Intriguingly, Notch regulates these diverse processes using a common molecular cascade that is initiated  
48 through a ligand (Delta/Serrate/Jagged)-receptor (Notch) interaction that triggers the cleavage and  
49 release of the Notch intracellular domain (NICD) into the cytoplasm. NICD subsequently translocates into  
50 the nucleus and forms a ternary complex with the Cbf1/Su(H)/Lag1 (CSL) transcription factor (which is  
51 also commonly called RBPJ in mammals) and the Mastermind (Mam) adapter protein. The NICD/CSL/Mam  
52 (NCM) complex recruits the p300 co-activator to activate the expression of Notch target genes required  
53 for proper cellular outcomes (Kopan and Ilagan, 2009; Kovall et al., 2017).

54 Since NICD and Mam do not directly bind DNA, the targeting of the NCM complex to specific  
55 genomic loci is determined by the CSL transcription factor (TF). Both *in vitro* and *in vivo* DNA binding assays  
56 show that the CSL TFs from *C elegans*, *Drosophila*, and vertebrates bind highly similar DNA sequences (i.e.  
57  ${}^T/CGTG^G/A^GAA$ ), and its interactions with Notch and Mam do not alter CSL DNA binding specificity (del  
58 Bianco et al., 2010; Castel et al., 2013; Christensen et al., 1996; Fortini and Artavanis-Tsakonas, 1994;  
59 Friedmann and Kovall, 2010; Tamura et al., 1995; Tun et al., 1994). Interestingly, studies in flies and  
60 mammals found that a subset of Notch target genes contain enhancers with two binding sites spaced 15

61 to 17bp apart and oriented in a head-to-head manner (Bailey and Posakony, 1995; Nellesen et al., 1999;  
62 Severson et al., 2017). Subsequent biochemical and structural studies revealed that such sites, which have  
63 been named Su(H) paired sites or sequense paired sites (SPSs), mediate cooperative NCM binding due to  
64 the dimerization between two adjacent NICD molecules (Arnett et al., 2010; Nam et al., 2007).

65 SPSs are present in a substantial fraction of Notch-dependent enhancers in the genome. In human  
66 CUTLL1 T-cell acute lymphoblastic leukemia (T-ALL) cell line, 36% (38 of 107) of the high confident Notch  
67 targets are dimer-dependent (Severson et al., 2017), and SPS-containing enhancers were found to be  
68 crucial for the maturation of both normal T-cells and the progression of T-ALL (Liu et al., 2010; Yashiro-  
69 Ohtani et al., 2014). A genome-wide NICD complementation assay revealed that mouse mK4 kidney cells  
70 have as many as 2,500 Notch dimer-dependent loci (Hass et al., 2015). Moreover, reporter assays and/or  
71 RT-PCR assays have tested the function of a small subset of these SPS containing enhancers and found  
72 that SPSs are typically required for optimal transcriptional responses (Arnett et al., 2010; Hass et al., 2015;  
73 Liu et al., 2010; Nam et al., 2007). A recent study also found that while mice with Notch1 and Notch2 point  
74 mutations that abolish cooperative binding to SPSs develop normally under ideal laboratory conditions,  
75 stressing the animals either genetically or with parasites can result in profound defects in gastrointestinal,  
76 cardiovascular, and immune systems (Kobia et al., 2020). Collectively, these studies revealed that a large  
77 number of Notch-dependent target genes contain SPSs, and that the regulation of dimer-dependent  
78 Notch target genes contributes to animal development and homeostasis.

79 In addition to mediating Notch induced gene expression, the CSL TF can use the same DNA binding  
80 sites to repress transcription by recruiting co-repressor proteins. The *Drosophila* CSL transcription factor  
81 Su(H) binds to the co-repressor Hairless (H) protein, which recruits either the Groucho (Gro) or the C-  
82 terminal binding protein (Ctbp) co-repressors (Barolo et al., 2002; Morel et al., 2001). The mammalian CSL  
83 transcription factor RBPJ interacts with several transcriptional repressors including the SHARP/Mint  
84 protein and Fhl1C/KyoT2 (Kovall and Blacklow, 2010). Once bound to DNA, these co-repressor complexes

85 recruit additional proteins that can mediate transcriptional repression by modifying chromatin.  
86 Importantly, recent structural analysis of the fly and mammalian co-repressors bound to CSL and DNA  
87 revealed that co-repressors interact with the CSL TF in a competitive manner with the NICD/Mam  
88 activation complex (Maier et al., 2011; Yuan et al., 2016, 2019). Moreover, genetic studies revealed that  
89 the ratio of the co-activator to co-repressor complex is critical for proper Notch-mediated cellular  
90 decisions, as lowering the gene dose of the *Hairless* co-repressor can suppress *Notch* haploinsufficiency  
91 phenotypes in *Drosophila* (Price et al., 1997). In total, these data support a model whereby the Notch  
92 activation complex directly competes for genomic binding sites with the CSL/co-repressor complex to  
93 regulate target gene expression.

94           Recent studies have begun to focus on defining whether Notch regulated enhancers with SPSs  
95 convey distinct transcriptional responses from CSL monomeric sites. For example, the *E(spl)* genes, many  
96 of which contain SPSs, were found to be among the first to respond after a short pulse of Notch activation  
97 in *Drosophila* DmD8 cells (Housden et al., 2013), consistent with SPS-containing enhancers responding  
98 quickly to low levels of Notch activation. However, subsequent live imaging studies comparing the  
99 activities of enhancers with SPS *versus* CSL sites revealed that the presence of SPSs did not significantly  
100 alter the sensitivity to NICD but instead enhanced transcriptional burst size (Falo-Sanjuan et al., 2018). It  
101 should be noted, however, that these studies have largely focused on how the Notch activation complex  
102 cooperatively binds to and impacts the regulation of SPS containing enhancers, whereas less is known  
103 about whether and how the SPS versus monomeric CSL sites differentially recruit the CSL/co-repressor  
104 complexes. Thus, it remains unclear how the levels of the co-repressors impact Notch regulated enhancers  
105 that contain cooperative SPS sites versus independent CSL sites.

106           Comparing Notch-mediated transcriptional responses of endogenous enhancers with SPS and CSL  
107 sites is complicated by several inherent properties of endogenous enhancers. First, most Notch-regulated  
108 SPS-containing enhancers also have variable numbers of independent monomer CSL sites. Second,

109 endogenous enhancers contain distinct combinations of additional TF binding sites that can significantly  
110 alter transcriptional output. Third, each endogenous enhancer is embedded in its own unique  
111 chromosomal environment, which can further impact the ability of Notch transcription complexes to  
112 regulate gene expression. In this study, we circumvented these confounders by integrating transgenic  
113 reporters containing either synthetic SPS or CSL enhancers to focus our investigation on how the  
114 architecture of Su(H) binding sites impacts Notch transcriptional output in *Drosophila*. We complemented  
115 these studies using *in vitro* DNA binding assays to assess how SPS versus CSL sites impact the binding of  
116 the NCM versus CSL/co-repressor complexes. Altogether, our data reveal that Notch regulated enhancers  
117 containing cooperative SPSs are more resistant to the Hairless co-repressor protein than enhancers with  
118 independent CSL sites. Integrating this study with previously published data provides new insights into  
119 how the architecture of CSL binding sites affect transcriptional output by both modulating transcriptional  
120 dynamics and by competing with the co-repressors that limit transcriptional activation.

## 121 Results

### 122 ***Activating but not repressing Su(H) complexes cooperatively bind SPS sites in vitro.***

123 To study the ability of CSL vs SPS sites to bind activating (NICD/CSL/MAM, NCM) and repressing  
124 (CSL/Hairless) complexes that regulate gene expression in *Drosophila*, we designed synthetic CSL and SPS  
125 enhancers for *in vivo* transgenic reporter assays. To isolate the Su(H) (the *Drosophila* CSL TF) binding sites  
126 from additional potential transcriptional inputs, the intervening sequences were selected to exclude other  
127 known TFBSs by randomly generating thousands of sequence variants and scoring each using a TF binding  
128 motif database (CIS-BP, <http://cisbp.ccb.utoronto.ca>) (Weirauch et al., 2014). High-affinity Notch  
129 monomer sites (CSL) were designed in a head-to-tail fashion with sufficient spacing (17 bp) to permit  
130 independent binding of NCM complexes, whereas the same high-affinity 8-mer sequence was oriented in  
131 a head-to-head manner 15 bp apart to generate an SPS site capable of cooperative NCM binding (**Fig 1A**).

132 To determine the specificity of the engineered synthetic 2xCSL and 1xSPS DNA sequences for Su(H)  
133 binding (note that 2xCSL and 1xSPS have the same number of Su(H) binding sites), we performed two tests  
134 using electrophoretic mobility shift assays (EMSAs): First, we found that purified Su(H) protein binds DNA  
135 probes containing the synthetic 2xCSL and 1xSPS sequences, but not probes with point mutations in the  
136 Su(H) binding sites (**Fig 1A-C**). Second, we tested how the orientation of binding sites affects the DNA  
137 binding affinity of Su(H) in the presence of NICD and Mam (i.e. the NCM activating complex) or the Hairless  
138 (H) co-repressor. For this experiment, we used purified proteins that include the NICD (aa 1763-2412),  
139 Mam (aa 87-307) and Hairless (aa 232-358) domains required to form stable complexes with Su(H), and  
140 we directly compared the binding of each TF complex using differentially labeled 2xCSL (700nm  
141 wavelength, pseudo-colored magenta) and 1xSPS (800nm wavelength, pseudo-colored green) probes in  
142 the same reaction (**Fig 1D**). Importantly, we found that like Su(H) alone, the Su(H)/H complex bound both  
143 the 2xCSL and 1xSPS probe in an additive manner (**Fig 1D** and **Fig S1A-B**). In sharp contrast, the NCM  
144 complex preferentially formed larger TF complexes, consistent with filling both sites of the 1xSPS probe,



145 compared to the sequential binding to 2xCSL (**Fig 1D-D'**). Thus, unlike the NCM co-activator complex, the  
146 Su(H)/H repression complex does not bind to SPS sites in a cooperative manner.

147 To obtain a measure of the cooperativity induced by NCM binding to the 1xSPS vs 2xCSL probes,  
148 we quantitatively analyzed the band intensities in the EMSA gels and fitted the extracted values to a 2-  
149 site equilibrium binding model (**Fig 1E**). The model takes into account cooperative binding by assuming  
150 that the dissociation constant associated with the second binding,  $K_{d2}$ , is smaller by a cooperativity factor,  
151  $C$ , with respect to the dissociation constant associated with the first binding,  $K_{d1}$ , such that  $K_{d2} = K_{d1}/C$ .  
152 A cooperativity factor higher than 1 corresponds to positive cooperative binding. A cooperativity factor  
153 close to 1 or smaller than 1 corresponds to non-cooperative binding and negative cooperative binding (i.e.  
154 steric hindrance), respectively. Fitting the band intensities from the EMSA experiments allowed the  
155 extraction of the cooperativity factor for each complex and each probe (**Fig S1C-H**). Other than the NCM  
156 complex on SPS, all other experimental conditions exhibited cooperativity factors close to 1, indicating a  
157 non-cooperative binding process. In contrast, the NCM complex had a cooperativity factor of  $16.9 \pm 1.2$  on  
158 the SPS probe, clearly showing a strong cooperative binding (higher than 16-fold). Taken together, these  
159 data show that while the independent sites in the 2xCSL probe mediate similar DNA binding patterns  
160 regardless of Su(H) complex, the SPS sites favor the formation of the cooperative NCM activation  
161 complexes relative to the binding of Su(H) alone or the Su(H)/co-repressor complex.

162

### 163 ***Generation of synthetic SPS and CSL reporters to study Notch-mediated gene regulation in Drosophila***

164 Because each endogenous enhancer integrates transcription factor binding sites (TFBSs) for  
165 additional factors and is embedded in its own chromatin environment, it has been difficult to  
166 systematically determine how the formation of Notch dimer vs Notch monomer complexes impacts  
167 transcriptional outputs. To address this problem in *Drosophila*, we generated fly lines containing  
168 transgenic reporters with varying numbers of CSL (2x, 4x, 8x, or 12xCSL-*lacZ*) or SPS (1x, 2x, 4x or 6xSPS-

169 *lacZ*) sites (**Fig 2A**). We first qualitatively characterized *12xCSL-lacZ* and *6xSPS-lacZ* reporter lines inserted  
170 into a consistent chromosomal environment using  $\phi$ C31 mediated recombination (Bischof et al., 2007)  
171 and analyzed for  $\beta$ -gal expression in a variety of tissues. As a control, we generated transgenic reporters  
172 containing equal numbers of mutated sites that disrupt Su(H) binding (*12xCSLmut-lacZ* and *6xSPSmut-lacZ*)  
173 but left all flanking sequences unchanged (see **Fig 1A-C** for mutant sequence and data indicating a lack of  
174 Su(H) DNA binding). Expression analysis in *Drosophila* tissues revealed that the wild type CSL and SPS  
175 reporters, but not the mutant reporters, activate qualitatively similar  $\beta$ -gal expression patterns in many  
176 Notch-dependent cell types (**Fig 2** and **Fig S2**). For example, both the *12xCSL-lacZ* and *6xSPS-lacZ*  
177 transgenes induced reporter expression in the embryonic mesectoderm (**Fig 2B-C**), nervous system, and  
178 hindgut dorsal-ventral boundary cells (**Fig 2D-E**). In addition, qualitatively similar expression patterns were  
179 observed in the pupal wing disc (**Fig 2H-I**), the pupal eye disc (**Fig 2J-K**), and the adult midgut (**Fig 2L-M**).  
180 Surprisingly, however, only the *6xSPS-lacZ* reporter was activated in Notch-active larval imaginal disc cells,  
181 such as the wing margin cells (**Fig 2F-G**), the leg joint boundary cells (**Fig S3A-B**), and in differentiating cells  
182 of the larval eye (**Fig S3C-D**). In addition, we found that *12xCSL-lacZ* only activated reporter expression in  
183 a subset of the cellular patterns generated by the *6xSPS-lacZ* reporter in the larval brain (**Fig S3E-F**).

184 To investigate if the differential responsiveness of the *6xSPS-lacZ* and *12xCSL-lacZ* transgenes to  
185 Notch signaling in larval tissues reflected a position effect, we tested transgenes inserted into an  
186 independent chromosomal landing site and found that each was similarly active in the embryo, whereas  
187 only *6xSPS-lacZ* was active in the larval wing imaginal disc (**Fig S4**). These data indicate that the failure of  
188 the synthetic CSL enhancer to activate reporter expression in larval imaginal disc cells is unlikely due to  
189 positional effects of the transgenes. Second, we assessed the activity of the *6xSPS-lacZ* and *12xCSL-lacZ*  
190 reporters in embryonic and larval imaginal disc cells that express ectopic NICD. For the *Drosophila* embryo,  
191 we used *paired-Gal4* (*prdG4*) to activate a *UAS-NICD* transgene in every other parasegment and found  
192 that both *12xCSL-lacZ* and *6xSPS-lacZ* were strongly activated by ectopic NICD (**Fig 3A-B**). In sharp contrast,

193 ectopic NICD expression using *Dpp-Gal4*, which is active in larval wing cells along the anterior-posterior  
194 compartment boundary, had a very different impact on these two reporters (**Fig 3C-D**). The *6xSPS-lacZ*  
195 reporter was strongly activated by NICD, whereas the *12xCSL-lacZ* reporter showed minimal expression  
196 (**Fig 3C-D**). Moreover, it is important to note that the ectopic NICD in this experiment induced ectopic  
197 expression of the *cut* Notch target gene and induced pronounced wing overgrowth phenotypes, which  
198 strongly suggests that the failure to activate the *12xCSL-lacZ* reporter is not due to limited NICD levels.  
199 Third, we used *DppG4* to express a constitutively active Su(H)-VP16 fusion protein, which has been shown  
200 to activate Notch target enhancers in an NICD-independent manner (Klein et al., 2000), and found that  
201 Su(H)-VP16 activated the *12xCSL-lacZ* reporter in the larval wing disc, although to a lesser extent than it  
202 activates *6xSPS-lacZ* (**Fig 3E-F**). Altogether, these data reveal that while synthetic reporters with  
203 monomeric CSL sites are sufficient to mediate Notch-dependent expression in embryos, pupal tissues, and  
204 the adult midgut, the CSL sites are insufficient to activate strong Notch-dependent processes in larval  
205 imaginal disc tissues. While it remains unclear why the CSL reporters fail to respond to NICD in larval  
206 imaginal disc cells, the *12xCSL-lacZ* and *6xSPS-lacZ* reporters do elicit qualitatively similar Notch  
207 transcriptional responses in many tissues, and thereby provide useful tools to perform quantitative  
208 expression analysis between SPS versus CSL reporters inserted into consistent chromosomal locations.

209  
210 ***SPS-lacZ* reporters exhibit more consistent and stronger response than *CSL-lacZ* reporters in the**  
211 ***mesectoderm***

212 Notch signaling is required for the specification of mesectoderm cell fate by ensuring accurate  
213 expression of *single-minded* (*sim*). To assess the ability of both cooperative SPS and independent CSL sites  
214 to activate gene expression in the mesectoderm, we analyzed the activity of the *NxCSL-lacZ* and *NxSPS-*  
215 *lacZ* transgenes in the mesectoderm of age-matched embryos using immunofluorescent imaging for both  
216 Sim and  $\beta$ -gal protein levels (see methods). Qualitative analysis of reporters containing the same total

217 number of Su(H) binding sites (1xSPS = 2xCSL) revealed that neither a single SPS site (1xSPS-*lacZ*) nor two  
218 CSL sites (2xCSL-*lacZ*) activated detectable reporter expression in the mesectoderm (**Fig S5**). By contrast,  
219 Notch reporter activity in the mesectoderm was observed in embryos containing *lacZ* reporters with 4 or  
220 more CSL sites and 2 or more SPS sites (**Fig 4A-F**). These data show that the cooperative binding between  
221 NCM complexes does not confer synthetic SPS enhancers with a significantly different response threshold  
222 to Notch activation in the mesectoderm from synthetic enhancers with the same number of independent  
223 CSL sites.

224         Next, we quantitatively assessed how the number and type of binding sites impact transcriptional  
225 output in the mesectoderm by analyzing *lacZ* reporter activity in two ways. First, we determined the  
226 percentage of mesectoderm cells (as defined by Sim positive staining) that expressed significant levels of  
227  $\beta$ -gal relative to the background (defined as more than 3 standard deviations above the average  
228 background fluorescence, see methods) (**Fig 4G**). Second, we measured the intensities of  $\beta$ -gal and Sim in  
229 each embryo as a function of binding site type (SPS vs CSL) and binding site number (**Fig 4H-I**). As expected,  
230 Sim protein levels did not vary greatly between samples, although a small, but significant difference  
231 between the 2xSPS-*lacZ* and 4xCSL-*lacZ* samples was observed (**Fig 4I**). In contrast, comparative analysis  
232 of  $\beta$ -gal expression between these samples revealed the following: 1) Synthetic Notch reporters with SPS  
233 sites have a significantly higher likelihood of activating gene expression in each mesectoderm Sim positive  
234 cell than synthetic reporters with an equal number of independent CSL sites (**Fig 4G**). For example, the  
235 4xSPS-*lacZ* reporter was activated in  $78.0 \pm 6.3\%$  (mean  $\pm$  sem) of mesectoderm cells in a typical embryo,  
236 whereas the 8xCSL-*lacZ* reporter was only activated in  $53.6 \pm 6.7\%$  of mesectoderm cells. Moreover, a  
237 similar significant difference was also observed between the 6xSPS-*lacZ* and 12xCSL-*lacZ* embryos. 2)  
238 When comparing synthetic reporters with the same number of Su(H) binding sites (i.e. 8xCSL to 4xSPS),  
239 the  $\beta$ -gal levels were significantly higher in the SPS reporter lines than those in the CSL reporter lines (**Fig**  
240 **4H**). 3) There was a dramatic increase in both the percentage of  $\beta$ -gal-positive/Sim-positive cells (**Fig 4G**)

241 and the levels of  $\beta$ -gal expression (**Fig 4H**) as the number of synthetic binding sites increased from 4xCSL  
242 to 8xCSL or from 2xSPS to 4xSPS. However, both the levels of  $\beta$ -gal and the percentage of mesectoderm  
243 cells that activated Notch reporter activity were not significantly different between embryos with the  
244 *8xCSL-lacZ* and *12xCSL-lacZ* reporters or the *4xSPS-lacZ* and *6xSPS-lacZ* reporters (**Fig 4G-H**), suggesting  
245 that Notch-mediated transcriptional activation plateaus above 8 CSL sites and 4 SPS sites. In sum, this  
246 analysis revealed that the synthetic SPS reporters are both more likely to be activated and express at  
247 higher levels than the synthetic CSL reporters with the same number of binding sites within the Notch-  
248 active mesectoderm cells.

249

250 ***Activation of the SPS reporter gene is more resistant to increased levels of the Hairless co-repressor.***

251 Because neither the NICD/Mam co-activators nor the H co-repressor has a DNA binding domain  
252 and they bind to Su(H) in a mutually exclusive manner, the activating complexes and repressing complexes  
253 likely compete for binding to enhancers to regulate gene expression (Kovall and Blacklow, 2010; Yuan et  
254 al., 2016). To determine if the cooperativity between the NCM complex on the SPS results in altered  
255 sensitivity to the Hairless co-repressor, we overexpressed Hairless in every other parasegment of stage 11  
256 embryos with *paired-Gal4;UAS-Hairless* and analyzed age-matched embryos for either *12xCSL-lacZ* or  
257 *6xSPS-lacZ* reporter activity (see schematic in **Fig 5A**). Interestingly, while similar levels of Hairless  
258 overexpression were observed in both reporter lines compared to neighboring non-overexpressing  
259 parasegments (**Fig 5B-D**,  $2.41 \pm 0.08$  fold with *12xCSL-lacZ* and  $2.43 \pm 0.13$  fold with *6xSPS-lacZ*, mean $\pm$ sem),  
260 the *12xCSL-lacZ* reporter was more effectively repressed by Hairless overexpression than the *6xSPS-lacZ*  
261 reporter (**Fig 5B-C, E**, a  $57.5 \pm 3.4\%$  reduction in *12xCSL-lacZ* activity versus a  $35.0 \pm 3.7\%$  reduction in *6xSPS-*  
262 *lacZ* activity compared to the neighboring wild type parasegments, mean $\pm$ sem). These data are consistent  
263 with Su(H)/H complexes more effectively competing with the NCM co-activator for independent CSL sites  
264 than for cooperative SPS sites.

265 An alternative explanation for the increased resistance to Hairless of the *6xSPS-lacZ* reporter is  
266 that when both Su(H)/H and NCM activation complexes are bound to neighboring sites on the same  
267 enhancer, the Su(H)/H complex may more efficiently antagonize the activation potential of the monomer  
268 NCM activation complex than that of the dimer NCM complex. To test this idea, we targeted the Hairless  
269 co-repressor to heterologous DNA binding sites using 5 copies of the LexA DNA binding site (5xLexAop)  
270 inserted adjacent to either 12xCSL or 6xSPS binding sites (**Fig 6A**). To do so, we generated a *UAS-V5-*  
271 *LexADBD-Hairless*<sup>Δ232-263</sup> construct and overexpressed this fusion protein with *paired-Gal4* in reporter lines  
272 containing LexA operator binding sites (i.e. *5xlexAop-12xCSL-lacZ* or *5xlexAop-6xSPS-lacZ*). Deletion of the  
273 Hairless Δ232-263 amino acids removes the Su(H)-binding domain (Maier et al., 2011), and thus renders  
274 this protein incapable of being recruited to CSL or SPS sites. Hence, overexpressing the V5-LexADBD-H<sup>Δ232-</sup>  
275 <sup>263</sup> protein had negligible impacts on the expression of the *12xCSL-lacZ* and the *6xSPS-lacZ* reporters  
276 lacking lexAop sites (**Fig 6B-C, F**). In contrast, expressing the V5-LexADBD-H<sup>Δ232-263</sup> protein strongly  
277 repressed the activity of both the *5xlexAop-12xCSL-lacZ* and the *5xlexAop-6xSPS-lacZ* reporters to a similar  
278 degree (**Fig 6D-F**). As additional controls, expressing a V5-lexADBD protein that lacks the Hairless protein  
279 or expressing the V5-Hairless<sup>Δ232-263</sup> protein that is not targeted to DNA failed to repress the *5xlexAop-*  
280 *12xCSL-lacZ* and *5xlexAop-6xSPS-lacZ* reporters (**Fig S6**). Altogether, these data suggest that when Hairless  
281 is specifically targeted to DNA sites near where the NCM complex binds, it efficiently antagonizes NCM  
282 mediated activation regardless of site architecture. However, in wild type embryos where the  
283 Hairless/Su(H) complex and the NCM complex compete for binding sites, the cooperativity of the NCM  
284 complex for SPS sites makes these synthetic enhancers more resistant to Su(H)/H binding and repression.

## 285 Discussion

286 In this study, we investigated how differences in DNA binding site architecture (CSL vs SPS) impact  
287 the DNA binding of the *Drosophila* Su(H) co-activator and co-repressor complexes *in vitro* and  
288 transcriptional output *in vivo*. Using a combination of *in vitro* DNA binding assays, synthetic biology, and  
289 *Drosophila* genetics, we made three key findings that reveal new insights into the differences between  
290 monomeric CSL sites and dimeric SPS sites in mediating Notch-dependent transcription. First, we found  
291 that unlike the Su(H)/NICD/Mam activating complex, the tested Su(H)/H repressor complex does not  
292 interact with SPSs in a cooperative manner and instead binds in a similar additive manner to both CSL and  
293 SPS probes. Second, we found that while transgenic reporter genes containing the same number of CSL  
294 vs SPS binding sites largely mediate the same qualitative expression patterns in *Drosophila* (with the noted  
295 exception of larval tissues), the synthetic SPS enhancers are more consistently activated and activated to  
296 a higher level in the mesectoderm relative to the synthetic enhancer with equal numbers of monomeric  
297 CSL sites. Third, we found that the Hairless co-repressor can more readily repress Notch induced activation  
298 of the synthetic CSL enhancers than the synthetic SPS enhancers, and this effect was only seen when both  
299 NICD and H bind the enhancer via Su(H). Overall, these data support the model that, compared to  
300 enhancers with only CSL sites, Notch-regulated enhancers with cooperative SPSs will more likely be bound  
301 by the co-activator complex and thereby are more resistant to the potential negative impacts of CSL/co-  
302 repressor complexes. Below, we integrate these findings with other publications on Su(H) stability, Notch  
303 transcriptional dynamics, and endogenous Notch-regulated enhancers.

304 Recent studies in *Drosophila* have demonstrated that the Su(H) TF is unstable in the absence of  
305 either the Notch signal (NICD) or the Hairless co-repressor (Praxenthaler et al., 2017). Moreover,  
306 biochemical assays demonstrated that Su(H), as well as the mammalian RBPJ CSL TF, uses distinct but  
307 overlapping domains to bind NICD and co-repressors and do so with similar affinities (Collins et al., 2014;  
308 Friedmann et al., 2008; Yuan et al., 2016, 2019). Together, these findings suggest that the NICD/Mam co-

309 activator proteins and the Hairless co-repressor protein compete to bind Su(H) in a mutually exclusive  
310 manner, and that the vast majority of Su(H) in a cell is in either an activating or repressing complex. Hence,  
311 Notch-mediated transcriptional output is dependent upon which TF complex interacts with the binding  
312 sites found in Notch-regulated enhancers. Our DNA binding data show that monomeric CSL sites bind  
313 similarly to both the Su(H)/NICD/Mam activating complex and the Su(H)/H repressing complex. In contrast,  
314 the paired sites found in SPS enhancers cooperatively bind the Su(H)/NICD/Mam complex, but not the  
315 Su(H)/H co-repressor complex. In fact, our biochemical studies show that the effective K<sub>d</sub> for binding a  
316 second co-activator complex to the SPS site is ~17 times smaller than the effective K<sub>d</sub> of binding a second  
317 Su(H)/H co-repressor complex or a second Su(H) TF alone to the SPS site. However, since a truncated  
318 Hairless protein was used in our EMSAs, we cannot rule out the possibility that regions outside of the  
319 tested construct contribute to cooperativity. But importantly, the DNA binding data are congruent with  
320 the stronger and more consistent reporter expression driven by the SPS enhancers in the mesectoderm  
321 as compared to CSL reporters integrated into the same chromosomal locus.

322         Previous studies on Notch-dependent transcription in the mesectoderm used the MS2-MCP-GFP  
323 system to characterize the transcriptional dynamics of two enhancers: the *E(spl)m5/m8* mesectoderm  
324 enhancer (MSE) that has an SPS site as well as several potential monomeric CSL sites, and the *sim* MSE  
325 enhancer that lacks SPSs but contains monomeric CSL sites (Falo-Sanjuan et al., 2018). Interestingly, the  
326 *E(spl)m5/m8* MSE and *sim* MSE enhancers showed very similar transcriptional dynamics and highly  
327 correlated transcriptional activity, suggesting that SPS and CSL sites mediate similar transcriptional  
328 responses within the mesectoderm. However, when different doses of ectopic NICD were provided in  
329 neighboring cells, the *E(spl)m5/m8* MSE enhancer drove expression significantly earlier than the *sim* MSE,  
330 consistent with the notion that the *E(spl)m5/m8* MSE enhancer displays a lower detection threshold for  
331 NICD to activate transcription. Intriguingly, this difference in enhancer activity was likely due to additional  
332 TF inputs and not due to the SPS site, as neither converting it into 2 CSL sites within the *E(spl)m5/m8* MSE



333 nor adding an SPS site to the *sim* MSE changed the timing of their activity. In contrast, both the SPS-  
334 containing wild type *E(spl)m5/m8* MSE enhancer and the engineered SPS-containing *sim* MSE enhancer  
335 were found to activate higher levels of gene expression due to increased transcriptional burst size.

336 Our findings using synthetic enhancers, which unlike the more complex endogenous enhancers use  
337 isolated SPS and CSL sites, are largely in agreement with the results obtained using live imaging in  
338 *Drosophila* embryos. First, we found that synthetic SPS and CSL enhancers both required the same number  
339 of Su(H) binding sites (*2xSPS* vs. *4xCSL*) to activate reporter expression within the mesectoderm, whereas  
340 the *1xSPS-lacZ* and *2xCSL-lacZ* reporters both failed to activate gene expression in the mesectoderm. This  
341 finding is in line with SPS and CSL sites having similar NICD detection thresholds. Second, we found that  
342 SPS enhancers activated transcription more consistently and at a higher level than CSL enhancers with the  
343 same total number of binding sites. Third, we investigated if the SPS-mediated cooperativity grants the  
344 *Drosophila* co-activators any advantages over the co-repressors and found that only the NCM complex,  
345 but not the Su(H)/H co-repressor complex, cooperatively binds SPSs. Consistent with the idea that  
346 cooperative binding to SPSs may lead to increased resistance to changes in co-repressor levels, our  
347 reporter assays showed that when Hairless was overexpressed at a moderate level (~2 fold overexpression)  
348 and had to compete with co-activators for Su(H) binding, the SPS reporter was more resistant to Hairless  
349 than the CSL reporter. However, when we targeted Hairless to DNA via an independent non-competitive  
350 mechanism, the Hairless co-repressor was equally competent to antagonize the activation effects elicited  
351 by the NCM complex on either the synthetic CSL or SPS reporters. Thus, the co-activator and co-repressor  
352 complexes compete for binding sites, and the cooperativity of the NCM to SPSs results in a competitive  
353 advantage for the activation complex over the repression complex.

354 Integrating our findings using the synthetic SPS and CSL enhancers with the studies on  
355 transcription dynamics of endogenous enhancers supports the following model: The cooperative binding  
356 of NCM activating complexes on SPSs results in enhanced stability of the NCM complex (i.e. a slower off-

357 rate) relative to independent CSL sites, which induces larger transcriptional burst sizes and enhanced  
358 levels of gene expression. In addition, cooperative NCM binding to SPS enhancers renders these binding  
359 sites less sensitive to the repressive impacts of the Su(H)/Hairless co-repressor complex. Importantly, each  
360 of these properties (i.e. cooperative NCM binding and preferential co-activator binding to DNA over co-  
361 repressor binding) would result in more consistent and higher transcription levels of target genes.  
362 However, there are several factors to consider regarding how these differences in synthetic SPS versus  
363 CSL enhancer activity can be translated to endogenous Notch regulated enhancers. First, most  
364 endogenous enhancers with SPS also contain one or more independent CSL sites that are more highly  
365 sensitive to the Hairless co-repressor. Hence, the transcriptional dynamics and ultimate output of  
366 endogenous Notch enhancers are likely to be influenced by the combined number and accessibility of the  
367 SPS versus CSL binding sites. Second, we previously found that synthetic SPS enhancers, but not CSL  
368 enhancers, can induce a *Notch* haploinsufficiency phenotype via a CDK8-dependent NICD degradation  
369 mechanism (Kuang et al., 2020). This finding suggests that SPSs preferentially promote NICD turnover, and  
370 such activity has potential implications for Notch-dependent transcriptional dynamics. Third, while we  
371 found that synthetic SPS and CSL reporters largely activate similar expression patterns in a variety of  
372 Notch-dependent tissues, only the SPS enhancers mediated significant Notch-dependent output in larval  
373 imaginal tissues. Intriguingly, this unexpected finding is consistent with a published study showing that an  
374 SPS-containing *E(spl)m8* enhancer that activates Notch-dependent gene expression in dorsal-ventral  
375 boundary cells of the larval wing disc fails to activate reporter gene expression when the orientations of  
376 the Su(H) sites were reverted from an SPS to non-cooperative CSL sites (Cave et al., 2005). These findings  
377 suggest that CSL sites alone are insufficient to activate Notch-dependent outputs in larval tissues without  
378 the influence of additional TF inputs. Thus, additional studies focused on using enhancers with distinct  
379 compositions of binding sites in different Notch-dependent tissues are needed to further understand how

380 the NCM activation and CSL/co-repressor complexes are integrated with additional transcriptional inputs  
381 to mediate cell-specific output.

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388

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390

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394

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398 A.P. Protein purification and gel shift analysis was performed by Y.K., E.K., and R.A.K. Data analysis was  
399 performed by Y.K., N.E., O.A., R.K., D.S., and B.G. The mathematical modeling was performed by N.E., O.A.,  
400 and D.S. The manuscript was written by Y.K. and B.G.

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529 logic underlying abdominal Hox-mediated repression versus activation of regulatory elements in  
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531 **Materials and Methods**

532 **Protein purification and electrophoretic mobility shift assays (EMSAs).** *Drosophila* proteins used in  
533 EMSAs include Su(H) (aa 98-523), Hairless (aa 232-358), NICD (aa 1763-2412) and Mastermind (aa 87-307).  
534 Recombinant proteins of each were expressed in *E. coli* and purified using affinity (Ni-NTA or Glutathione)  
535 ion exchange and size exclusion chromatography as previously described (Friedmann, et al., 2008). The  
536 purity of proteins was determined by SDS-PAGE with Coomassie blue staining and protein concentration  
537 was measured by UV280 absorbance. EMSAs were performed as previously described (Uhl, et al., 2016;  
538 Uhl, et al., 2010). Fluorescent labeled probes were mixed with purified proteins and incubated at room  
539 temperature for 20 minutes before loading. The protein concentration used for each experiment is listed  
540 in each Figure legend. Probe sequences are listed in Supplementary Table 1. Acrylamide gels were run at  
541 150V for 2 hours and then imaged using the LICOR Odyssey CLx scanner.

542  
543 **EMSA quantification.** The raw data for the mathematical analysis was extracted from gray scale images  
544 of the EMSA gels. The entire process was performed with custom MATLAB code. We utilized a local  
545 minima algorithm to extract the inter-lane intensity values. Inter-lane values were used to fit the  
546 appropriate background value to a specific location in the image. Band values were extracted by  
547 calculating the background subtracted intensity sum over rectangular boxes, which were optimized for  
548 maximal signal to background.

549 We then fitted the extracted band intensities to a model for binding to two sites that takes into account  
550 cooperative binding to the second site. The binding probability is calculated using standard equilibrium  
551 binding kinetics (Michaelis-Menten) to the two sites. Cooperativity is introduced into the model by  
552 assuming that the binding dissociation constant of an activation or repression complex to the second site  
553 is reduced by a cooperativity factor  $C$ , namely that  $K_{d2} = \frac{1}{C} K_{d1}$ . The corresponding probabilities that the  
554 probe is bound by 0, 1 or 2 complexes are given by:

555 
$$P_0 = \frac{1}{1+2\alpha+C\alpha^2}, P_1 = \frac{2\alpha}{1+2\alpha+C\alpha^2}, P_2 = \frac{C\alpha^2}{1+2\alpha+C\alpha^2}$$

556 where  $\alpha = \frac{[NTC]}{K_d}$  is the statistical weight associated with binding of a complex to a CSL or SPS site.  $K_d$  is  
557 the equilibrium dissociation constant to a single site. If the value of  $C$  is equal to 1, then the binding to the  
558 two sites is non-cooperative. If  $C > 1$  then the cooperativity is positive (2<sup>nd</sup> binding is enhanced). If  $C < 1$   
559 then the cooperativity is negative (2<sup>nd</sup> binding is suppressed).

560 We observed that even at high concentrations of Su(H) the 1-site state is never depleted (e.g. see NCM  
561 on SPS), and the signal of the 0-site state never decays to zero. We therefore assumed that there is a  
562 probability- $f$  that a site will become unavailable for binding. Under this assumption there is a fraction  $f^2$   
563 of the probes that will have no functioning sites (i.e. that both sites are unavailable), and a fraction  $2f$  of  
564 the probes that have only 1 functioning site (one of the two sites is unavailable). In this case the probability  
565 to find the probe is modified to:

566 2-sites: 
$$P_2 = (1 - 2f - f^2) \frac{C\alpha^2}{1+2\alpha+C\alpha^2}.$$

567 1-site: 
$$P_1 = (1 - 2f - f^2) \frac{2\alpha}{1+2\alpha+C\alpha^2} + 2f \frac{\alpha}{1+\alpha}.$$

568 0-sites: 
$$P_0 = (1 - 2f - f^2) \frac{1}{1+2\alpha+C\alpha^2} + 2f \frac{1}{1+\alpha} + f^2.$$

569 We then fit the normalized band intensities using least mean square to the sum of these three expressions.  
570 The fitting parameters are  $K_d$ ,  $C$ , and  $f$ . The parameters are extracted for each experiment separately.  
571 The confidence interval on the fitting parameters was calculated using a bootstrap method where 5000  
572 random data sets with the same mean and standard deviation as those observed experimentally were  
573 generated. The fitting procedure was then applied to all bootstrapped data to obtain the distribution of  
574 fitting parameters. The confidence intervals were determined by calculating the 95-percentile range for  
575 each parameter.

576

577 **Generation of transgenic flies.** 12xCSL and 6xSPS synthetic enhancers were designed and synthesized as  
578 previously reported (Kuang et al., 2020). The 2xCSL, 4xCSL, 8xCSL, 1xSPS, 2xSPS, and 4xSPS sequences  
579 were synthesized as oligonucleotides containing appropriate restriction enzyme site overhanging  
580 sequences to aid cloning into the *placZ-attB* vector (Bischof et al., 2007). The 5xlexAop sequence was  
581 synthesized by Genscript with flanking HindIII and EcoR1 restriction enzyme sites to aid cloning into the  
582 following vectors: *placZ-attB*; *12xCSL-lacZ* or *6xSPS-lacZ*. The coding sequences for the LexA-DBD and  
583 Hairless- $\Delta$ 232-263 sequences were synthesized by Genscript with appropriate flanking restriction enzyme  
584 sites for cloning into a modified pUAST vector that contained an N-terminal V5-epitope tag. These  
585 synthesized DNAs were used to generate the pUAST-V5-lexADBBD, pUAST-V5-Hairless $\Delta$ 232-263, and  
586 pUAST-V5-LexADBBD-Hairless $\Delta$ 232-263 vectors. All sequences were confirmed by Sanger sequencing,  
587 purified using Qiagen Midi-prep Kit and sent for *Drosophila* injection to Rainbow Transgenic, Inc.  
588 Transgenic *Drosophila* lines were established by integration into the *Drosophila* genome using phiC31  
589 recombinase integrase and landing sites located at either 51C or 86Fb as indicated (Bischof et al., 2007).  
590 All newly derived sequences and restriction sites used for cloning are listed in Supplementary Table 2.

591

592 **Fly husbandry.** The following alleles were obtained from the Bloomington *Drosophila* Stock Center:  
593 paired-Gal4 (#1947), UAS-NICD (#52008), and UAS-Hairless (#15672) and the UAS-Su(H)-VP16 line was  
594 previously described (Kidd et al., 1998). Flies were maintained at 25°C and under standard conditions.

595

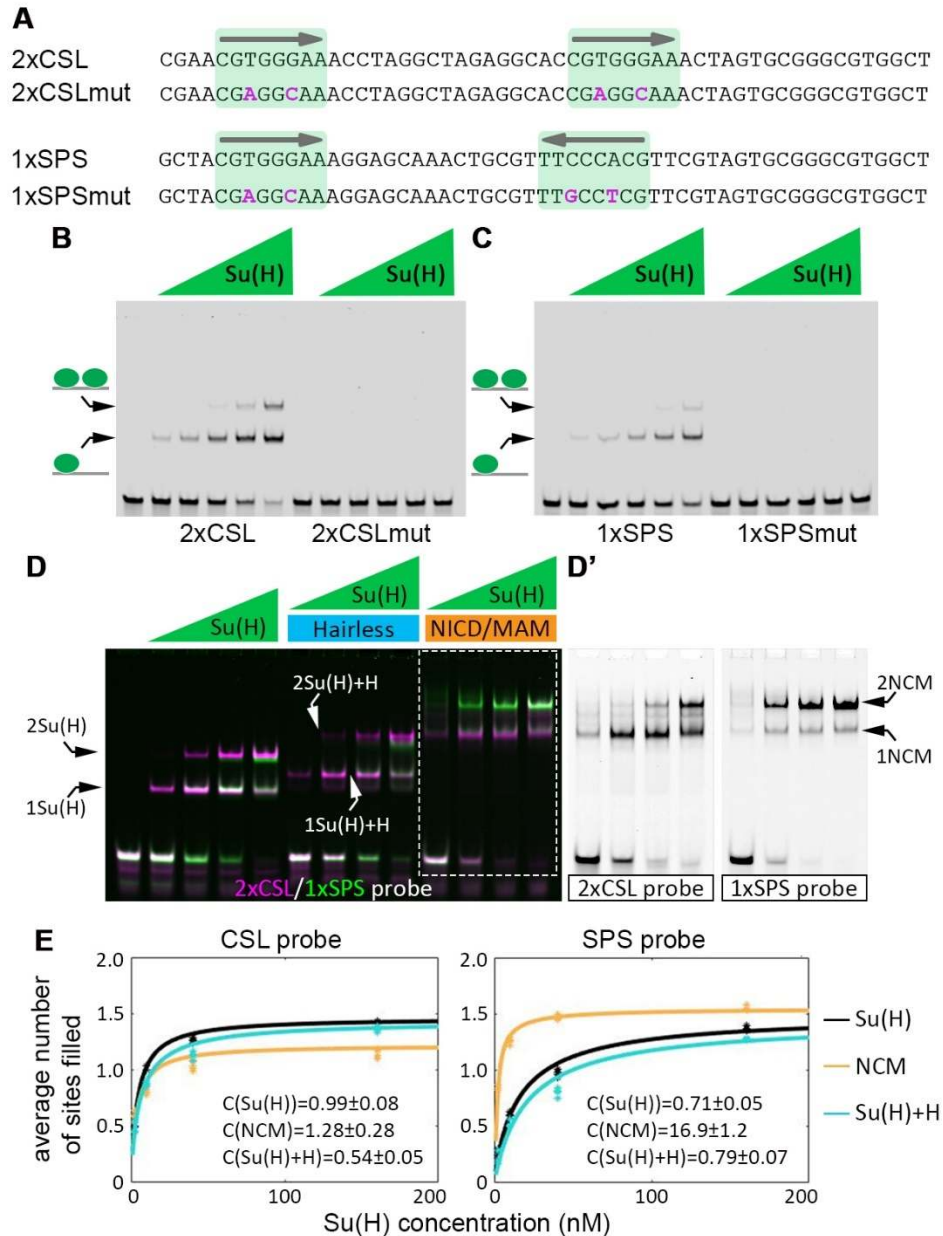
596 **Generation of single-minded (sim) antibody.** Guinea pig anti-Sim serum was generated as previously  
597 described (Gutzwiller et al., 2010). Briefly, a Sim cDNA was gifted from Dr. Stephen Crews (University of  
598 North Carolina). The cDNA sequence corresponding to sim-PD (aa 361-672) was PCR amplified and cloned  
599 in-frame with a 6xHis-Tag into a modified pET-14b plasmid (Novagen). The expression plasmid was

600 transformed into BL21 competent *E. coli* and the expression of the fusion protein was induced by IPTG.  
601 The His-tag-Sim protein was extracted in 8M urea lysis buffer, purified by Ni-NTA affinity chromatography,  
602 confirmed by Coomassie blue staining, and injected into guinea pigs to generate anti-Sim serum (Cocalico  
603 Biologicals, Inc).

604  
605 **Immunostaining and quantitative analysis.** For mesectoderm cells, 2-4 hour-old *Drosophila* embryos of  
606 the indicated genotypes were collected, fixed, and immunostained using anti- $\beta$ -gal (chicken 1:1000,  
607 Abcam ab9361) and anti-Sim (guinea pig 1:500, this study) serum and appropriate secondary antibodies  
608 conjugated to fluorescent dyes (Jackson Labs). Age-matched embryos were selected and imaged under  
609 identical settings using a Nikon A1R inverted confocal microscope (20x objective). The mesectoderm cells  
610 were defined as Sim-positive and selected for quantitative expression analysis. To do so, pixel intensity of  
611 both Sim and  $\beta$ -gal was subsequently determined with background correction using Imaris software.  $\beta$ -  
612 gal positive cells were defined as cells with pixel intensity at least three-fold higher than the standard  
613 deviation of the background measurements. One-way ANOVA with proper post-hoc tests was used to  
614 determine statistical significance.

615 For the *paired-Gal4* experiments, 0-16 hour-old embryos were collected, fixed, and immunostained with  
616 either Hairless (guinea pig 1:500, Annett and Dieter) and  $\beta$ -gal or V5 (mouse 1:500, Invitrogen R960-25)  
617 and  $\beta$ -gal as indicated. Stage 11-12 *Drosophila* embryos were imaged under identical settings in each  
618 experiment by either a ZEISS Apotome or Nikon A1R inverted confocal microscope. Fluorescent intensity  
619 was quantified using Fiji software as previously described (Zandvakili et al., 2018, 2019). Briefly, the z-  
620 stack images were sum-projected and the Gal4<sup>+</sup> and Gal4<sup>-</sup> regions in embryos were manually determined.  
621 The ratio of  $\beta$ -gal or Hairless was calculated between the Gal4<sup>+</sup> and Gal4<sup>-</sup> parasegments after background  
622 subtraction. One-way ANOVA with proper post-hoc tests was used to determine statistical significance.

623 The larval wing discs were dissected, fixed, and stained as described (Kuang et al., 2020). Pupal eye discs  
624 were fixed for 30 min, and pupal wing discs and adult posterior midguts were fixed for 45 min in 4%  
625 formaldehyde after dissection. All of the samples were stained as previously described (Kuang et al., 2020).  
626 Antibodies used in this study include  $\beta$ -gal (chicken 1:1000, Abcam ab9361) and sim (guinea pig 1:500,  
627 this study), cut (mouse 1:50, DSHB 2B10), Pros (mouse 1:100, DSHB MR1A), Hairless (guinea pig 1:500,  
628 Annett and Dieter) and V5 (mouse 1:500, Invitrogen R960-25).



629 **Figure 1. The Notch-CSL-Mastermind (NCM) complex binds the SPS sequence cooperatively *in vitro*. A.**

630 Sequences of the 2xCSL and 1xSPS probes, which both contain two of the same Su(H) binding site

631 (CGTGGGAA, highlighted in green) that only differ in orientation and spacing. The specific mutations

632 introduced into the Su(H) binding sites are noted in magenta text. **B-C.** EMSAs reveal binding of purified

633 *Drosophila* Su(H) to the wild type, but not the mutated, 2xCSL (B) and 1xSPS (C) probes. Su(H)

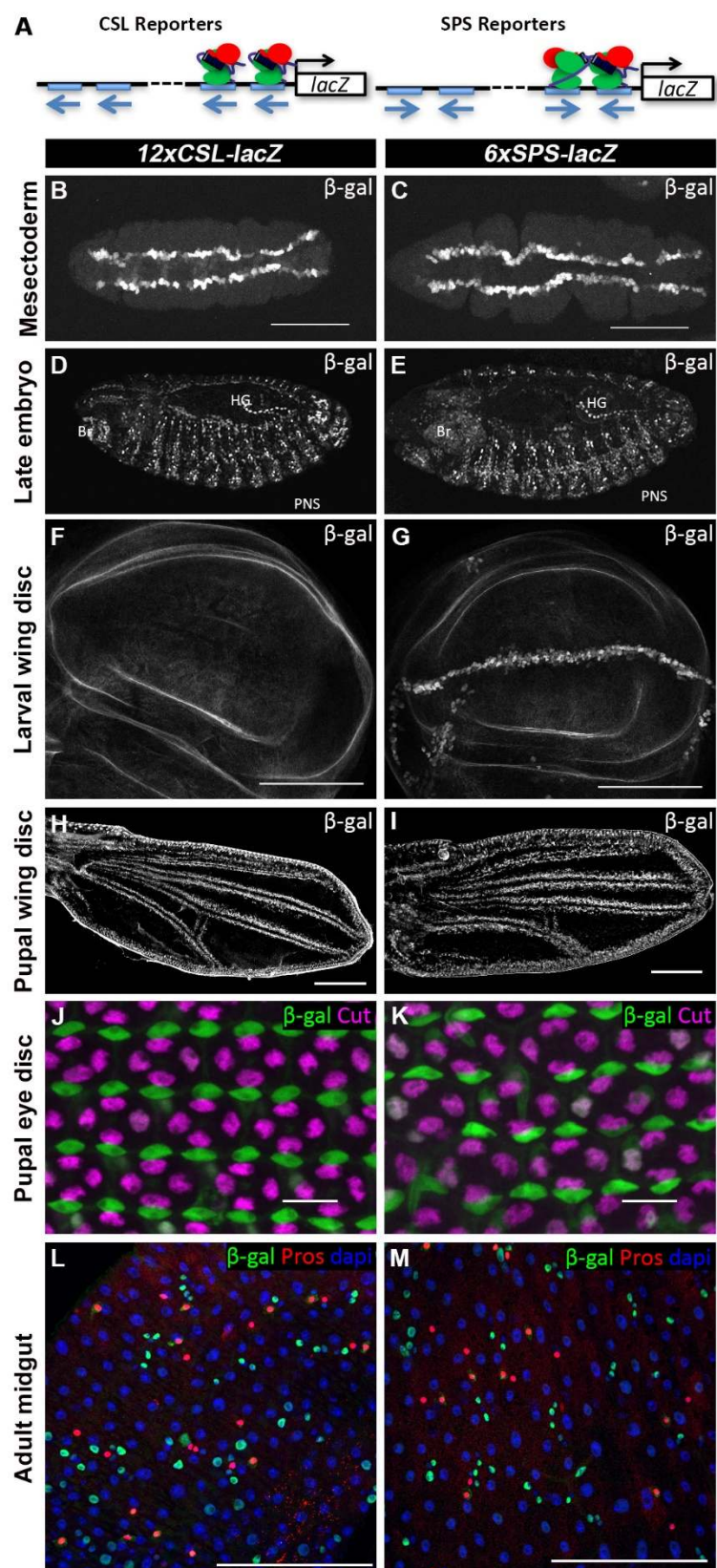
634 concentration increases from 0.94nM to 15nM in 2-fold steps. **D.** EMSA reveals binding of the indicated

635 purified *Drosophila* proteins on 2xCSL (magenta) or 1xSPS (green) probes. Note, Su(H) alone and the

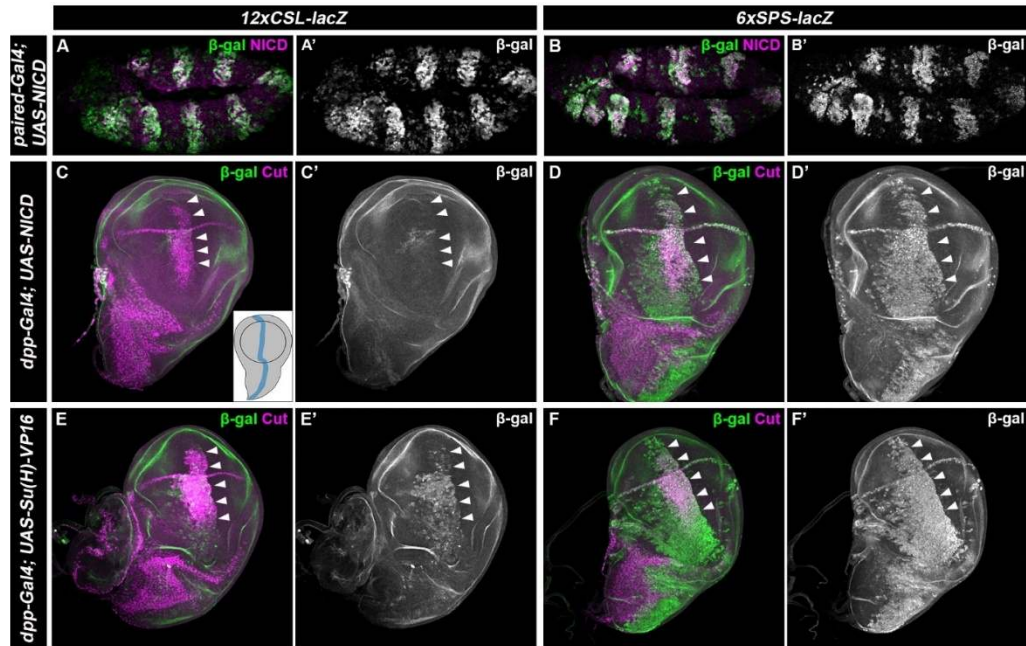
636 Su(H)/H co-repressor complex bind the 2xCSL and 1xSPS probes in a largely additive manner. In contrast,  
637 the NCM co-activator complex (arrows at right) binds the 1xSPS but not the 2xCSL probe cooperatively.  
638 Su(H) concentration increases from 2.5 to 160 nM in 4-fold steps and 2  $\mu$ M Hairless/NICD/MAM was used  
639 in indicated lanes. Note, we separated the two colors for the NCM activating complex in grayscale in D'  
640 and show the entire gel in grayscale in Figure S1A-B. **E.** Average number of sites filled with increasing  
641 amounts of Su(H) in reactions of Su(H) alone (black), Su(H) with co-activators (orange) and Su(H) with the  
642 Hairless (H) co-repressor (blue). The average number of sites filled is defined as  $\bar{n} = \frac{I_1}{I_0+I_1+I_2} + 2 \frac{I_2}{I_0+I_1+I_2}$ ,  
643 where  $I_0$ ,  $I_1$  and  $I_2$  are the extracted band values for the 0, 1, and 2 TFs bound to the probe. Each reaction  
644 was repeated four times and the dots represent data from each individual experiment. Lines represent  
645 fitted data (see methods). Extracted cooperativity factors are as indicated.  
646



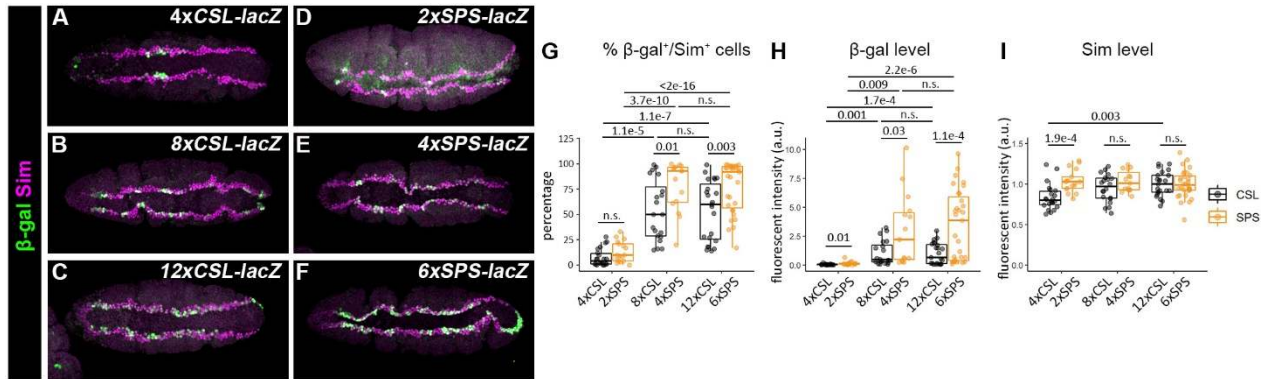
647



648 **Figure 2. CSL and SPS reporters are expressed in multiple *Notch*-dependent tissues.** **A.** Schematics of  
649 *NxCSL-lacZ* and *NxSPS-lacZ* reporter constructs. **B-C.** Ventral view of stage 5 *Drosophila* embryos with the  
650 *12xCSL-lacZ* (B) and *6xSPS-lacZ* (C) reporters immunostained for  $\beta$ -gal revealed expression in the  
651 mesectoderm. **D-E.** Lateral view of stage 15 *Drosophila* embryos with the *12xCSL-lacZ* (D) and *6xSPS-lacZ*  
652 (E) reporters immunostained for  $\beta$ -gal revealed expression in expected Notch-dependent tissues including  
653 the embryonic brain (Br), peripheral nervous system (PNS), and hindgut (HG). **F-G.** Larval wing discs with  
654 the *12xCSL-lacZ* (F) and *6xSPS-lacZ* (G) reporters immunostained for  $\beta$ -gal revealed expression in the D-V  
655 boundary cells only with SPS reporter. **H-I.** Pupal wing discs with the *12xCSL-lacZ* (H) and *6xSPS-lacZ* (G)  
656 reporters immunostained for  $\beta$ -gal revealed expression in the intervein tissue adjacent to the developing  
657 wing veins. **J-K.** Pupal eye discs with the *12xCSL-lacZ* (H) and *6xSPS-lacZ* (I) reporters immunostained for  
658  $\beta$ -gal (green) and cut (magenta), which marks the cone cells, revealed an expression pattern consistent  
659 with reporter activity in the primary pigment cells. **L-M.** Adult intestinal midgut cells with the *12xCSL-lacZ*  
660 (J) and *6xSPS-lacZ* (K) reporters immunostained for  $\beta$ -gal (green), Pros (red), which is a marker of  
661 enteroendocrine cells, and counterstained with DAPI revealed an expression pattern in the smaller nuclei  
662 of the midgut, consistent with high Notch activity in the EB cells. Scale bars are 10  $\mu$ m in J and K, and 100  
663  $\mu$ m in others.

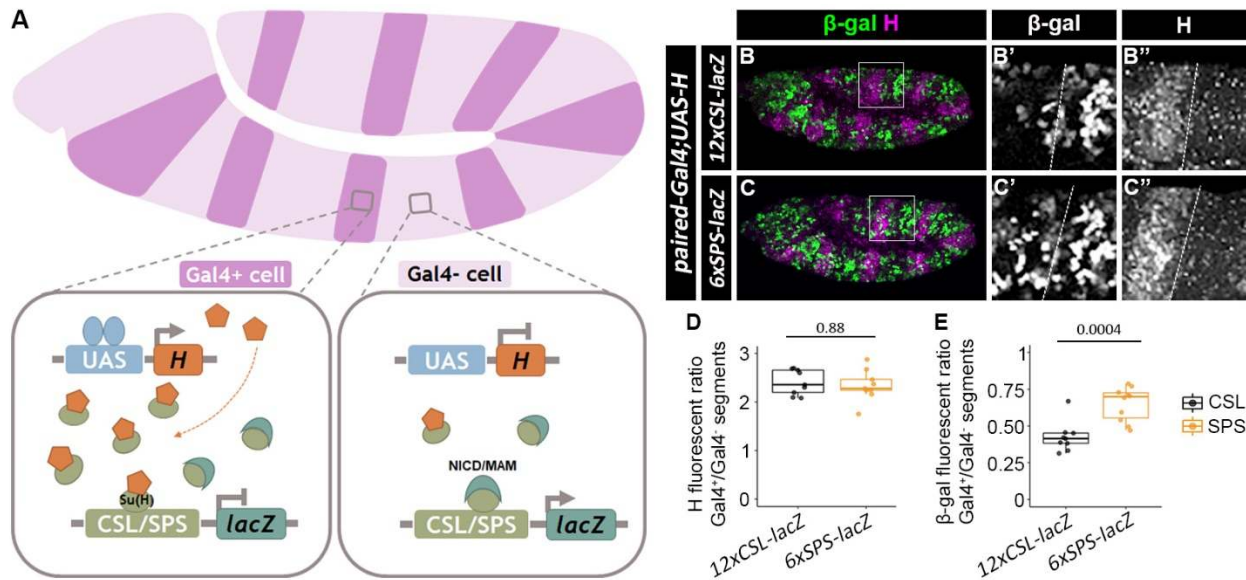


664 **Figure 3. CSL and SPS reporters respond to ectopic Notch signal activation. A-B.** Stage 11 *Drosophila*  
665 embryos containing either the *12xCSL-lacZ* or *6xSPS-lacZ* reporter and *paired-Gal4>UAS-NICD* activation  
666 were immunostained for  $\beta$ -gal (green, black and white in A' and B') and NICD (magenta). Note, both the  
667 *12xCSL-lacZ* and *6xSPS-lacZ* reporters were strongly activated by ectopic NICD. C-F. Larval wing discs  
668 containing either the *12xCSL-lacZ* or *6xSPS-lacZ* reporter and *dpp-Gal4>UAS-NICD* (C-D) or *dpp-Gal4>UAS-*  
669 *Su(H)-VP16* (E-F) were immunostained for  $\beta$ -gal (green, black and white in C' and F') and NICD (magenta).  
670 Inset in panel C shows the *dpp-Gal4* positive region in wing discs. Arrowheads denote the region of NICD  
671 overexpression in the wing pouch.

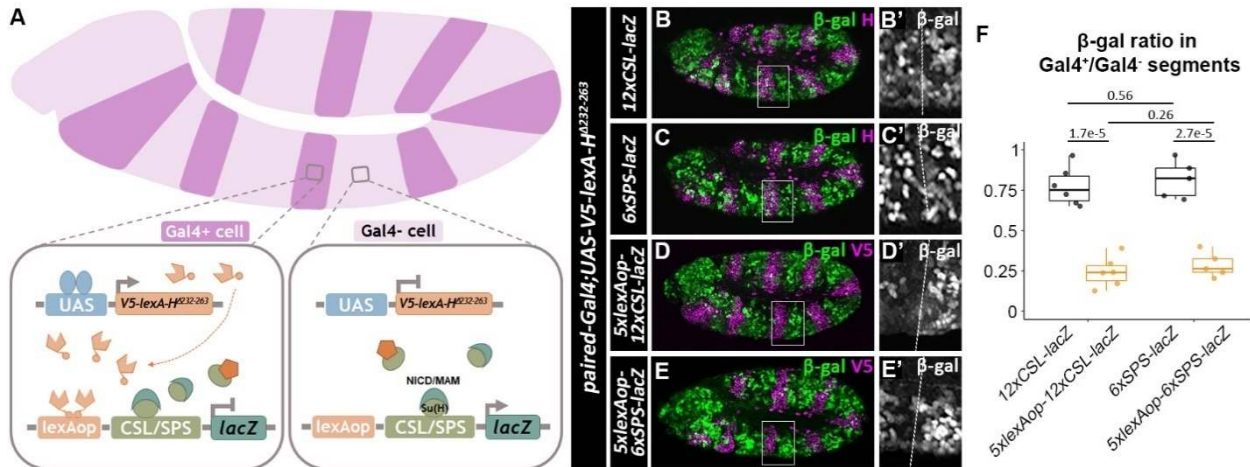


672 **Figure 4. Cooperative binding sites enhance Notch transcriptional activity in the *Drosophila***  
 673 **mesectoderm. A-F.** Ventral views of stage 5 *Drosophila* embryos carrying either the *4xCSL-lacZ* (A), *8xCSL-*  
 674 *lacZ* (B), *12xCSL-lacZ* (C), *2xSPS-lacZ* (D), *4xSPS-lacZ*, (E) or *6xSPS-lacZ* (F) immunostained for  $\beta$ -gal (green)  
 675 and sim (magenta), which is a marker of mesectoderm cells. **G-I.** Quantification of the percentage of  
 676 mesectoderm cells (sim-positive cells) that activate  $\beta$ -gal (G), the mean  $\beta$ -gal protein levels (H) and the  
 677 mean sim protein levels (I) in flies containing the indicated reporters. Each dot represents the  
 678 measurements from an individual embryo. Box plots show the median, interquartile range, and 1.5 times  
 679 interquartile range. One-way ANOVA with post-hoc Tukey HSD for equal variance or post-hoc Dunnett's  
 680 T3 for unequal variance were used to test significance. n.s. not significant.





681 **Figure 5. Notch reporters with cooperative binding sites show higher resistance to the Hairless co-**  
 682 **repressor than reporters with monomer sites. A.** Schematic of the over-expression of the Hairless protein  
 683 using the paired-Gal4>UAS system. Note, that paired-Gal4 is active in every-other parasegment and  
 684 thereby allows the direct comparison of Gal4-positive (Gal4+) regions that express endogenous and  
 685 exogenous Hairless with wild type (Gal4-) regions that only express endogenous Hairless in the same  
 686 embryo. **B-C.** Lateral views of stage 11 *paired-Gal4>UAS-Hairless* embryos containing either the *12xCSL-*  
 687 *lacZ* (B) or *6xSPS-lacZ* (C) reporter. Embryos were immunostained with  $\beta$ -gal (green) and Hairless (magenta)  
 688 and close-up views of the individual channels in black and white for the highlighted regions are shown in  
 689 B'-C' ( $\beta$ -gal) and B''-C'' (Hairless). **D-E.** Quantification of ratios of Hairless (D) and  $\beta$ -gal (E) in parasegments  
 690 with ectopic Hairless (*paired-Gal4<sup>+</sup>*) compared to control parasegments (*paired-Gal4<sup>-</sup>*). Each dot  
 691 represents the mean measurement from an individual embryo containing either the *12xCSL-lacZ* or *6xSPS-*  
 692 *lacZ* reporter. Box plots show the median, interquartile range, and 1.5 times interquartile range. One-way  
 693 ANOVA was used to test significance.



694 **Figure 6. Hairless represses both cooperative and non-cooperative Notch-mediated transcriptional**  
 695 **activation when targeted to DNA via a heterologous DNA binding domain.** **A.** Schematic of the over-  
 696 expression of a V5-lexA-Hairless $\Delta$ 232-263 protein using the paired-Gal4-UAS system. Note, that the  
 697 Hairless  $\Delta$ 232-263 deletion removes the protein domain that interacts with Su(H). Thus, this protein  
 698 neither directly competes with NICD/Mam for binding to Su(H) nor does it get recruited to the CSL/SPS  
 699 binding sites. Instead, the V5-LexA-H $\Delta$ 232-263 protein is targeted to DNA via lexAop sequences that have  
 700 been inserted into the CSL/SPS reporter vectors. **B-C.** Stage 11 embryos of *paired-Gal4>UAS-V5-lexA<sup>DBD</sup>-*  
 701 *Hairless<sup>\Delta</sup>232-263* immunostained with  $\beta$ -gal (green) and Hairless (magenta) with either 12xCSL-*lacZ* or 6xSPS-  
 702 *lacZ* reporter. **A'-B'.** Close-up views of  $\beta$ -gal intensity in black and white are shown in insets from A-B with  
 703 the *paired-Gal4*-positive parasegment on the left and the *paired-Gal4*-negative parasegment on the right.  
 704 **D-E.** Stage 11 embryos of *paired-Gal4>UAS-V5-lexA<sup>DBD</sup>-Hairless<sup>\Delta</sup>232-26* immunostained with  $\beta$ -gal (green)  
 705 and V5 (magenta) with either 5xlexAop-12xCSL-*lacZ* or 5xlexAop-6xSPS-*lacZ*. **C'-D'.** Close-up views of  $\beta$ -gal  
 706 intensity in black and white are shown in insets from C-D with the *paired-Gal4*-positive parasegment on  
 707 the left and the *paired-Gal4*-negative parasegment on the right. **F.** Quantification of ratios of  $\beta$ -gal of  
 708 *paired-Gal4*<sup>+</sup> to *paired-Gal4*<sup>-</sup> parasegments in flies with indicated genotypes. Each dot represents the  
 709 average measurement from an individual embryo containing the indicated reporter. Box plots show the  
 710 median, interquartile range, and 1.5 times interquartile range. One-way ANOVA used to test significance.