



DAC Bond

\$146,465,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
FORDHAM UNIVERSITY
REVENUE BONDS, SERIES 2016A

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

Payment and Security: The Fordham University Revenue Bonds, Series 2016A (the "Series 2016A Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of March 9, 2016, between Fordham University (the "University") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the Series 2016A Bonds. The Series 2016A Bonds are to be issued under DASNY's Fordham University Revenue Bond Resolution, adopted March 26, 2008 (the "Resolution") and the Series Resolution authorizing the Series 2016A Bonds, adopted March 9, 2016 (the "Series 2016A Resolution" and together with the Resolution, the "Resolutions").

The Loan Agreement is a general obligation of the University and requires the University to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2016A Bonds.

The Series 2016A Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2016A Bonds. DASNY has no taxing power.

Description: The Series 2016A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2016A Bonds will mature on the dates and bear interest at the rates shown on the inside cover. Interest (due July 1, 2016 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2016A Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2016A Bonds, by wire transfer to the holder of such Series 2016A Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal, Sinking Fund Installments, if any, or Redemption Price of the Series 2016A Bonds will be payable at the principal corporate trust office of the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2016A Bonds, by wire transfer to the holder of such Series 2016A Bonds as more fully described herein.

The Series 2016A Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2016A Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2016A Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price and Purchase Price of and interest on such Series 2016A Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE SERIES 2016A BONDS – Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2016A Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Series 2016A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Series 2016A Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "PART 11 – TAX MATTERS" herein.

The Series 2016A Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2016A Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Winston & Strawn LLP, New York, New York. DASNY expects to deliver the Series 2016A Bonds in definitive form in New York, New York, on or about May 5, 2016.

Morgan Stanley

J.P. Morgan

Ramirez & Co. Inc.

\$146,465,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
FORDHAM UNIVERSITY
REVENUE BONDS, SERIES 2016A

Maturity Schedule

\$78,790,000 Serial Bonds

<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> ⁽¹⁾	<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> ⁽¹⁾
2017	\$2,760,000	3.000%	0.600%	64990BB44	2027	\$3,810,000	5.000%	2.060%*	64990BC68
2018	2,850,000	3.000	0.760	64990BB51	2028	4,005,000	5.000	2.170*	64990BC76
2019	2,930,000	4.000	0.860	64990BB69	2029	4,200,000	5.000	2.270*	64990BC84
2020	3,050,000	4.000	1.040	64990BB77	2030	4,415,000	5.000	2.340*	64990BC92
2021	3,175,000	4.000	1.210	64990BB85	2031	5,070,000	5.000	2.420*	64990BD26
2022	3,185,000	4.000	1.350	64990BB93	2032	5,245,000	5.000	2.450*	64990BD34
2023	3,315,000	5.000	1.490	64990BC27	2033	5,500,000	5.000	2.510*	64990BD42
2024	3,485,000	5.000	1.640	64990BC35	2034	5,780,000	5.000	2.540*	64990BD59
2025	3,655,000	5.000	1.780	64990BC43	2035	6,070,000	5.000	2.590*	64990BD67
2026	3,840,000	5.000	1.920	64990BC50	2036	2,450,000	5.000	2.640*	64990BD75

\$32,000,000 Stepped Coupon Bonds⁽²⁾ Due July 1, 2038 Price 100%** CUSIP Number⁽¹⁾ 64990BD83

\$35,675,000 5.000% Term Bonds Due July 1, 2041 Yield 2.800%* CUSIP Number⁽¹⁾ 64990BD91

Stepped Coupon Structure:

The Stepped Coupon Bonds maturing on July 1, 2038 will bear interest at: 2.250% per annum from the date of delivery through and including June 30, 2021; 3.000% per annum from July 1, 2021 through and including June 30, 2026; 4.500% per annum from July 1, 2026 through and including June 30, 2031; and 5.125% per annum from July 1, 2031 to maturity.

* Priced at the stated yield to the first optional call date of July 1, 2026 at a redemption price of 100%.

** Priced to the first optional call date of July 1, 2021 at a redemption price of 100%.

⁽¹⁾ CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2016A Bonds. Neither DASNY nor the Underwriter is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2016A Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2016A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2016A Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2016A Bonds.

⁽²⁾ Stepped Coupon Bonds bear interest at a rate that resets periodically. See "Stepped Coupon Structure" above for the rate structure.

No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriters to give any information or to make any representations with respect to the Series 2016A Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2016A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain information in this Official Statement has been supplied by the University and other sources that DASNY believes are reliable. Neither DASNY nor the Underwriters guarantees the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY or the Underwriters.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Project, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2016A Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2016A Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

References in this Official Statement to the Act, the Resolution, the Series 2016A Resolution, the Bond Series Certificate and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2016A Resolution, the Bond Series Certificate and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2016A Resolution, the Bond Series Certificate and the Loan Agreement are on file with DASNY and the Trustee.

The order and placement of material in this Official Statement, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Official Statement, including its appendices, must be considered in its entirety.

Under no circumstances will the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of DASNY or the University have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2016A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2016A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**DORMITORY AUTHORITY – STATE OF NEW YORK
GERRARD P. BUSHELL – PRESIDENT**

**515 BROADWAY, ALBANY, NY 12207
ALFONSO L. CARNEY, JR. – CHAIR**

**OFFICIAL STATEMENT RELATING TO
\$146,465,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
FORDHAM UNIVERSITY
REVENUE BONDS, SERIES 2016A**

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and Fordham University (the “University” or “Fordham”), in connection with the offering by DASNY of \$146,465,000 principal amount of its Fordham University Revenue Bonds, Series 2016A (the “Series 2016A Bonds”).

The following is a brief description of certain information concerning the Series 2016A Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2016A Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2016A Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used by the University to (i) finance a portion of the Costs of the Project (described herein), (ii) refund (a) all of the \$100,105,000 outstanding principal amount of DASNY’s Fordham University Revenue Bonds, Series 2008B (the “2008 Bonds”) and (b) all of the \$50,000,000 outstanding principal amount of DASNY’s Fordham University Revenue Bonds, Series 2011B (the “2011 Bonds” and, together with the 2008 Bonds, the “Refunded Bonds”), and (iii) pay the Costs of Issuance of the Series 2016A Bonds. See “PART 4 — THE PROJECT,” “PART 5 — THE REFUNDING PLAN” and “PART 6 — ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Series 2016A Bonds will be issued pursuant to the Resolutions and the Act. The Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to, among other things, pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University, and to refinance other indebtedness of the University. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution.

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, healthcare, governmental and not-for-profit institutions. See “PART 8 — DASNY.”

The University

The University is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Legislature of the State. The main campuses of the University are located in the Bronx, New York and Lincoln Center in mid-town Manhattan in The City of New York, New York. See “PART 7 — THE UNIVERSITY” and “Appendix B — Financial Statements of Fordham University and Independent Auditors’ Report.”

The Series 2016A Bonds

The Series 2016A Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2016 and on each January 1 and July 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 — THE SERIES 2016A BONDS — Description of the Series 2016A Bonds.”

Payment of the Series 2016A Bonds

The Series 2016A Bonds are special obligations of DASNY payable solely from the Revenues which consist of certain payments to be made by the University under the Loan Agreement, which payments are pledged and assigned to the Trustee. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2016A BONDS — Payment of the Series 2016A Bonds.”

The Series 2016A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2016A Bonds except for DASNY’s responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2016A Resolution and pledged therefor.

Security for the Series 2016A Bonds

The Series 2016A Bonds are secured by the pledge and assignment to the Trustee by DASNY of the payments to be made by the University under the Loan Agreement that constitute the Revenues and, except as otherwise provided in the Resolutions, of all funds and accounts established by the Resolutions in connection with the Series 2016A Bonds, other than the Arbitrage Rebate Fund.

The University’s obligation to make the payments under the Loan Agreement that constitute the Revenues is a general unsecured obligation of the University and such payments are required to be made by the University out of any money legally available to it. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2016A BONDS — Security for the Series 2016A Bonds.”

Security for Prior DASNY Bonds

As security for prior DASNY bonds issued for the benefit of the University (collectively, the “Prior DASNY Bonds”), the University has granted to DASNY a security interest in certain pledged revenues consisting of tuition and fees charged by the University to students for academic instruction. The Series 2016A Bonds will not be secured by a pledge of any revenues of the University. In the Loan Agreement, the University covenants not to grant any revenue pledge in connection with the incurrence of any indebtedness without granting an equal pledge for benefit of the Series 2016A Bonds. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2016A BONDS — Security for Prior DASNY Bonds and Issuance of Additional Indebtedness.”

The Project

The Project consists of the reconstruction and renovation of the existing 4-story building located at 140 West 62nd Street on the Lincoln Center Campus, including a student center, expanded and upgraded library, classrooms, offices, assembly space and utility, electrical and plumbing systems. See “PART 4 — THE PROJECT.”

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2016A BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2016A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution, the Series 2016A Resolution and the Bond Series Certificate executed in connection with the issuance of the Series 2016A Bonds. Copies of the Loan Agreement, the Resolution, the Series 2016A Resolution and the Bond Series Certificate are on file with DASNY and the Trustee. See also “Appendix C — Summary of Certain Provisions of the Loan Agreement” and “Appendix D — Summary of Certain Provisions of the Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2016A Bonds

The Series 2016A Bonds will be special obligations of DASNY. The principal of and interest on the Series 2016A Bonds are payable solely from the Revenues. The Revenues include the payments required to be made by the University under the Loan Agreement on account of the principal and Sinking Fund Installments of and interest on the Outstanding Series 2016A Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2016A Bonds.

The Loan Agreement is a general unsecured obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2016A Bonds. Generally, payments to satisfy principal and Sinking Fund Installments and interest on the Series 2016A Bonds are to be made monthly on the 10th day of each month. Each payment is to be equal to a proportionate share of the interest on the Series 2016A Bonds coming due on the next succeeding interest payment date and of the principal and Sinking Fund Installments coming due on the next succeeding July 1. The Loan Agreement also obligates the University to make payments sufficient to pay, at least 45 days prior to a redemption date or purchase date of Series 2016A Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the Redemption Price or Purchase Price of such Bonds. See “PART 3 — THE SERIES 2016A BONDS — Redemption and Purchase in Lieu of Redemption Provisions.”

DASNY has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal of and interest on the Series 2016A Bonds.

Security for the Series 2016A Bonds

The Series 2016A Bonds will be secured by the pledge and assignment by DASNY of the Revenues, the right to receive such Revenues and, except as otherwise provided in the Resolution, all of the funds and accounts established pursuant to the Resolutions, in connection with the Series 2016A Bonds, other than the Arbitrage Rebate Fund.

Events of Default and Acceleration

The following are events of default under the Resolution with respect to the Series 2016A Bonds: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Series 2016A Bond; (ii) a default by DASNY in the payment of interest on any Series 2016A Bond; (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in the Series 2016A Resolution to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Series 2016A Bonds from gross income for purposes of federal income taxation; (iv) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Series 2016A Bonds or in the Resolutions which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee’s discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if DASNY fails to commence within 30 days and diligently prosecute the cure thereof; or (v) DASNY shall have notified the Trustee that an “Event of Default,” as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Series 2016A Bonds, shall declare the principal of and interest on all the Outstanding Series 2016A Bonds to be due and payable. At any time after the principal of the Series 2016A Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than 25% in principal amount of Series 2016A Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the University within five days, and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2016A Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2016A Bonds.

Security for Prior DASNY Bonds and Issuance of Additional Indebtedness

In addition to the Series 2016A Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Series Resolution. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2016A Bonds.

As security for the Prior DASNY Bonds, the University has granted to DASNY a security interest in its pledged revenues, consisting of tuition and fees, which security interest in such pledged revenues was assigned by DASNY to the trustee for the applicable Prior DASNY Bonds. Except with respect to DASNY's Fordham University Revenue Bonds, Series 2014 (the "Series 2014 Bonds") which are secured by a gross pledge of the University's revenue from tuition and fees, for each series of Prior DASNY Bonds, the applicable grant of a security interest in such tuition and fees is in an amount equal to maximum annual debt service on the respective series of Prior DASNY Bonds. At December 31, 2015, the aggregate maximum annual debt service for the Prior DASNY Bonds (excluding the Series 2014 Bonds) was approximately \$39.7 million (which included maximum annual debt service on the Refunded Bonds of approximately \$17.2 million). With respect to the Series 2014 Bonds (currently outstanding in the amount of approximately \$58.6 million), the grant of a security interest is in tuition and fees. In Fiscal Year 2015, the University reported approximately \$407.9 million in net tuition and fees revenues subject to these liens.

The Series 2016A Bonds will not be secured by a pledge of any revenues of the University. Pursuant to the Loan Agreement, however, the University has covenanted not to incur any lien, pledge, charge, encumbrance or security interest in tuition and fees in connection with the incurrence of any indebtedness without granting an equal lien, pledge, charge, encumbrance or security interest as security for the payment of all liabilities and the performance of all obligations of the University under the Loan Agreement.

General

The Series 2016A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2016A Bonds except for DASNY's responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2016A Resolution and pledged therefor.

PART 3 — THE SERIES 2016A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2016A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2016A Resolution, the Bond Series Certificate and the Loan Agreement, copies of which

are on file with DASNY and the Trustee. See also “Appendix C — Summary of Certain Provisions of the Loan Agreement” and “Appendix D — Summary of Certain Provisions of the Resolution” for a more complete description of certain provisions of the Series 2016A Bonds.

General

The Series 2016A Bonds will be issued pursuant to the Resolutions. The Series 2016A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2016A Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2016A Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2016A Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2016A Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2016A Bonds, the Series 2016A Bonds will be exchangeable for fully registered Series 2016A Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “— Book-Entry Only System” and “Appendix D — Summary of Certain Provisions of the Resolution.”

Description of the Series 2016A Bonds

The Series 2016A Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2016 and on each January 1 and July 1 thereafter) at the rates set forth on the inside cover page of this Official Statement. The Series 2016A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2016A Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2016A Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the interest payment date. If the Series 2016A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2016A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent.

Redemption and Purchase in Lieu of Redemption Provisions

The Series 2016A Bonds are subject to optional, special and mandatory redemption, and purchase in lieu of optional redemption as described below. For a more complete description of the redemption and other provisions relating to the Series 2016A Bonds, see “Appendix D — Summary of Certain Provisions of the Resolutions.”

Optional Redemption

The Series 2016A Bonds maturing on or before July 1, 2026 are not subject to optional redemption prior to maturity. The Series 2016A Bonds maturing on or after July 1, 2027, other than the Stepped Coupon Bonds (as hereinafter defined), are subject to redemption prior to maturity at the option of DASNY on any Business Day on or after July 1, 2026, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2016A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2016A Bonds maturing on July 1, 2038 in the aggregate principal amount of \$32,000,000 (the “Stepped Coupon Bonds”), are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2021, in any order of sinking fund installment as directed by DASNY, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Stepped Coupon Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Purchase in Lieu of Optional Redemption

The Series 2016A Bonds, other than the Stepped Coupon Bonds, are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University, with the prior written consent of DASNY, on any Business Day on which such Series 2016A Bonds are subject to optional redemption, in any order, in whole or in

part, at a Purchase Price equal to 100% of the principal amount of the Series 2016A Bonds or portions thereof to be purchased, plus accrued interest to the date set for purchase (the “Purchase Date”).

Mandatory Redemption

The Stepped Coupon Bonds are subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of Stepped Coupon Bonds specified for each of the years shown below:

**Stepped Coupon Bonds
Maturing July 1, 2038**

<u>Year</u>	<u>Sinking Fund Installment</u>
2036	\$10,595,000
2037	12,240,000
2038 [†]	9,165,000

[†] Stated maturity.

The Series 2016A Bonds maturing July 1, 2041 are also subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolutions and the Bond Series Certificate, at a Redemption Price equal to 100% of the principal amount of Series 2016A Bonds to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2016A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolutions permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2016A Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

**Series 2016A Bonds
Maturing July 1, 2041**

<u>Year</u>	<u>Sinking Fund Installment</u>
2037	\$2,465,000
2038	6,205,000
2039	8,650,000
2040	9,000,000
2041 [†]	9,355,000

[†] Stated maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2016A Bonds entitled to such Sinking Fund Installment (A) purchased with moneys in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2016A Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2016A Bonds so purchased payable on the next succeeding July 1. Series 2016A Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY’s obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder’s Series 2016A Bonds of the maturity so purchased will be reduced for such year.

Special Redemption

The Series 2016A Bonds are subject to redemption prior to maturity at the option of DASNY in any order, in whole or in part on any interest payment date, at a Redemption Price equal to 100% of the principal amount of Series 2016A Bonds to be redeemed, plus accrued interest to the redemption date (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project and (ii) from unexpended proceeds of the Series 2016A Bonds upon the abandonment of all or a portion the Project due to a legal or regulatory impediment.

Selection of Bonds to be Redeemed or Purchased

In the case of redemption or purchase in lieu of redemption of less than all of the Series 2016A Bonds, DASNY will select the maturities of the Series 2016A Bonds to be redeemed or purchased. If less than all of the Series 2016A Bonds of maturity are to be redeemed or purchased, the Series 2016A Bonds of such maturity to be redeemed or purchased will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2016A Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2016A Bonds to be redeemed, at their last known addresses appearing on the registration books of DASNY not more than 10 Business Days prior to the date such notice is given. Each notice of redemption, other than a notice of “Special Redemption” will state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient moneys to pay the Redemption Price of the Series 2016A Bonds to be redeemed. The failure of any owner of a Series 2016A Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2016A Bond.

If on the redemption date, moneys for the redemption of the Series 2016A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2016A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2016A Bonds will no longer be considered to be Outstanding.

Notice of Purchase in Lieu of Redemption and its Effect

Notice of purchase of the Series 2016A Bonds will be given in the name of DASNY to the registered owners of the Series 2016A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2016A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2016A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2016A Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2016A Bonds. Such Series 2016A Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The University’s obligation to purchase a Series 2016A Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2016A Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2016A Bonds to be purchased, the former registered owners of such Series 2016A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2016A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2016A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2016A Bonds are to be purchased, the Series 2016A Bonds to be purchased will be selected by lot in the same manner as Series 2016A Bonds to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2016A Bonds, see “Appendix D — Summary of Certain Provisions of the Resolutions.” Also see “Book-Entry Only System” below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2016A Bonds when the Book-Entry Only System is in effect.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2016A Bonds. The Series 2016A Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016A Bond certificate will be issued for each maturity of the Series 2016A Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2016A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2016A Bonds, except in the event that use of the book-entry system for the Series 2016A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2016A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2016A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2016A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2016A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016A Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2016A Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2016A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources DASNY believes to be reliable, but DASNY takes no responsibility for the accuracy thereof.

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2016A Bonds, as nominee, may desire to make arrangements with such Direct or Indirect Participant to receive a credit balance in the records of such Direct or Indirect Participant, and may desire to make arrangements with such Direct or Indirect Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Direct or Indirect Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2016A BONDS.

So long as Cede & Co. is the registered owner of the Series 2016A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2016A Bonds (other than under the caption "PART 11 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2016A Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference only relates to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

For every transfer and exchange of Series 2016A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2016A BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2016A BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2016A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2016A BONDS; OR (VI) ANY OTHER MATTER.

Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve month period ending June 30 of the Bond Years shown for the payment of debt service on the currently outstanding indebtedness of the University, the principal of and interest on the Series 2016A Bonds and the total debt service on all indebtedness of the University, including the Series 2016A Bonds, after giving effect to the refunding of the Refunded Bonds.

12 Month Period Ending June 30	Series 2016A Bonds				
	Principal Payments	Interest Payments	Total Debt Service on the Series 2016A Bonds	Debt Service on Other Indebtedness ⁽¹⁾⁽²⁾	Total Debt Service
2016	--	\$ 965,634	\$ 965,634	\$22,085,241	\$23,050,875
2017	\$2,760,000	6,207,650	8,967,650	22,866,768	31,834,418
2018	2,850,000	6,124,850	8,974,850	22,952,683	31,927,533
2019	2,930,000	6,039,350	8,969,350	22,893,814	31,863,164
2020	3,050,000	5,922,150	8,972,150	22,907,691	31,879,841
2021	3,175,000	5,800,150	8,975,150	22,900,560	31,875,710
2022	3,185,000	5,913,150	9,098,150	23,104,794	32,202,944
2023	3,315,000	5,785,750	9,100,750	23,108,050	32,208,800
2024	3,485,000	5,620,000	9,105,000	23,754,923	32,859,923
2025	3,655,000	5,445,750	9,100,750	23,543,042	32,643,792
2026	3,840,000	5,263,000	9,103,000	23,362,996	32,465,996
2027	3,810,000	5,551,000	9,361,000	23,123,636	32,484,636
2028	4,005,000	5,360,500	9,365,500	23,118,771	32,484,271
2029	4,200,000	5,160,250	9,360,250	14,825,666	24,185,916
2030	4,415,000	4,950,250	9,365,250	14,833,871	24,199,121
2031	5,070,000	4,729,500	9,799,500	14,834,759	24,634,259
2032	5,245,000	4,676,000	9,921,000	14,675,554	24,596,554
2033	5,500,000	4,413,750	9,913,750	10,972,000	20,885,750
2034	5,780,000	4,138,750	9,918,750	10,975,700	20,894,450
2035	6,070,000	3,849,750	9,919,750	10,976,400	20,896,150
2036	13,045,000	3,546,250	16,591,250	4,300,406	20,891,656
2037	14,705,000	2,880,756	17,585,756	3,241,031	20,826,787
2038	15,370,000	2,130,206	17,500,206	3,238,219	20,738,425
2039	8,650,000	1,350,250	10,000,250	3,236,694	13,236,944
2040	9,000,000	917,750	9,917,750	3,241,250	13,159,000
2041	9,355,000	467,750	9,822,750	3,239,250	13,062,000
2042	--	--	--	3,241,000	3,241,000
2043	--	--	--	3,236,000	3,236,000
2044	--	--	--	3,239,250	3,239,250

(1) A portion of the proceeds of the Series 2016A Bonds will be used to refund the Refunded Bonds. This column does not include debt service on these Refunded Bonds. Interest on variable rate bonds is assumed to accrue at the rate of 3.5% per annum. Figures do not include other notes payable of the University outstanding in the amount of \$16,500,000 as of June 30, 2015 and capitalized lease obligations outstanding in the amount of \$1,313,486 as of June 30, 2015.

(2) Excludes interest on Other Indebtedness paid to date for the bond year ending in 2016.

PART 4 — THE PROJECT

The Project consists of the reconstruction and renovation of the existing 4-story building located at 140 West 62nd Street on the Lincoln Center Campus, including a student center, expanded and upgraded library, classrooms, offices, assembly space and utility, electrical and plumbing systems.

PART 5 — THE REFUNDING PLAN

A portion of the proceeds of the Series 2016A Bonds will be used to refund the Refunded Bonds. Upon issuance of the Series 2016A Bonds, such proceeds are expected to be used to acquire defeasance securities under the resolution pursuant to which the Refunded Bonds were issued (the “Investment Securities”), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the redemption price of the Refunded Bonds and the interest on such Refunded Bonds to the date fixed for redemption.

The Investment Securities will be deposited with the trustee for the Refunded Bonds, upon the issuance and delivery of the Series 2016A Bonds, and will be held in trust solely for the payment of the redemption price of and interest on the Refunded Bonds. At the time of such deposit, DASNY will give such irrevocable instructions to the trustee to give notice of the refunding and redemption of the Refunded Bonds and to apply the proceeds from the Investment Securities together with any initial cash deposit to the payment of the redemption price of and interest on the Refunded Bonds. In connection with the refunding, Co-Bond Counsel will render its opinion that, upon making such deposits with the trustee and the issuance of certain irrevocable instructions to the trustee, the Refunded Bonds will, under the terms of the resolution under which they were issued, be deemed to have been paid and will no longer be outstanding.

PART 6 — ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2016A Bonds.....	\$146,465,000.00
Plus: Original Issue Premium	23,255,219.60
Other Available Moneys.....	<u>8,249,418.17</u>
Total Sources	<u>\$177,969,637.77</u>

Uses of Funds

Deposit to the Construction Fund.....	\$ 15,000,000.00
Refunding Escrow Deposit.....	161,685,149.20
Costs of Issuance ⁽¹⁾	513,187.98
Underwriters’ Discount	<u>771,300.59</u>
Total Uses	<u>\$177,969,637.77</u>

⁽¹⁾ Includes legal fees and associated costs relating to the Series 2016A Bonds.

PART 7 — THE UNIVERSITY

Introduction

Fordham University is an independent, not-for-profit, coeducational, nonsectarian institution of higher learning in the Jesuit tradition located in the City of New York. Fordham was founded in 1841 and was granted its charter in 1846 by the State.

Fordham’s original campus sits on 85 acres of lawns, trees and gothic buildings, known as Rose Hill, in the Bronx. 6,971 students are enrolled in three undergraduate schools on this campus: Fordham College at Rose Hill, the Gabelli School of Business, and Fordham School of Professional and Continuing Studies; and two graduate schools: the Graduate School of Arts and Sciences and the Graduate School of Religion and Religious Education. The Rose Hill campus includes 37 structures within the campus green, including 12 classroom/administration buildings, the

Walsh Family Library, the University Church, McGinley Student Center, the Vincent T. Lombardi Memorial Center with its athletic facilities and 11 dormitories, including a 450-bed facility completed in 2010 and a 121 bed facility opened in 2014. The dormitories house approximately 3,600 students. Four of the oldest buildings on the campus are registered historic New York City landmarks: the Administration Building, Alumni House, the University Church and St. John's Hall.

The Lincoln Center campus, set on eight acres adjacent to Lincoln Center for the Performing Arts in Manhattan, was established in 1961. Approximately 7,900 students are enrolled in two undergraduate schools: Fordham College at Lincoln Center and Fordham College of Liberal Studies (formerly Ignatius College); and four graduate and professional schools: the School of Law, the Graduate School of Business Administration, the Graduate School of Education, and the Graduate School of Social Service. The Lincoln Center campus also includes a residence hall housing 940 students. A new Law School and a residence hall for 430 students were constructed on the Lincoln Center campus and were opened in September 2014. Since 1976, the Graduate Schools of Business Administration, Education and Social Service had offered master's, doctoral and professional degree programs at the University's suburban graduate center located in Tarrytown, New York. After two years of study by two University task forces, the University moved its Westchester operations to a leased building in Harrison, New York, in 2008. The Westchester campus serves the University's School of Professional and Continuing Studies and branches of its Graduate Schools of Business Administration, Education, and Social Service.

Fordham's Louis Calder Center, founded in 1967, in Armonk, New York, is a 114-acre biological field station for student and faculty research in ecology and applied environmental sciences. The University also has an academic center in the Kensington Square section of London.

The University has four undergraduate and six graduate colleges on its three main campuses. The following shows each college with the year it was established, 2015 fall enrollment and the degrees granted.

School	Year		Enrollment	Degrees Granted
	Established	Location		
Undergraduate				
Fordham College at Rose Hill	1841	Rose Hill	3,905	BA, BS
Gabelli School of Business	1920	Rose Hill & Lincoln Center	2,171	BS
Fordham College at Lincoln Center	1968	Lincoln Center	1,931	BA, BS, BFA
Fordham School of Professional and Continuing Studies	1944	Lincoln Center, Rose Hill & Westchester	887	BA, BS
Graduate & Professional Schools				
School of Law	1905	Lincoln Center	1,338	JD, LL.M., SJD
Graduate School of Education	1916	Lincoln Center & Westchester	928	ADV, EDD, MAT, MS, MSE, MST, PhD
Graduate School of Business Administration	1969	Lincoln Center & Westchester	1,758	ADV, MBA, MS, MSGF
Graduate School of Social Service	1916	Lincoln Center & Westchester	1,542	MSW, PhD
Graduate School of Arts and Sciences	1916	Lincoln Center & Rose Hill	641	ADV, MA, MS, MPHIL, PhD
Graduate School of Religion & Religious Education	1968	Rose Hill	185	ADV, DMIN, MA, MS, PhD

The University serves 15,286 full- and part-time undergraduate and graduate students at all locations. Of the undergraduate total, 44% are men and 56% are women. Of the undergraduate students who report their ethnicity, 28.6% are members of racial minorities, 13.6% are Hispanic, 9.5% are Asian, 5.3% are African American and 0.2% are American Indian/Alaskan Native.

Fordham is attended by students from around the nation, with 34.6% of the 2015 freshman class coming from New York State and the balance representing 48 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and 68 foreign countries.

The University offers degrees ranging from the baccalaureate to the doctorate through its 10 schools and colleges. In the 2015 academic year, Fordham awarded 4,932 degrees and advanced certificates including: 126 doctorates, 410 law degrees, 2,274 master's degrees, 1,996 bachelor's degrees and 126 advanced certificates.

Governance

The University is governed by a self-perpetuating Board of Trustees. The University statutes provide that the Board of Trustees shall consist of not more than 40 or less than five persons. The President of the University is an ex-officio member of the Board. The term of office of each member other than the President is three years. After completion of two three-year terms on the Board, a period of one year must elapse before reelection to the Board, except that any trustee who is currently serving as chair or vice chair of the Board or who has been recommended by the nominating committee for either of those offices may be reelected for a third consecutive term without any lapse of time. In addition, trustees who are members of the Executive Committee or who have been recommended for membership on the Executive Committee may be reelected at the end of their second consecutive term to an additional two-year term without any lapse of time. The Board meets at least four times a year. The Board has an Executive Committee which meets at least four times a year and usually six times a year. Among other committees of the Board are the Audit and Risk Management Committee and the Finance and Investment Committee. The Finance and Investment Committee meets at least four times a year; the Audit and Risk Management Committee meets at least three times a year. The Executive Committee represents the Board in all its functions between regularly scheduled Board meetings except those expressly prohibited by University statutes.

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The members of the Board and its officers and their professional affiliations or principal businesses as of January 1, 2016 are listed below.

Robert D. Daleo ^{1,2}
Chair of the Board
Vice Chairman, Retired
Thomson Reuters

Edward M. Stroz ¹
Vice Chair of the Board
Executive Chairman
Stroz Freidberg LLC

Nora Ahern Grose ¹
Secretary of the Board

Joseph M. McShane, S.J. ^{1,2}
President
Fordham University

Don Almeida ²
Retired Vice Chairman,
PricewaterhouseCoopers LLP

Sally J. Bellet
President & Trustee
Stein-Bellet Foundation

Stephen E. Beppler
Retired Senior Vice President,
Capital Research Global Investors

Rosemary T. Berkery
Chair, UBS Bank USA and Vice Chair,
Wealth Management Americas UBS
Financial Services

Vincent L. Biagi, S.J.
Asst. for Secondary and
Pre-Secondary Education
Northeast Province of the
Society of Jesus

Darryl Emerson Brown
President
BrownBoys3 Inc.

James Brown
Of Counsel
Wilson Elser Moskowitz Edelman &
Dicker LLP

Vincent Cappucci
Co-Founder,
Entwistle & Cappucci, LLP

Donna M. Carroll
President
Dominican University

Michael J. Cosgrove ¹
President
Carragh Consulting, USA

Gerald C. Crotty
President
Weichert Enterprise LLC

Carolyn Dursi Cunniffe
Senior Vice President
Cablevision Systems Corporation

Carolyn N. Dolan ²
Managing Principal
Sampson Capital Advisors, LLC

James P. Flaherty ²
Founder and Chairman,
International Healthcare Investor

Patricia Heller
Parent Representative

Deborah Hirsch
Actress

James J. Houlihan
Partner, Houlihan-Parnes Realtors LLC

Darlene Luccio Jordan ¹
Executive Director
The Gerald R. Jordan Foundation

John M. Keane
Chairman
Institute for the Study of War

Brian W. MacLean
President and COO
The Travelers Companies, Inc

J. Thomas McClain, S.J. ²
General Treasurer
Curia of the Society of Jesus

James J. Miracky, S.J. ²
Assistant to the Provincial for Higher
Education, Society of Jesus,
USA Northeast Province

Sylvester McClearn ²
Managing Director – Head of Business
Development,
Topeka Capital Markets

Stephen J. McGuinness

Patricia M. Nazemetz
Principal, NAZ DEC

Armando Nuñez, Jr.
President & CEO
CBS Global Distribution Group

George Quickley, S.J.
Pastor
St. Patrick's Parish

Thomas Regan, S.J. ¹
Dean College of Arts and Sciences,
Associate Professor of Philosophy,
Loyola University, Chicago

Dennis G. Ruppel ¹
Partner
Johnson, Pope, Bokor, Ruppel & Burns,
LLP

Thomas P. Salice
Managing Member
SFW Capital Partners, LLC

Luis E. San Miguel ²
President and CEO
Fresh Dining Concepts LLC

Thomas Scirghi, S.J. ¹
Associate Professor of Theology and
Rector of the Jesuit Community,
Fordham University

William J. Toppeta
Senior Advisor
Promontory Financial Group

Vincent Viola
Chairman and CEO
Virtu Financial

John M. Zizzo
Retired Partner
Cadwalader, Wickersham and Taft LLP

¹ Member of Executive Committee

² Member of Finance and Investment
Committee

Administration

The University is administered by a President who is responsible for the day-to-day operations of the University. The Board of Trustees elects additional officers of the University. The following are presently serving as officers of the University.

The Reverend Joseph Michael McShane, S.J., President

The Reverend Joseph M. McShane, S.J., became the 32nd president of Fordham University on July 1, 2003. He previously served at Fordham as dean of Fordham College, as a professor of theology and as a member of the Board of Trustees. He served on the religious studies faculty at LeMoyne College in Syracuse, New York, from 1982 to 1992 and as chair of the Department of Religious Studies from 1991 to 1992. Father McShane joined the Fordham Board of Trustees in 1987 and served until 1992 when he was appointed dean of Fordham College and professor of theology. In 1998, Father McShane left Fordham to become president of the University of Scranton in Pennsylvania and was reappointed to Fordham's board in 2001. He left the University of Scranton in 2003 to return to Fordham. In addition to his presidential responsibilities, Father McShane serves on the boards of Canisius College (Buffalo, New York), Santa Clara University (Santa Clara, California), Canisius High School (Buffalo, New York), Bloomberg Family Foundation (New York, New York), AJCU, and the Commission on Independent Colleges and Universities (New York State). Father McShane received a bachelor's degree in English and philosophy and a master's degree in English from Boston College, and he holds a Ph.D. in the history of Christianity from the University of Chicago. He received M. Div. and S.T.M. degrees from the Jesuit School of Theology at Berkeley.

Martha K. Hirst, Senior Vice President, Chief Financial Officer and Treasurer

Martha K. Hirst was appointed Fordham's Senior Vice President, Chief Financial Officer, and Treasurer, effective July 1, 2015. Prior to coming to Fordham, she served for four years as Executive Vice President, Chief Operating Officer, and Treasurer at St. John's University. Prior to St. John's, Ms. Hirst served in several senior positions with the City of New York, including as Commissioner of New York City's Department of Citywide Administrative Services for eight years and as Deputy Commissioner of the Department of Sanitation for six. Ms. Hirst received a bachelor's degree, *magna cum laude*, from New York University and a master's degree in urban planning from NYU's Wagner School of Public Service.

Dr. Stephen Freedman, Provost

Stephen Freedman joined the University in July 2007 as Senior Vice President for Academic Affairs. He was appointed Provost in September 2010. He received his bachelor's degree from Loyola College of Montreal, master's degree from York University, and his doctoral degree from the University of California at Irvine. In 1979, he joined the faculty at Loyola University of Chicago, where he served as Dean of Mundelein College of Loyola University. Prior to becoming Fordham's Senior Vice President for Academic Affairs in 2007, Dr. Freedman was Academic Vice President at Gonzaga University.

Dr. Peter A. Stace, Vice President for Enrollment

Peter A. Stace joined Fordham in August 1995 as Vice President for Enrollment. Prior to that, he was Vice Provost for Enrollment at Northeastern University, Dean of Admissions and Enrollment at Ithaca College, an Operations Audit Consultant at Primerica Corporation, and Assistant Dean in the College of Arts and Sciences at Syracuse University. Dr. Stace holds a B.S. degree in Economics from Fordham, an M.A. in Human Resource Economics from the Maxwell School of Citizenship and Public Affairs at Syracuse University, and a Ph.D. in Higher Education Administration from the Graduate School of Education at Syracuse University.

Roger A. Milici Jr., Vice President for Development and University Relations

Roger A. Milici joined the University as Associate Vice President for Development in May 2009. He was appointed Vice President in May 2011. Before coming to Fordham, he served as senior director of development and alumni relations at the Fletcher School of Law and Diplomacy at Tufts University, a post he held since June 2001.

Employee Relations

The University employed 2,725 people (other than faculty) in the following capacities at January 1, 2016:

	<u>Full-Time</u>	<u>Part-Time</u>
Administrative/Technical/Professional	1,088	113
Clerical (Local 153)	229	11
Maintenance (Local 805)	215	40
Hourly	<u>0</u>	<u>1,029</u>
Total	1,532	1,193

The University has collective bargaining agreements with the Office and Professional Employee International Union, Local 153, an affiliate of the AFL-CIO, for its clerical, secretarial and select technical positions, and the Fordham University Employees, Local 810, an affiliate of the International Brotherhood of Teamsters, which represents physical plant and post office employees at all three campus locations. The Local 153 agreement terminates on June 30, 2017. The Local 810 agreement terminates on June 30, 2018. The University considers its relationship with its employees to be good.

The University's faculty are not unionized but make their concerns known to the administration through the Fordham Faculty Senate.

OPERATING INFORMATION

Undergraduate Admissions

The number of applications for freshman undergraduate admission to the University has grown from 31,792 for Fall 2011 to 42,811 for Fall 2015, an increase of 11,019 or 35%.

The following table illustrates the number of applications received for first-time full-time admission to Fordham's undergraduate programs, the number of applicants accepted by the University and the number of successful applicants who enrolled, for each of the last five academic years from 2011 through 2015.

ADMISSIONS STATISTICS FOR FALL

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Freshman Applications	31,792	34,069	36,189	40,912	42,811
Freshman Acceptances	13,478	14,621	17,055	19,685	20,366
Percentage Accepted	42%	43%	47%	48%	48%
Freshman Matriculants	1,986	1,882	1,969	2,258	2,211
Percentage (Matriculants divided by Acceptances)	15%	13%	12%	12%	11%
Yield (Matriculants divided by Applications)	6%	6%	5%	6%	5%

Student Enrollment

Total headcount enrollment was 15,286 in Fall 2015, consisting of 13,871 full-time students and 1,415 part-time students. The following table details enrollment for Fordham for the past five academic years.

TOTAL ENROLLMENT

Fall	Full-Time			Part-Time*			Grand Total Full- & Part-Time
	<u>Undergraduate</u>	<u>Graduate & Professional</u>	<u>Total</u>	<u>Undergraduate</u>	<u>Graduate & Professional</u>	<u>Total</u>	
2011	8,113	5,376	13,489	314	1,386	1,700	15,189
2012	8,111	5,487	13,598	314	1,358	1,672	15,270
2013	8,009	5,495	13,504	336	1,258	1,594	15,098
2014	8,344	5,349	13,693	289	1,249	1,538	15,231
2015	8,597	5,274	13,871	258	1,157	1,415	15,286

* Decline in part-time student enrollment is a result of the University no longer counting students that audit courses as part-time students.

Since Fall 2011, the averaged recentered SAT score has risen from 1,244 to 1,259 in Fall 2015.

MEAN SAT SCORES ENTERING FRESHMEN

<u>Fall</u>	<u>Verbal</u>	<u>Math</u>	<u>Total</u>
2011	618	626	1,244
2012	622	632	1,254
2013	623	637	1,260
2014	619	631	1,250
2015	623	636	1,259

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Student Charges

The following tables detail tuition and room charges for undergraduate, Fordham School of Professional and Continuing Studies for continuing education, and graduate and professional students for the academic years 2011-12 through 2015-16:

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
Tuition:					
Full-Time Undergraduate	\$39,235	\$41,000	\$42,845	\$44,450	\$46,120
Fordham College of Professional and Continuing Studies, (Per Credit)	\$714	\$760	\$795	\$825	\$840
Graduate Arts and Sciences, (Per Credit)	\$1,270	\$1,320	\$1,370	\$1,421	\$1,421
Law School					
J.D. Full-time (Flat Rate)	\$47,360	\$48,900	\$50,370	\$51,880	\$53,440
J.D. Part-time (Flat Rate)	\$35,520	\$36,680	\$37,780	\$38,910	\$40,080
Other Professional Schools					
Range Per Credit	\$730 - \$1,270	\$735 - \$5,990	\$772 - \$1,790	\$811 - \$1,306	\$827 - \$1,537
Annual Room Rates	\$7,460 - \$11,745	\$7,680 - \$12,095	\$7,910 - \$12,455	\$8,120 - \$12,830	\$8,405 - \$13,280
Annual Board Charge	\$5,015 - \$5,815	\$5,165 - \$5,990	\$4,850 - \$5,990	\$4,995 - \$6,170	\$5,145 - \$7,250

The University anticipates increases in tuition and room and board charges will approximate the pattern of the past several years, which the University believes will not have a material adverse impact on student enrollment. The University believes such increases are comparable to those that can be expected at universities which compete with Fordham for students.

Student Financial Aid

The University administers a comprehensive financial assistance program of scholarships, grants, loans and a work study program for its students. The following table illustrates the sources and amounts of financial aid received by undergraduate students for the past five academic years:

SCHOLARSHIPS AND GRANTS FROM ALL SOURCES BY SOURCE*

(in millions)

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Total Scholarships and Grants	\$129.7	\$136.0	\$146.9	\$158.3	\$173.2
Federal	10.0	9.6	9.2	10.9	9.5
State	1.3	1.3	1.3	1.3	1.0
External/Other	0.6	0.5	0.5	0.6	0.3
Fordham Funded (Institutional)	117.8	124.6	135.9	145.5	162.4

* Aid includes awards for the fall and spring given to undergraduates who enrolled in the Fall term. It does not include assistance for the summer term, aid to graduate or professional students, or awards to undergraduates who do not enroll for the fall term. The Fordham funds consist of awards based on need, merit, or athletics, as well as tuition remission for employees. The data were extracted in March or early April, before the end of the Fiscal Year in order to satisfy the deadlines of college guides. The awards extracted at that time are not materially different from those extracted at the end of the Fiscal Year.

In addition to scholarships and grants, \$44.2 million in student loans and \$3.9 million for work study was available to undergraduate students in academic year 2014-15. Student loans and work study are provided by the University, as well as by the state and federal governments. Approximately 6% of undergraduate student financial aid comes from federal and state government programs. Reductions in federal or state aid programs, including student loan programs, or restrictive changes in eligibility requirements could adversely affect all students requiring financial assistance, including students receiving such aid at Fordham. However, the University does not believe that reductions or restrictions in any specific federal or state program would disproportionately affect Fordham students, as compared with those at other universities with which Fordham competes for its student body. Future payments of state funded financial aid are dependent on the enactment of annual appropriations and the ability of the State to pay the sums appropriated.

Faculty

Of the full-time faculty members, more than 92% hold doctorates or other terminal degrees, 57% are men, 43% are women, and 15% are members of racial minorities. The Tenured faculty totaled 452, or 61% of the total full-time. The undergraduate student/faculty ratio in the fall 2015 was 14 to 1, and the average undergraduate class size was 23 students.

The following table sets forth the faculty profile for the past five academic years.

FACULTY PROFILE

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Full-time	699	699	718	744	737
Part-Time & Adjunct	<u>681</u>	<u>681</u>	<u>770</u>	<u>829</u>	<u>861</u>
Total	1,380	1,380	1,488	1,573	1,598
Tenured	382	382	403	417	452

ANNUAL FINANCIAL STATEMENT INFORMATION

Annual Financial Statement Presentation

The University's financial statements as of and for the Fiscal Years ended June 30, 2015 and 2014, included herein as Appendix B, have been audited by KPMG LLP, independent auditors, as indicated in their report thereon, which is also included in Appendix B.

Fiscal Year 2015 represented the 46th consecutive year during which the University achieved an operating surplus. The University's operating revenues for the Fiscal Year ended June 30, 2015 totaled \$616.2 million, while operating expenses totaled \$569.0 million. The University recognized contribution revenue totaling \$43.5 million. The University ended Fiscal Year 2015 with a fair value for investments of \$721 million. The insured replacement value for the University's buildings, furnishings, and equipment was over \$1.5 billion at June 30, 2015. Since June 30, 2015, there has been no material adverse change in the financial condition of the University.

The following table provides a summary of the changes in net assets of the University for each of the five Fiscal Years ended June 30, 2011 through June 30, 2015, and a summary of the financial position of the University as of the last day of each Fiscal Year from June 30, 2011 through June 30, 2015. The following tables should be read in conjunction with the financial statements and the notes thereto included herein as Appendix B.

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SUMMARY OF CHANGES IN NET ASSETS*

Fiscal Years Ended June 30

(in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Operating revenues:					
Tuition and fees, net	\$361,783	\$380,215	\$386,255	\$395,879	\$407,899
Government grants	20,965	14,382	14,953	15,148	14,168
Investment return	13,998	15,944	16,642	23,624	28,031
Contributions and private grants	18,118	23,361	26,086	39,177	25,301
Auxiliary enterprises	57,069	59,047	59,811	69,302	72,785
Other revenue	14,723	15,152	16,552	15,550	18,687
Net assets released from restriction	8,217	10,036	21,942	7,405	49,338
Total operating revenue	<u>\$494,873</u>	<u>\$518,137</u>	<u>\$542,241</u>	<u>\$566,085</u>	<u>\$616,210</u>
Operating expenses:					
Program Services:					
Instruction	186,392	192,733	205,018	209,437	213,492
Research	13,381	14,359	14,099	13,565	16,253
Public service	18,265	17,910	18,051	18,302	18,394
Academic support	66,996	73,232	77,675	80,527	90,337
Student services	57,318	59,485	64,212	66,063	73,978
Auxiliary enterprises	67,091	69,738	72,263	75,378	86,800
Total program services	<u>\$409,443</u>	<u>\$427,457</u>	<u>\$451,318</u>	<u>\$463,272</u>	<u>\$499,253</u>
Supporting services:					
Institutional support	61,941	68,749	70,987	71,054	69,713
Total operating expenses	<u>\$471,384</u>	<u>\$496,206</u>	<u>\$522,305</u>	<u>\$534,326</u>	<u>\$568,966</u>
Net operating revenue before gain on sale of property	23,488	21,931	19,936	31,759	47,244
Gain on sale of property	123,963	74,090	-	-	-
Net operating revenues and gain	<u>\$147,451</u>	<u>\$96,021</u>	<u>\$19,936</u>	<u>\$31,759</u>	<u>\$47,244</u>
Non-operating activities:					
Investment return	19,160	(15,084)	14,341	8,282	(13,753)
Effect of refunding and defeasance of debt	-	-	1,174	-	-
Change in value of interest rate swap	2,282	(10,362)	6,919	(78)	(287)
Effect of adoption of ASC 985-205	(27,525)	-	-	-	-
Net gain on refunding of debt	-	-	-	382	-
Gain (loss) not yet recognized as a component of net periodic benefit cost	5,329	(9,386)	12,112	(3,621)	2,528
Change in unrestricted net assets	<u>\$146,697</u>	<u>\$61,189</u>	<u>\$54,482</u>	<u>\$36,724</u>	<u>\$35,732</u>
Changes in temporarily restricted net assets:					
Contributions and private grants, net	29,988	13,719	11,304	13,011	5,492
Adjustment to contributions receivable	(409)	(15,853)	-	-	-
Investment return	53,025	(3,828)	31,550	38,903	(14,285)
Net assets released from restriction	(8,216)	(10,036)	(21,941)	(7,405)	(49,338)
Effect of adoption of ASC 985-205	27,525	-	-	-	-
Change in temporarily restricted net assets	<u>101,913</u>	<u>(15,998)</u>	<u>20,913</u>	<u>44,509</u>	<u>(58,130)</u>
Changes in permanently restricted net assets:					
Contributions	30,588	14,672	11,544	15,455	12,753
Investment return	3,932	654	1,880	2,903	773
Appreciation (depreciation) in fair market value of perpetual trust	863	(345)	636	598	40
Change in permanently restricted net assets	<u>35,383</u>	<u>14,981</u>	<u>14,060</u>	<u>18,955</u>	<u>13,566</u>
Change in net assets	<u>283,993</u>	<u>60,172</u>	<u>89,455</u>	<u>100,189</u>	<u>(8,833)</u>
Net assets at beginning of year	<u>705,250</u>	<u>989,243</u>	<u>1,049,415</u>	<u>1,138,870</u>	<u>1,239,058</u>
Net assets at end of year	<u>\$989,243</u>	<u>\$1,049,415</u>	<u>\$1,138,870</u>	<u>\$1,239,058</u>	<u>\$1,230,226</u>

* May not foot due to rounding.

SUMMARY OF FINANCIAL POSITION*

	As of June 30				
	(in thousands)				
Assets	2011	2012	2013	2014	2015
Cash and cash equivalents	\$2,140	\$3,436	\$1,508	\$1,160	\$2,722
Accounts and grants receivable:					
Students, net	7,144	5,560	5,056	5,644	5,287
Government	5,037	5,464	4,762	2,900	2,257
Other	4,992	4,363	5,841	5,280	4,585
Contributions receivable, net	83,514	67,694	60,877	59,939	54,625
Prepaid expenses and other assets	4,453	4,405	3,698	16,098	4,077
Investments:					
Endowment and other investments	510,817	568,113	623,049	720,681	720,954
Designated for construction	122,781	124,472	104,629	40,304	-
Student loans receivable, net	15,452	14,550	13,631	13,147	12,619
Deposits with bond trustees	132,394	74,696	11,718	45,913	8,335
Bond issuance costs	9,081	8,643	7,873	7,897	7,664
Investment in plant assets, net	681,856	774,285	886,621	958,339	1,037,877
Total Assets	\$1,579,661	\$1,655,681	\$1,729,263	\$1,877,302	\$1,861,002
Liabilities and net assets					
Liabilities:					
Accounts payable and accrued expenses	76,282	79,355	67,784	63,552	68,317
Fair value of swap agreement	9,036	19,398	12,479	29,143	33,941
Deferred revenues and deposits	25,702	25,865	26,072	12,557	12,844
Amounts held for others	2,404	2,503	2,306	2,289	2,762
U.S. government refundable advances	4,737	4,577	4,713	4,854	4,955
Postretirement benefit obligation	36,996	50,211	41,483	47,782	47,880
Long-term debt	435,261	424,357	435,556	478,067	460,078
Total liabilities	\$590,418	\$606,266	\$590,393	\$638,244	\$630,776
Net assets:					
Unrestricted	484,061	545,250	599,732	636,456	672,188
Temporarily restricted	281,008	265,010	285,922	330,431	272,301
Permanently restricted	224,174	239,155	253,216	272,171	285,737
Total net assets	\$989,243	\$1,049,415	\$1,138,870	\$1,239,058	\$1,230,226
Total liabilities and net assets	\$1,579,661	\$1,655,681	\$1,729,263	\$1,877,302	\$1,861,002

* May not foot due to rounding.

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Management's Discussion of Recent Financial Performance

The University's financial management is characterized by long-range planning within the context of its strategic plan. The central element of the financial management process is a form of school-based budgeting adapted by the University in recognition of the need to fully involve each of the University's components in the budgetary process. This budget process provides incentives for each school within the University to meet or exceed their budgets. The budget and planning process also provides for the allocation of sufficient resources to enhance and preserve the University's capital facilities. The effectiveness of this process is evidenced in the fact that Fiscal Year 2015 represented the 46th consecutive Fiscal Year during which the University achieved an operating surplus.

Fiscal Year 2015 Results

The University's operating revenues for Fiscal Year 2015 totaled \$616.2 million, including \$42.3 million of net assets released from restriction for capital expenditures, while operating expenses totaled \$569.0 million, resulting in an operating surplus of \$47.2 million for the year, or a 7.7% operating margin. Net tuition revenue grew by 3.0%. Operating expenses increased 6.5% to \$569.0 million. Total contributions were \$43.5 million in Fiscal Year 2015, down 35.6% when compared to \$67.6 million in Fiscal Year 2014. Total assets decreased by \$16.3 million, or less than 1%, to \$1.86 billion; net assets decreased less than 1% to \$1.2 billion. Cash and investments decreased \$38.5 million or 5% to \$723.7 million. Long-term debt decreased by 3.8% to \$460.1 million. The University ended Fiscal Year 2015 with an insured replacement value for buildings, furnishings, and equipment of over \$1.5 billion. Since June 30, 2015, there has been no material adverse change in the financial condition of the University.

In connection with the issuance of the Prior DASNY Bonds, the University agreed to certain financial covenants in the related loan agreements. As of June 30, 2015, the University is in compliance with those financial covenants.

Fiscal Year 2016 Operating Projection

The University has historically adopted operating budgets on a balanced basis and achieved a surplus through careful management and budgeting for contingencies and reserves. The University's initially adopted Fiscal Year 2016 operating budget includes a planned surplus of approximately \$87,000. The University currently is projecting an operating surplus for Fiscal Year 2016, which ends June 30, 2016, relatively in line with the budget. Total projected operating revenues, net of financial aid, are \$7.9 million less than budgeted. Operating expenses are projected to be \$7.8 million less than budget, a variance of 1.4%.

The University budgeted \$30.9 million in its Fiscal Year 2016 Capital Budget. The budget provides for the maintenance of existing facilities and also allows for updating and improving dormitories, classrooms and information technology resources. The University remains committed to ensuring its long-term fiscal health through a rigorous budgeting process and through a commitment to making the investments necessary to deliver a strong academic program to the University's students.

Budget Process

The University's annual budget process begins in September of each year with the review of budget guidelines developed in prior years. Those guidelines are modified and new guidelines are developed, as appropriate, to conform with identified priorities, commitments and goals established for the upcoming Fiscal Year. The process includes a review of historical revenue and expense trends and the financial projections for the current Fiscal Year.

Initial revenue projections for budget planning are based on projected future enrollments and tuition and fee charges, consistent with the University's expectation of market conditions. The initial expenditure projections are made for salary and benefit costs and expected student financial aid requirements. At the February board meeting, the Board of Trustees adopts the specific undergraduate tuition rates and gives management the authority to set graduate tuition rates consistent with the needs of each school and the University as a whole.

Detailed departmental budgets are developed by the University's vice presidents and the Provost in consultation with the Budget Office. These departmental budget allocations are finalized for presentation as a university-wide budget to the Board of Trustees at its spring meeting.

In addition to the budgets for the upcoming Fiscal Year, a summary of the overall university-wide budgets for the next four Fiscal Years is presented to the Board of Trustees. These summary budgets include currently identified goals and priorities and form the basis for the next budget cycle.

Once the Fiscal Year begins, budget performance is monitored through monthly reporting of actual revenues and expenses which are compared to budgeted amounts and reviewed by departmental budget administrators and senior University management. Periodic reporting and management analysis is presented to the Board of Trustees.

State Aid

The University benefits from a program of the State, whereby State aid is allocable to certain not-for-profit institutions of higher education based on the number of academic degrees conferred during the previous year. During Fiscal Years 2015 and 2014, the University received from the State \$1,165,618 and \$1,140,657, respectively, under this program. Future payments by the State are dependent on the enactment of annual appropriations by the State Legislature and the ability of the State to pay the sums appropriated.

Pension and Other Postretirement Plans

Employees of the University are covered under a defined contribution retirement plan administered by either the Teachers Insurance and Annuity Association (“TIAA”) and College Retirement Equities Fund (“CREF”), Fidelity Investments Tax Exempt Company, or Prudential Defined Contribution Services, at each employee’s option. The University accrues the cost of these defined contribution plans currently. The University’s contributions for retirement benefits for its employees totaled approximately \$17,849,000 and \$17,327,000 for the Fiscal Years ended June 30, 2015 and June 30, 2014, respectively.

In addition to providing pension benefits, the University provides certain health care and life insurance benefits for retired faculty and administrative employees who meet certain minimum age and length of service requirements. The cost of providing these benefits is recognized as they are earned by the employees.

Net periodic postretirement benefit cost for Fiscal Year 2015 totaled \$3,796,000, which consisted of \$3,265,000 of service cost, and \$1,739,000 of interest cost less \$1,208,000 amortization of net gain. The University expects to continue to fund such benefit costs principally on a pay-as-you-go basis. Payments made by the University for these benefits, net of participants’ contributions were \$1,632,000 in Fiscal Year 2015 and \$1,618,000 in Fiscal Year 2014. The accumulated postretirement benefit obligation at June 30, 2015 of \$47,880,000 consisted of \$10,941,000 for retirees, \$19,924,000 for active eligible employees, and \$17,015,000 for other active employees.

Gifts

The Office of the Vice President for Development and University Relations is responsible for developing and executing plans for fund raising to support endowment growth, capital expenditures, and the operating budget of the University. Sources of gifts are alumni, corporations, foundations and friends. The estimated alumni participation rate is 17%. The University is currently engaged in a major capital campaign, which seeks to raise \$175 million by 2019.

The following table shows the total amount of contributions and private grants, including pledges, by donor restrictions received by the University during the Fiscal Years indicated.

CONTRIBUTIONS AND PRIVATE GRANTS

Fiscal Year Ending June 30

(in thousands)

<u>Fiscal Year</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2011	\$18,118	\$29,579	\$30,588	\$78,285
2012	23,362	13,719	14,672	51,753
2013	26,086	11,304	11,544	48,934
2014	39,177	13,011	15,455	67,643
2015	25,301	5,492	12,753	43,546

Investment Performance

The table below summarizes the fair values and returns for the University's investments for each of the last five Fiscal Years.

<u>INVESTMENT VALUES AND RETURNS</u>			
Fiscal Year Ending June 30			
(in thousands)			
<u>Fiscal Year</u>	<u>Fair Values at June 30</u>	<u>Dividends and Interest, Net of Expenses</u>	<u>Net Realized and Unrealized Gains (Losses)</u>
2011	\$633,597	\$9,548	\$80,566
2012	692,585	2,930	(5,244)
2013	727,679	5,388	59,025
2014	760,985	7,531	66,180
2015	720,954	4,728	(3,962)

The fair values of the investments are determined based on quoted market prices or estimated fair values provided by external managers and general partners in the case of limited partnership investments. These estimated values are reviewed and evaluated by the University.

The University's invested funds, including cash and cash equivalents, had a fair value of approximately \$743.2 million (unaudited) at February 29, 2016, of which approximately \$632.6 million was endowment or similar funds held primarily in the University's Endowment Investment Pool and approximately \$110.6 million was operating funds. The University's Investment Pool is made up of approximately 890 individual accounts that are invested jointly, but accounted for separately to assure compliance with donor restrictions.

The table below shows the annual returns for the University's Investment Pool for the last five Fiscal Years.

<u>ANNUAL INVESTMENT RETURNS</u>				
Fiscal Year Ending June 30				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
23.5%	(0.4%)	12.2%	11.6%	(0.14%)

The Finance and Investment Committee of the Board is responsible for overseeing the University's investment program. The Committee is responsible for establishing investment policy and asset allocation; retaining external investment managers and consultants; and monitoring the implementation and performance of the investment program. The University's Chief Investment Officer is responsible for the day-to-day management of the investment program. At June 30, 2015, the University had outstanding commitments for alternative investments of approximately \$90.0 million. The Finance and Investment Committee has established a long-term asset allocation, which provides for the following asset class allocation targets: Real Assets 20%; Absolute Return 20%; Private Equity 20%; Public Equity 20%; Private Bonds 15%; and Public Bonds 5%.

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Plant Values

The following table shows the book value of the physical plant of the University for the past five Fiscal Years.

	PLANT ASSETS*				
	As of June 30				
	(in thousands)				
	2011	2012	2013	2014	2015
Land and land improvements	\$33,486	\$33,965	\$35,285	\$39,436	\$37,428
Buildings and building improvements	626,686	652,223	700,467	735,803	1,128,238
Furnishings, equipment and library collections	241,792	254,570	260,628	268,918	274,529
Construction in progress	84,424	168,244	256,828	314,861	26,802
Total	\$986,388	\$1,109,002	\$1,253,208	\$1,359,019	\$1,466,998
Less: Accumulated depreciation	(304,532)	(334,717)	(366,587)	(400,679)	(429,121)
Total	\$681,856	\$774,285	\$886,621	\$958,339	\$1,037,877

* May not foot due to rounding.

The University presently carries, under blanket policies, insurance on its buildings and their contents, excluding building foundations and land, at 100% of the estimated replacement cost of all buildings and facilities.

Capital Plan

The University has developed a preliminary long-term capital plan for the Rose Hill campus, which includes the renovation of the Lombardi Center and the construction of a new campus center and a student recreation center. The scheduling of these projects and their sources of financing are under ongoing review by the University. There is no immediate plan to finance or construct these facilities. Recent capital projects reflect the University's disciplined approach to capital financing, including the construction of a new Law School and 430-bed residence hall on its Lincoln Center campus, completed in 2014, and the purchase of 9 floors of commercial office space near its Lincoln Center campus in 2014, which has allowed the University to significantly reduce its office lease obligations.

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Outstanding Indebtedness and Other Obligations

The following table presents a summary of the University's outstanding long-term indebtedness at June 30, 2015.

Loan	Interest Rate	Final Maturity Date	Amount Outstanding ⁽¹⁾
Dormitory Authority Fordham University Revenue Bonds (Series 2008A) ⁽²⁾	Variable	2032	\$91,255,000
Dormitory Authority Fordham University Revenue Bonds (Series 2008B) ⁽²⁾⁽³⁾	3.00% - 5.00%	2038	100,105,000
Dormitory Authority Fordham University Revenue Bonds (Series 2011A) ⁽²⁾	3.00% - 5.25%	2036	94,325,000
Dormitory Authority Fordham University Revenue Bonds (Series 2011B) ⁽²⁾⁽³⁾	5.00%	2041	50,000,000
Dormitory Authority Fordham University Revenue Bonds (Series 2012) ⁽²⁾	2.00% - 5.00%	2032	33,945,000
Dormitory Authority Fordham University Revenue Bonds (Series 2014) ⁽²⁾	3.00% - 5.00%	2044	58,585,000
U.S. Department of Education	3.00%	2022	1,042,663
Capitalized Lease Obligations	2.00% - 7.00%	2013	1,313,486
Unsecured Note ⁽⁴⁾	0%	2020	<u>16,500,000</u>
			<u>\$447,071,149</u>

⁽¹⁾ Unamortized net premium of \$13,007,088 not included.

⁽²⁾ Represents indebtedness secured by a pledge of tuition and fees as described below.

⁽³⁾ All of the bonds of this series will be refunded with the proceeds of the Series 2016A Bonds.

⁽⁴⁾ Represents an obligation to Jesuits of Fordham, Inc. in connection with the acquisition in July 2012 of a building on the University's Rose Hill Campus.

DASNY's Series 2014, 2012, 2011, 2008A and 2008B Bonds mature in varying amounts through July 1, 2044. The Series 2011 Bonds are secured by mortgages on certain of the University's properties. Except for the Series 2014 Bonds, each series of bonds is secured by pledges of tuition revenues equal to the maximum annual debt service requirements on the applicable series of bonds. The Series 2014 Bonds are secured by a general pledge of tuition revenues.

U.S. Department of Education note is due in semiannual installments through November 2022. The note is secured by the properties financed.

Capitalized lease obligations relate to computer equipment purchased by the University.

In 2005 in connection with the issuance of DASNY's Fordham University Insured Revenue Bonds, Series 2005A (the "Series 2005A Bonds"), the University entered into an interest rate swap agreement with Merrill Lynch Capital Services, Inc. ("MLCS"), which is related to Merrill Lynch, Pierce, Fenner & Smith Incorporated. Under the terms of the original interest rate swap agreement, the University paid a fixed rate of 3.24%, and received a variable rate based on 67% of one-month LIBOR on the original notional amount of \$95,750,000, which notional amount would have reduced over time consistent with the amortization of the Series 2005A Bonds. Certain of the University's net periodic payment obligations under the interest rate swap agreement were insured by XL Capital

Assurance Inc. (“XL Capital”). On May 21, 2008 DASNY issued its \$96,895,000 Fordham University Revenue Bonds, Series 2008A to refund the Series 2005A Bonds and to pay costs of issuance.

The University and MLCS amended the original agreement so as to modify the notional amount to be equal to the principal amount of the Series 2008A Bonds and to reduce the notional amount over time consistent with the amortization of the Series 2008A Bonds. The fixed rate to be paid by the University under the amended agreement is 3.2475% per annum. None of the University’s payment obligations under the amended agreement are insured by XL Capital.

Under certain circumstances, the University may be required to post collateral to secure its obligations under the swap agreement, and the swap agreement may be terminated by the University or by MLCS. Upon termination, the University may be liable to pay a termination payment, which termination payment could be substantial. The estimated termination payment that would have been paid by the University if the swap agreement had been terminated on June 30, 2015 (*i.e.*, the “mark-to-market” valuation) was \$12,844,016. The amount of such a termination payment changes from time to time. The mark-to-market valuation at March 18, 2016 was \$15,316,451.

MLCS has no obligation to make any payments with respect to the principal of, premium, if any, or interest on the Series 2008A Bonds, and is only obligated to make certain payments to the University pursuant to the terms of the amended interest rate swap agreement. Neither any holder of the Series 2008A Bonds nor any other person other than the University shall have any rights under the interest rate swap agreement or against MLCS.

The University has a \$20,000,000 committed unsecured line of credit with Bank of America, N.A. As of March 23, 2016, the University had no outstanding borrowings under this line of credit.

Litigation

There is no litigation pending or, to the knowledge of the University, threatened in any court, agency or other administrative body to which the University is a party, wherein an unfavorable decision would adversely affect the ability of the University to enter into the Loan Agreement and carry out its obligations thereunder or which would in the aggregate have a material adverse impact on the financial condition or operation of the University.

PART 8 — DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers’ colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY’s scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services (“BOCES”), State University of New York, the Workers’ Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY’s private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At December 31, 2015, DASNY had approximately \$48.1 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance with tax law, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. All of DASNY's outstanding bonds and notes, both fixed and variable rate, are special obligations of DASNY payable solely from payments required to be made by or for the account of the client institution for which the particular special obligations were issued. DASNY has no obligation to pay its special obligations other than from such payments. DASNY has always paid the principal of and interest on all of its obligations on time and in full; however, as a conduit debt issuer, payments on DASNY's special obligations are solely dependent upon payments made by DASNY's client for which the particular special obligations were issued and the security provisions relating thereto.

DASNY also offers a variety of construction services to certain educational, governmental and not-for-profit institutions in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, interior design of projects and designing and managing projects to rehabilitate older facilities.

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 490 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 45 field sites across the State.

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties. One of the appointments to the Board by the Governor is currently vacant.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of DASNY are as follows:

ALFONSO L. CARNEY, JR., Chair, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2016.

JOHN B. JOHNSON, JR., Vice-Chair, Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2016.

SANDRA M. SHAPARD, Secretary, Delmar.

Sandra M. Shapard was appointed as a Member of DASNY by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of the Budget from 1991 to 1994. She began her career in New York State government with the Assembly where she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

JONATHAN H. GARDNER, ESQ., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.

BERYL L. SNYDER, J.D., New York.

Beryl L. Snyder was reappointed as a member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her current term expires on August 31, 2016.

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Ronski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Roman B. Hedges was appointed as a Member of DASNY by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

MARYELLEN ELIA, Commissioner of Education of the State of New York, Loudonville; ex-officio.

MaryEllen Elia was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective July 6, 2015. As Commissioner of Education, Ms. Elia serves as Chief Executive Officer of the State Education Department and as President of the University of the State of New York which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. Prior to her appointment in New York, Ms. Elia served as Superintendent of Schools in Hillsborough County, Florida for 10 years. She began her career in education in 1970 as a social studies teacher in Buffalo's Sweet Home Central School District and taught for 19 years before becoming

an administrator. She holds a Bachelor of Arts degree in History from Daemen College in Buffalo, a Master of Education from the University at Buffalo and a Master of Professional Studies from SUNY Buffalo.

HOWARD A. ZUCKER, M.D., J.D., Commissioner of Health of the State of New York, Albany; ex-officio.

Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that, he served as First Deputy Commissioner leading the state Department of Health's preparedness and response initiatives in natural disasters and emergencies. Before joining the state Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a J.D. from Fordham University School of Law and a LL.M. from Columbia Law School.

ROBERT F. MUJICA, JR., Budget Director of the State of New York, Albany; ex-officio.

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his B.A. degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration (M.G.A.) from the University of Pennsylvania and holds a Juris Doctorate (J.D.) from Albany Law School.

The principal staff of DASNY is as follows:

GERRARD P. BUSHELL is the President and chief executive officer of DASNY. Mr. Bushell is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Bushell was Director, Senior Institutional Advisor of BNY Mellon's alternative and traditional investment management businesses. Prior thereto, he held a number of senior advisory roles, including Director, Client Partner Group at Kohlberg Kravis Roberts & Co. (KKR), Managing Director, Institutional Sales at Arden Asset Management LLC and Head of Institutional Sales at ClearBridge: a Legg Mason Company (formerly Citi Asset Management). Mr. Bushell previously served as Director of Intergovernmental Affairs for New York State Comptroller H. Carl McCall. Mr. Bushell holds a Bachelor of Arts degree, Master of Arts degree and Ph.D. in Political Science from Columbia University.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor of Arts degree in Economics from the State University of New York at Plattsburgh and a Master of Arts degree in Business Administration from the University of Massachusetts.

KIMBERLY J. NADEAU, CPA, J.D. is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Nadeau is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, budget, payroll, and insurance, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. She previously was Vice President-Accounting and Controller for US Light Energy. Prior to that she was Vice President-Accounting and Controller for CH Energy Group, Inc. and held various positions culminating in a director level position at Northeast Utilities. Ms. Nadeau also held various positions with increasing responsibility at Coopers & Lybrand LLP. She holds a Bachelor of Science degree in Accounting, a Master of Business Administration with a concentration in Management and a Juris Doctor degree from the University of Connecticut. She is licensed to practice law in New York and Connecticut.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District

Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor of Arts degree from the State University of New York at Albany.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, and engineering, as well as other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CAROLINE V. GRIFFIN is the Chief of Staff of DASNY. She is responsible for overseeing intergovernmental relations and managing the Communications + Marketing Department, as well as coordinating policy and operations across DASNY's multiple business lines. Ms. Griffin most recently served as the Director of Intergovernmental Affairs for Governor Andrew M. Cuomo where she worked as the Governor's liaison with federal, state and local elected officials and managed staff serving in various capacities in the Governor's Office. Prior to that she served as the Assistant Executive Deputy Secretary for Governor Andrew M. Cuomo overseeing the operations staff and Assistant Secretary for Intergovernmental Affairs for both Governor David A. Paterson and Governor Eliot Spitzer. She holds a Bachelor of Arts degree in Communications from Boston College.

CAPRICE G. SPANN is the Managing Director of Specialized Services and Client Solutions. Ms. Spann is responsible for overseeing information services, environmental services, real property management and the integration of sustainability programs with respect to DASNY's projects and in its business processes. She holds a Bachelor of Arts degree from the University of Wisconsin and a Master of Business Administration from Fordham University.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against DASNY, DASNY believes that such claims and litigation either are covered by insurance or by bonds filed with DASNY, or that DASNY has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such matters.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by DASNY and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. DASNY obtains the approval of the PACB for the issuance of all of its bonds and notes.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in

the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

DASNY complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2015. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 — LEGALITY OF THE SERIES 2016A BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2016A Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2016A Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 10 — NEGOTIABLE INSTRUMENTS

The Series 2016A Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2016A Bonds.

PART 11 — TAX MATTERS

In the opinion of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, under existing law: (i) interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on the Series 2016A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2016A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of DASNY and the University contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2016A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. In addition, each of Co-Bond Counsel has relied on, among other things, the opinion of Bond Schoeneck & King, PLLC, counsel to the University, regarding, among other matters, the current status of the University as an organization described in Section 501(c)(3) of the Code and the use of the facilities financed with the Series 2016A Bonds in activities that are not considered “unrelated trade or business” activities of the University, as defined in Section 513(a) of the Code, which opinion is subject to a number of qualifications and limitations. Failure of the University to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2016A Bonds in a manner that is substantially related to the University’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2016A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2016A Bonds. Co-Bond Counsel will not independently verify the accuracy of DASNY’s and the University’s certifications and representations or the continuing compliance with DASNY’s and the University’s covenants and will not independently verify the accuracy of the opinion of the University’s counsel.

The opinions of Co-Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent each Co-Bond Counsel's legal judgment as to exclusion of interest on the Series 2016A Bonds from gross income for federal income tax purposes but are not a guaranty of that conclusion. The opinions are not binding on the Internal Revenue Service ("IRS") or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by DASNY or the University may cause loss of such status and result in the interest on the Series 2016A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016A Bonds. The University and, subject to certain limitations, DASNY have each covenanted to take the actions required of it for the interest on the Series 2016A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2016A Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2016A Bonds or the market value of the Series 2016A Bonds.

A portion of the interest on the Series 2016A Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2016A Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2016A Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2016A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel's engagement with respect to the Series 2016A Bonds ends with the issuance of the Series 2016A Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend DASNY, the University or the owners of the Series 2016A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2016A Bonds, under current IRS procedures, the IRS will treat DASNY as the taxpayer and the beneficial owners of the Series 2016A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2016A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2016A Bonds.

Prospective purchasers of the Series 2016A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2016A Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2016A Bonds. There can be no assurance that legislation enacted or

proposed, or actions by a court, after the date of issuance of the Series 2016A Bonds will not have an adverse effect on the tax status of interest on the Series 2016A Bonds or the market value or marketability of the Series 2016A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2016A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2016A Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2016A Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2016A Bonds may be adversely affected and the ability of holders to sell their Series 2016A Bonds in the secondary market may be reduced. The Series 2016A Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2016A Bonds are not subject to adjustment in the event of any such change in the tax treatment of interest on the Series 2016A Bonds.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Premium

Certain of the Series 2016A Bonds (“Premium Bonds”) as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Stepped Coupon Bonds. The Series 2016A Bonds maturing on July 1, 2038, in the amount of \$32,000,000, bear interest at an initial fixed rate of 2.250% and that fixed rate is increased at certain specified points in time (the “Stepped Coupon Bond”). The Treasury Department has issued regulations under Section 1271 through 1275 of the Code (the “OID Regulations”). Pursuant to the OID Regulations, a stepped coupon bond such as the Stepped Coupon Bond can be treated as issued with OID. OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Bond. However, pursuant to section 1.1272-1(c)(5) of the Regulations, it is presumed that the Stepped Coupon Bond will be called on July 1, 2021, and that, accordingly, the amount of OID with respect to the Stepped Coupon Bond is treated as zero. However, there is no guarantee that the Stepped Coupon Bond will be called on July 1, 2021, and Owners may wish to consult their tax advisers with respect to the tax consequences of holding the Stepped Coupon Bond.

Owners of Series 2016A Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Series 2016A Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income. See “Appendix E — Form of Approving Opinions of Co-Bond Counsel.”

PART 12 — STATE NOT LIABLE ON THE SERIES 2016A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2016A Bonds are not a debt of the State and that the State is not liable on them.

PART 13 — COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of DASNY's notes and bonds that the State will not limit or alter the rights vested in DASNY to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of DASNY's notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with DASNY and with the holders of DASNY's notes or bonds.

PART 14 — LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2016A Bonds by DASNY are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2016A Bonds. The proposed form of Co-Bond Counsel's opinions is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the University by its counsel, Bond Schoeneck & King PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Winston & Strawn LLP, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2016A Bonds or questioning or affecting the validity of the Series 2016A Bonds or the proceedings and authority under which they are to be issued.

PART 15 — UNDERWRITING

Morgan Stanley (the "Representative"), on behalf of the Underwriters of the Series 2016A Bonds, has agreed, subject to certain conditions, to purchase the Series 2016A Bonds from DASNY at an aggregate purchase price of \$168,948,919.01 (consisting of the principal amount of the Series 2016A Bonds plus original issue premium of \$23,255,219.60 less underwriters' discount of \$771,300.59).

The Series 2016A Bonds are being offered for sale to the public at the prices shown on the inside cover page hereof. The Underwriters reserve the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Series 2016A Bonds. The Underwriters may offer and sell the Series 2016A Bonds to certain dealers (including dealers depositing the Series 2016A Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in this Official Statement. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2016A Bonds to the public. The obligation of the Underwriters to accept delivery of the Series 2016A Bonds is subject to the terms and conditions set forth in the Bond Purchase Agreement, the approval of legal matters by counsel and other conditions. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 2016A Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, the Representative and one of the Underwriters of the Series 2016A Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2016A Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2016A Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, if applicable to this transaction, each of CS&Co. and LPL will purchase Series 2016A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016A Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment

management, principal investment, hedging, financing and brokerage services. The Underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for DASNY, for which they received or will receive customary fees and expenses.

A portion of the proceeds from this offering are expected to be used to redeem the Refunded Bonds. To the extent the Underwriters or any of their respective affiliates is an owner of Refunded Bonds, the Underwriters or such affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2016A Bonds contemplated herein in connection with such Refunded Bonds being redeemed by DASNY.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of DASNY.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

PART 16 — VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Arbitrage Group, Inc., a firm of independent arbitrage consultants, will deliver to DASNY its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by DASNY and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the Investment Securities deposited with the trustee under the resolution pursuant to which the Refunded Bonds were issued to pay the redemption price of and interest coming due on the Refunded Bonds on the redemption date as described in “PART 5 — THE REFUNDING PLAN.” The Arbitrage Group, Inc. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2016A Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2016A Bonds from gross income for federal income tax purposes.

PART 17 — CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the University will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2016A Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent, the Trustee, and DASNY. The proposed form of Continuing Disclosure Agreement is attached as Appendix F hereto.

In connection with the issuance of Prior DASNY Bonds, the University entered into certain written undertakings to provide continuing disclosure in accordance with Rule 15c2-12 (collectively, the “Prior Continuing Disclosure Undertakings”). Such Prior Continuing Disclosure Undertakings include an obligation to provide its Audited Financial Statements and certain operating data and financial information (the “Required Annual Information”) with Digital Assurance Certification LLC within one hundred twenty (120) days of the University’s fiscal year end to be filed with the MSRB through EMMA. The University’s Audited Financial Statements and Required Annual Information for the fiscal year 2012 were filed late by five (5) days and twenty-three (23) days, respectively. In addition, commencing with fiscal year 2011, the University failed to include calculations of certain of the University’s financial covenants as part of its Required Annual Information filing. Furthermore, the University failed to file in a “timely manner” certain material event notices relating to bond insurer rating downgrades: (a) on November 30, 2010, the University filed a notice of a downgrading by Moody’s of the enhanced rating of its Series 2008B Bonds thirty-four (34) days after the event’s occurrence, and (b) on January 29, 2013, the University filed a notice of a downgrading by Moody’s of the enhanced rating of its Series 2008B Bonds twelve (12) days after the event’s occurrence. In both cases, the University failed to disclose these late filings as non-compliance with its Prior Continuing Disclosure Undertakings in the official statements for the University’s subsequent bond issues. The University has put in place new internal controls to make sure that all future filings are made in a complete and timely manner and has represented that, except as set forth above, the University believes

that it has not failed to comply, in any material respect, with its Prior Continuing Disclosure Undertakings with respect to Rule 15c2-12 for the past five years.

PART 18 — RATINGS

Moody's Investors Service ("Moody's") has assigned a rating of "A2" to the Series 2016A Bonds. Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") has assigned a rating of "A" to the Series 2016A Bonds. Such ratings reflect only the views of such rating agencies and any desired explanation of the significance of such ratings and outlooks should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by either rating agency (or both) if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the Series 2016A Bonds.

PART 19 — MISCELLANEOUS

Reference in this Official Statement to the Act, the Resolutions and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolutions and the Loan Agreement for full and complete details of their provisions. Copies of the Resolutions and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with Holders of the Series 2016A Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2016A Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2016A Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as expressions of opinion and not as representations of fact.

The information regarding the University was supplied by the University. DASNY believes that this information is reliable, but DASNY makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

The information regarding DTC and DTC's book-entry only system has been furnished by DTC. DASNY believes that this information is reliable, but makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

"Appendix A — Certain Definitions," "Appendix C — Summary of Certain Provisions of the Loan Agreement," "Appendix D — Summary of Certain Provisions of the Resolution" and "Appendix E — Form of Approving Opinions of Co-Bond Counsel" have been prepared by Squire Patton Boggs (US) LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel.

"Appendix B — Financial Statements of Fordham University and Independent Auditors' Report" contains the financial statements of the University as of and for the years ended June 30, 2015 and 2014 which have been audited by KPMG LLP, independent accountants as stated in their report appearing therein.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Estimated Sources and Uses of Funds, the Project, the Refunding Plan and Appendix B. The University, as a condition to issuance of the Series 2016A Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The University has agreed to indemnify DASNY, the Underwriters and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by DASNY.

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

By: /s/ Gerrard P. Bushell
Authorized Officer

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CERTAIN DEFINITIONS

Appendix A

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution or Loan Agreement and used in this Official Statement.

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including, without limitation, by the Healthcare Financing Construction Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended.

Annual Administrative Fee means the fee payable to the Authority during each Bond Year for the general administrative and supervisory expenses of the Authority in an amount more particularly described in Schedule A attached to the Loan Agreement and made a part of the Loan Agreement.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Deferred Income Bond or in the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means the fund so designated and established by a Series Resolution pursuant to the Resolution.

Authority means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

Authority Fee means the fee payable to the Authority consisting of all of the Authority's internal costs and overhead expenses attributable to the issuance of the Bonds and the construction of the Project, as more particularly described in Schedule B attached to the Loan Agreement and made a part of the Loan Agreement.

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice-Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Monitoring, the Managing Director of Construction, and the General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the Institution, the person or persons authorized to perform any act or sign any document by or pursuant to a resolution of the Institution's Board of Trustees or its Executive Committee or the by-laws of the Institution; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer,

Appendix A

an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bond or Bonds when used in connection with the Resolution, means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution and, when used in connection with the Loan Agreement, means the Authority's Fordham University Revenue Bonds, Series 2016A authorized by the Resolution and issued pursuant to the Series 2016A Resolution.

Bond Counsel means Squire Patton Boggs (US) LLP and D. Seaton and Associates or an attorney or other law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds of a Series in accordance with the delegation of power to do so under a Series Resolution.

Bond Year means, unless otherwise stated in a Series Resolution, a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds of a Series, means the registered owner of any Bonds of such Series.

Book Entry Bond means a Bond of a Series authorized to be issued, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

Business Day when used in connection with any particular Series 2016A Bonds means a day other than (a) a Saturday and Sunday or (b) a day on which any of the following are authorized or required to remain closed: (i) banks or trust companies chartered by the State of New York or the United States of America, (ii) the Trustee, (iii) the New York Stock Exchange, (iv) the Facility Provider or a Credit Facility or Liquidity Facility, if any, or (v) DTC.

Capital Appreciation Bond means any Bond as to which interest accruing thereon is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Construction Fund means the fund so designated and established by a Series Resolution pursuant to the Resolution.

Continuing Disclosure Agreement means the Agreement to Provide Continuing Disclosure, entered into in connection with the issuance of the Bonds, by and among the Authority, the Institution, Digital Assurance Certification LLC, as disclosure dissemination agent, and the Trustee, or such other parties thereto designated at such times, providing for continuing disclosure.

Contract Documents means any general contract or agreement for the construction of the Project, notice to bidders, information for bidders, form of bid, general conditions, supplemental general conditions, general requirements, supplemental general requirements, bonds, plans and specifications, addenda, change orders, and any other documents entered into or prepared by or on behalf of the Institution relating to the construction of the Project, and any amendments to the foregoing.

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Facility Provider or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds,

commitment fees or similar charges relating to a Reserve Fund Facility, a Liquidity Facility, a Credit Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or Costs of the Project means costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection with a Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of a Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of a Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institution shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of a Project, (vii) any sums required to reimburse the Institution or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project (including interest on moneys borrowed from parties other than the Institution), (viii) interest on the Bonds of a Series prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant to the Resolution or to the Loan Agreement, a Mortgage, a Liquidity Facility, Credit Facility, a Reserve Fund Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement.

Credit Facility means, with respect to a Series of Bonds, an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments, if any, of and interest on particular Bonds whether or not the Authority is in default under the Resolution, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a saving and loan association;
- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility in the Resolution. *There is no Credit Facility for the Series 2016A Bonds upon the initial issuance thereof.*

Debt Service Fund means the fund so designated and established by a Series Resolution pursuant to the Resolution.

Debt Service Reserve Fund means a reserve fund for the payment of the principal and Sinking Fund Installments, if any, of and interest on a Series of Bonds so designated, created and established by the Authority by or pursuant to a Series Resolution. *The Authority has not established a Debt Service Reserve Fund in favor of the Series 2016A Bonds.*

Appendix A

Debt Service Reserve Fund Requirement means the amount of moneys required to be deposited in the Debt Service Reserve Fund as determined in accordance with the Series Resolution pursuant to which such Debt Service Reserve Fund has been established.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Event of Default when used in connection with the Resolution, means each event described in Section 11.02 of the Resolution summarized in Appendix D under the heading “**Events of Default**” and, when used in connection with the Loan Agreement, means each event described in Section 27(a) of the Loan Agreement summarized in Appendix C under the heading “**Defaults and Remedies.**”

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two nationally recognized statistical rating services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Facility Provider means the issuer of a Reserve Fund Facility, a Credit Facility or a Liquidity Facility.

Federal Agency Obligation means:

(i) an obligation issued by any federal agency or instrumentality approved by the Authority;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority;

(iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Government Obligation means:

(i) a direct obligation of the United States of America;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;

- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and
- (v) share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Institution means Fordham University, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

Insurance Consultant means a person or firm which is qualified to survey risks and to recommend insurance coverage for Institution facilities and services and organizations engaged in like operations and which is selected by the Institution.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

Interest Rate Exchange Agreement means (i) an agreement entered into by the Authority or the Institution in connection with the issuance of or which relates to Bonds of a Series which provides that during the term of such agreement the Authority or the Institution is to pay to the Counterparty an amount based on the interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that the Counterparty is to pay to the Authority or the Institution an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (ii) interest rate cap agreements, interest rate floor agreements, interest rate collar agreements and any other interest rate related hedge agreements or arrangements.

Liquidity Facility means, with respect to a Series of Bonds, an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;
- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority.

A Liquidity Facility may also be a Credit Facility. *There is no Liquidity Facility for the Series 2016A Bonds upon the initial issuance thereof.*

Appendix A

Loan Agreement means a Loan Agreement or any other agreement, by and between the Authority and the Institution in connection with the issuance of a Series of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by such Loan Agreement.

Management Consultant means a nationally recognized accounting or management consulting firm or other similar firm, experienced in reviewing and assessing university operations, acceptable to the Authority.

Mortgage means a mortgage granted by the Institution to the Authority in connection with the issuance of a Series of Bonds, if any, in form and substance satisfactory to an Authorized Officer of the Authority, on the Mortgaged Property mortgaged in connection therewith as security for the performance of the Institution's obligations under the Loan Agreement with respect to such Series of Bonds, as such Mortgage may be amended or modified from time to time with the consent of the Authority. *There is no Mortgage securing the Institution's obligations to the Authority under the Loan Agreement relating to the Series 2016A Bonds.*

Mortgaged Property means the land or interest therein described in each Mortgage, if any, together with the buildings and improvements thereon or hereafter erected thereon and the furnishings and equipment owned by the Institution located thereon or therein as may be specifically identified in a Mortgage.

Option Bond means any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption or purchase by the Authority prior to the stated maturity thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Outstanding, when used in reference to Bonds of a Series, means, as of a particular date, all Bonds of such Series authenticated and delivered under the Resolution and under a Series Resolution except:

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the Resolution;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and
- (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

Paying Agent means, with respect to a Series of Bonds, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of such Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one nationally recognized statistical rating service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one nationally recognized statistical rating service no lower than in the second highest rating category; and

(iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a nationally recognized statistical rating service in the highest rating category.

Permitted Encumbrances means when used in connection with the Project any of the following:

- (i) The lien of taxes and assessments which are not delinquent;
- (ii) The lien of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby the property or the interest of the Authority therein may be in danger of being lost or forfeited;
- (iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (v) security interests, liens and other encumbrances to secure the purchase price of any equipment or furnishings; and
- (vi) Such other encumbrances, defects, and irregularities to which the prior written consent of the Authority has been obtained.

Permitted Investments means:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;
- (v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized statistical rating service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;
- (vi) Investment Agreements that are fully collateralized by Permitted Collateral; and
- (vii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

Pledged Revenues means the “Pledged Revenues” as such term is defined in a Loan Agreement, if applicable. *There are no Pledged Revenues securing the Institution’s obligations to the Authority under the Loan Agreement relating to the Series 2016A Bonds.*

Prior Pledges means the “Prior Pledges” as such term is defined in a Loan Agreement, if applicable.

Appendix A

Project, when used in the connection with the Resolution, means each “dormitory” as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of a Series of Bonds, as more particularly described in a Loan Agreement or a Series Resolution and, when used in connection with the Loan Agreement, means each of the buildings and improvements, and the land appurtenant thereto, more particularly described in Schedule C to the Loan Agreement, acquired, constructed, reconstructed or otherwise renovated or improved with the proceeds of the Bonds; provided, however, such term does not include any of the foregoing if and to the extent that the Bonds are no longer Outstanding.

Provider Payments means the amount, certified by a Facility Provider to the Trustee, payable to such Facility Provider on account of amounts advanced by it under a Reserve Fund Facility, a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

Rating Service means each of Fitch, Inc., Moody’s Investors Service, Inc. and Standard & Poor’s Rating Services, in each case, which has assigned a rating to Outstanding Bonds at the request of the Authority, or their respective successors and assigns.

Record Date means, unless a Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating thereto provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

Redemption Price, when used with respect to a Bond of a Series, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Resolution or to the applicable Series Resolution or Bond Series Certificate.

Related Agreements means, in connection with the Bonds, each Remarketing Agreement, any broker-dealer agreement, auction agent agreement and agreement entered into in connection with a Reserve Fund Facility, Credit Facility or Liquidity Facility, to which the Institution is a party, if any.

Remarketing Agent means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

Remarketing Agreement means, with respect to Option Bonds of a Series, an agreement either between the Authority and the Remarketing Agent, or among the Authority, the Institution and the Remarketing Agent, relating to the remarketing of such Bonds.

Reserve Fund Facility means a surety bond, insurance policy, letter of credit or other financial guaranty or instrument authorized by or pursuant to a Series Resolution establishing a Debt Service Reserve Fund to be delivered in lieu of or substitution of all or a portion of the moneys otherwise required to be held in such Debt Service Reserve Fund.

Resolution means the Authority’s Fordham University Revenue Bond Resolution, adopted by the Authority on March 26, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions thereof.

Revenues means, with respect to a Series of Bonds, all payments received or receivable by the Authority which pursuant to the applicable Loan Agreement are required to be paid to the Trustee for such Series of Bonds (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund), and all amounts received as a consequence of the enforcement of such Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon the Pledged Revenues, if any, for such Series of Bonds.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments, if any, or other provisions.

Series 2008B Bonds means the Dormitory Authority of the State of New York Fordham University Revenue Bonds, Series 2008B.

Series 2011B Bonds means the Dormitory Authority of the State of New York Fordham University Revenue Bonds, Series 2011B.

Series 2016A Resolution when used in connection with the Resolution, means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to Article II of the Resolution and, when used in connection with the Loan Agreement, means the Authority's Series Resolution Authorizing \$175,000,000 Fordham University Revenue Bonds, Series 2016A adopted March 9, 2016 with respect to the Project, as the same may be amended, supplemented or otherwise modified pursuant to the terms of the Resolution.

Sinking Fund Installment means, with respect to a Series of Bonds, as of any date of calculation, when used with respect to any Bonds of such Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

Sub-Series means the grouping of the Bonds of a Series established by the Authority pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series or the Bond Series Certificate related to such Series of Bonds.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Resolution, any Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of Article IX of the Resolution.

Tax Certificate means the certificate of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Bonds in which the Authority makes representations and agreements as to arbitrage and compliance with the provisions of Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

Term Bonds means, with respect to a Series of Bonds, the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for a Series of Bonds pursuant to a Series Resolution or Bond Series Certificate delivered under the Resolution and having the duties, responsibilities and rights provided for in the Resolution with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on

Appendix A

(i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or

(ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

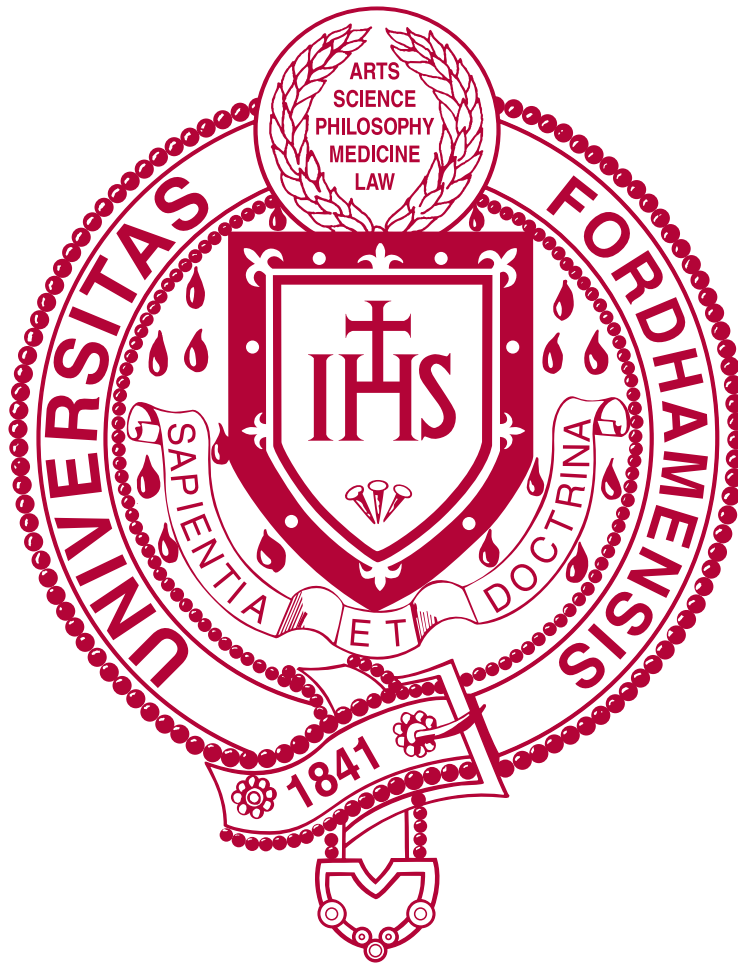
Variable Interest Rate Bond means any Bond of a Series which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

**FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY AND
INDEPENDENT AUDITORS' REPORT**

Appendix B

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FORDHAM UNIVERSITY



2015 and 2014
FINANCIAL STATEMENTS
With Report of Independent Auditors



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Fordham University:

We have audited the accompanying financial statements of Fordham University, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fordham University as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

October 26, 2015

FORDHAM UNIVERSITY
Statements of Financial Position
June 30, 2015 and 2014

Assets	2015	2014
Cash and cash equivalents	\$ 2,721,581	1,159,557
Accounts and grants receivable:		
Students, net (note 5)	5,287,474	5,644,102
Government	2,257,362	2,899,841
Other	4,585,430	5,279,708
Contributions receivable, net (notes 6 and 10)	54,624,552	59,939,300
Prepaid expenses and other assets (note 9)	4,077,258	16,097,879
Investments (notes 3, 4, 9, and 10):		
Endowment and other investments	720,954,019	720,680,957
Investments designated for construction	—	40,304,231
Student loans receivable, net (notes 5 and 10)	12,619,026	13,147,136
Deposits with bond trustees (notes 9 and 10)	8,334,826	45,912,616
Bond issuance costs (note 9)	7,663,852	7,897,370
Investment in plant assets, net (notes 7 and 9)	1,037,876,519	958,339,322
Total assets	<u>\$ 1,861,001,899</u>	<u>1,877,302,019</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (note 15)	\$ 68,316,553	63,552,499
Deferred revenue and deposits	33,940,614	29,142,737
Fair value of swap agreement (notes 9 and 10)	12,844,016	12,556,680
Amounts held for others	2,761,805	2,288,639
U.S. government refundable advances	4,954,933	4,853,886
Postretirement benefit obligation (note 8)	47,880,000	47,782,000
Long-term debt (notes 9 and 10)	460,078,237	478,067,287
Total liabilities	<u>630,776,158</u>	<u>638,243,728</u>
Commitments and contingencies (notes 3, 8, 9, and 14)		
Net assets (notes 4 and 11):		
Unrestricted	672,188,332	636,456,324
Temporarily restricted	272,300,615	330,431,052
Permanently restricted	285,736,794	272,170,915
Total net assets	<u>1,230,225,741</u>	<u>1,239,058,291</u>
Total liabilities and net assets	<u>\$ 1,861,001,899</u>	<u>1,877,302,019</u>

See accompanying notes to financial statements.

FORDHAM UNIVERSITY
Statements of Activities
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenue:		
Tuition and fees, net (notes 9 and 12)	\$ 407,899,355	395,879,429
Government grants	14,168,057	15,148,457
Investment return (notes 3 and 4)	28,031,164	23,623,506
Contributions and private grants	25,301,499	39,176,979
Auxiliary enterprises, net (note 12)	72,784,806	69,301,845
Other revenue	18,687,166	15,550,061
Net assets released from restrictions (includes \$42,267,695 for capital expenditures in 2015)	49,337,802	7,404,821
Total operating revenue	<u>616,209,849</u>	<u>566,085,098</u>
Operating expenses (note 13):		
Program services:		
Instruction	213,492,492	209,436,815
Research	16,253,448	13,565,361
Public service	18,393,532	18,302,175
Academic support	90,336,576	80,526,746
Student services	73,977,619	66,063,478
Auxiliary enterprises	86,799,600	75,377,861
Total program services	<u>499,253,267</u>	<u>463,272,436</u>
Supporting services:		
Institutional support	69,712,517	71,053,826
Total operating expenses	<u>568,965,784</u>	<u>534,326,262</u>
Net operating revenue	47,244,065	31,758,836
Nonoperating activities:		
Investment return (note 3)	(13,752,721)	8,281,772
Change in fair value of interest rate swap (note 9)	(287,336)	(77,561)
Net gain on refunding of debt (note 9)	—	382,388
Gain (loss) not yet recognized as a component of net periodic benefit cost (note 8)	2,528,000	(3,621,000)
Increase in unrestricted net assets	<u>35,732,008</u>	<u>36,724,435</u>
Changes in temporarily restricted net assets:		
Contributions and private grants	5,492,410	13,010,832
Investment return (note 3)	(14,285,045)	38,902,667
Net assets released from restrictions	(49,337,802)	(7,404,821)
(Decrease) increase in temporarily restricted net assets	<u>(58,130,437)</u>	<u>44,508,678</u>
Changes in permanently restricted net assets:		
Contributions	12,752,904	15,454,535
Investment return (note 3)	772,557	2,902,900
Appreciation in fair value of perpetual trust (note 6)	40,418	598,000
Increase in permanently restricted net assets	<u>13,565,879</u>	<u>18,955,435</u>
(Decrease) increase in net assets	(8,832,550)	100,188,548
Net assets at beginning of year	<u>1,239,058,291</u>	<u>1,138,869,743</u>
Net assets at end of year	<u>\$ 1,230,225,741</u>	<u>1,239,058,291</u>

See accompanying notes to financial statements.

FORDHAM UNIVERSITY

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (8,832,550)	100,188,548
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Gain) loss not yet recognized as a component of net periodic benefit cost	(2,528,000)	3,621,000
Depreciation (appreciation) on investments	3,962,040	(66,179,582)
Net gain on refunding of debt	—	(382,388)
Provision for doubtful student accounts	800,000	955,000
Provision on contributions receivable	(1,025,227)	(1,580,999)
Depreciation of plant assets	41,989,578	39,987,532
Amortization of bond issue costs and original issue discount/premium	(331,557)	(194,414)
Appreciation in fair value of perpetual trust	(40,418)	(598,000)
Contributions and investment income restricted for permanent investment	(12,940,708)	(10,484,128)
Contributions and grants restricted for physical facilities	(1,264,638)	(3,279,307)
Contribution of artwork	(42,101)	—
Change in value of interest rate swap	287,336	77,561
Changes in operating assets and liabilities:		
Accounts and grants receivable (gross)	893,385	880,444
Contributions receivable, net of permanently restricted and capital components	(2,444,334)	(1,531,945)
Prepaid expenses and other assets, net of deposit	(354,379)	(25,235)
Accounts payable and accrued expenses, net of capital expenditures	5,398,481	1,031,158
Deferred revenue and deposits	4,797,877	3,070,701
Amounts held for others	473,166	(17,128)
Postretirement benefits other than pensions	2,626,000	2,678,000
Net cash provided by operating activities	31,423,951	68,216,818
Cash flows from investing activities:		
Purchases of investments	(346,452,253)	(217,503,402)
Sales of investments	382,521,382	250,376,303
Purchases of plant assets	(120,622,516)	(110,762,520)
(Decrease) increase in accounts payable related to capital expenditures	(2,660,781)	604,929
Decrease (increase) in prepaid expenses and other assets due to deposit	12,375,000	(12,375,000)
Decrease in student loans receivable, net	528,110	484,033
Net cash used in investing activities	(74,311,058)	(89,175,657)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	66,182,433
Bond issuance costs	—	(786,310)
Repayment of long-term debt	(18,286,035)	(10,156,663)
Refunding of long-term debt	—	(13,120,000)
Decrease (increase) in deposits with bond trustees	37,577,790	(34,194,630)
Change in accounts payable and accrued expenses due to bank overdraft	2,026,254	(5,867,200)
Contributions and investment return restricted for permanent investment	12,940,708	10,484,128
Contributions and grants restricted for physical facilities	1,264,638	3,279,307
Decrease in contributions receivable related to capital projects	3,940,788	2,836,134
Decrease in permanently restricted contributions receivable	4,883,939	1,812,788
Increase in U.S. government refundable advances	101,047	140,042
Net cash provided by financing activities	44,449,129	20,610,029
Net increase (decrease) in cash and cash equivalents	1,562,022	(348,810)
Cash and cash equivalents at beginning of year	1,159,559	1,508,369
Cash and cash equivalents at end of year	\$ 2,721,581	1,159,559
Supplemental disclosures:		
Interest paid, including capitalized interest, net of \$7,409,494 in 2014	\$ 20,379,145	19,543,200
Acquisition of equipment through capitalized leases	862,060	943,843

See accompanying notes to financial statements.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(1) Nature of Operations

Fordham University (the University) is an independent, not-for-profit, coeducational, nonsectarian institution of higher learning in the Jesuit tradition located in the city of New York. The University was founded in 1841 and was granted its charter in 1846 by the state of New York. It is exempt from federal income taxes under the provisions of the Internal Revenue Code, as an organization described in Section 501(c)(3).

The central mission of the University is the discovery of Wisdom and the transmission of Learning, through research and through undergraduate, graduate, and professional education of the highest quality. Guided by its Catholic and Jesuit traditions, Fordham fosters the intellectual, moral, and religious development of its students and prepares them for leadership in a global society.

The University is accredited by the Middle States Association of Colleges and Schools and presently serves approximately 8,300 undergraduate students and 6,400 graduate and professional students.

(2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are described below:

(a) *Basis of Presentation*

The University prepares its financial statements on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board (FASB) for external financial reporting by not-for-profit organizations. Those standards require the classification of activities and net assets into one of three classes of net assets as follows:

- Unrestricted net assets: Net assets that are not subject to donor-imposed restrictions
- Temporarily restricted net assets: Net assets subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time
- Permanently restricted net assets: Net assets subject to donor-imposed restrictions that stipulate that they be maintained permanently by the University, but permit the University to expend all or part of the income derived therefrom

Revenue and gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets. Contributions and investment return subject to donor-imposed restrictions that are met in the same reporting period are reported as unrestricted revenue. The expiration of temporary restrictions on prior year net asset balances is reported as net assets released from restrictions.

(b) *Operating Activities*

Operating activities in the accompanying statements of activities include all unrestricted revenue earned and all expenses incurred by the University except for return on investments in excess of (less than) the amount authorized for expenditure by the board of trustees, change in value of interest rate

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

swap, gain (loss) not yet recognized as a component of net periodic benefit cost, and certain nonrecurring activities.

(c) Contributions and Grants

Contributions, including unconditional promises to give, are reported initially at fair value as revenue in the period received, net of an allowance for uncollectible amounts. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are presented at their discounted present value at a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of property and equipment are reported as increases in unrestricted net assets unless the donor places restrictions on their use. Contributions made toward long-lived assets are held as temporarily restricted until the asset is completed and available for use. At such time, the contribution is considered to be released from restriction and reclassified to unrestricted net assets.

Grants are reported as revenue when expenses are incurred in accordance with the terms of the agreement.

(d) Investments

Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices. Investments in investment companies (consisting of investments in nonpublic equity funds, hedge funds, and private equity funds) are reflected at fair value as estimated and reported by general partners, based upon the underlying net asset value of the fund or partnership as a practical expedient. These estimated values are reviewed and evaluated by the University.

Dividends, interest, and net gains on investments are reported as follows:

- As increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of permanently restricted net assets
- As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the current use of the income or net gains or if not yet allocated for spending
- As increases in unrestricted net assets in all other cases

(e) Cash Equivalents

Cash equivalents include investments with maturities of three months or less at the time of purchase, except for such investments purchased by the University's investment managers as part of their investment strategies.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(f) *Investment in Plant Assets*

The carrying value of land is based upon a determination by the University of the fair value of land owned as of June 30, 1958. Subsequent additions have been capitalized at cost or fair market value at the date of donation in the case of gifts.

The carrying value of land improvements and buildings and building improvements constructed or acquired prior to June 30, 1969, and furnishings and equipment acquired prior to 1989 is based upon historical cost as estimated by an independent appraiser in 1989. The carrying value of buildings constructed and building improvements made after June 30, 1969 is based upon historical cost or fair market value at the date of donation in the case of gifts. Additions of furnishings and equipment subsequent to the 1989 appraisal and library collections are capitalized at cost or fair market value at the date of donation in the case of gifts.

Depreciation of plant assets is computed on a straight-line basis over their estimated useful lives. Depreciable lives of land improvements and buildings and building improvements range from 5 to 50 years, and depreciable lives of furnishings, equipment, and library collections range from 3 to 30 years.

(g) *Deferred Revenue and Deposits*

Deferred revenue and deposits include tuition and student deposits related to programs applicable to the next fiscal year and grants received in advance of incurring related expenses.

(h) *U.S. Government Refundable Advances*

Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the government and are presented in the accompanying statements of financial position as a liability.

(i) *Derivative Instrument*

The University measures its derivative instrument at fair value. The fair value of the derivative held is based upon values provided by third-party financial institutions. It is not held for speculation purposes.

(j) *Expenses*

Expenses are reported as decreases in unrestricted net assets. Costs related to the operation and maintenance of the physical plant, including depreciation of plant assets, are allocated to program (which includes instruction, research, public service, academic support, student services, and auxiliary enterprises) and supporting services (institutional support, which includes management and general and fund-raising expenses) based upon the usable square footage of such facilities. Interest expense is allocated to program and supporting services based upon the purposes of loan or bond proceeds.

(k) *Lease Termination Costs*

Costs to terminate existing lease agreements are reflected in the financial statements as accrued liabilities (see note 15). Accrued liabilities represent the remaining lease rentals, reduced by estimated

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

sublease rentals that could be reasonably obtained for the property, in accordance with Accounting Standards Codification (ASC) 420, *Exit or Disposal Cost Obligations*.

(l) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates made in the preparation of these financial statements include valuation of investments, the interest rate swap, and the postretirement benefit obligation; net realizable value of student tuition and loan receivables, accounts and grants receivable and contributions receivable; and the allocation of expenses to programs and supporting services (operation and maintenance, depreciation, and interest). Actual results could differ from those estimates.

(m) Risks and Uncertainties

The University invests in various investment securities. Investment securities are exposed to various risks and other factors such as interest rate changes, market fluctuations, and credit risks. Due to the level of fluctuation in values associated with certain investment securities due to these factors, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the statements of financial position in future periods.

(n) Income taxes

The University accounts for uncertainties in income taxes recognized in its financial statements using a threshold of more likely than not of being sustained. Income generated from activities unrelated to the University's exempt purpose is subject to tax. The University did not have any material unrelated business income tax liability at June 30, 2015 and 2014.

(o) Recently Adopted Accounting Standards

The University early adopted Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This standard removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share or its equivalent as a practical expedient. It also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The University applied the provision of the update retrospectively to 2014.

(p) Reclassifications

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation.

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Notes to Financial Statements

June 30, 2015 and 2014

(3) Investments

The following table summarizes the composition of investments at June 30, 2015 and 2014, including information relative to the University's ability to redeem its investments in investment companies:

	<u>2015</u>	<u>2014</u>	<u>Redemptions frequency</u>	<u>Days notice</u>
Endowment and other investments:				
Cash and cash equivalents	\$ 30,467,418	102,638,002		
U.S. government obligations	6,628,123	2,162,210		
Domestic equities – large market capitalization	26,977,133	63,000,770		
Equity mutual funds	39,483,735	20,166,707		
Bond mutual funds	136,737,413	145,204,658		
Nonpublic equity funds	188,413,502	118,521,741	Monthly	5–45
Hedge funds:				
Long/short	56,492,611	79,771,176	Monthly – annual	5–90
Absolute return	86,158,529	75,606,061	Quarterly – annual	5–45
Private equity funds	147,579,411	111,545,707	Illiquid	Not applicable
Other	2,016,144	2,063,925		
	<u>720,954,019</u>	<u>720,680,957</u>		
Investments designated for construction:				
Cash and cash equivalents	—	9,847,602		
Domestic corporate bonds	—	30,456,629		
	<u>—</u>	<u>40,304,231</u>		
Total investments	<u>\$ 720,954,019</u>	<u>760,985,188</u>		

At June 30, 2015 and 2014, the underlying investments of the nonpublic equity funds and hedge funds consist principally of securities having readily available market quotations, often in long and short positions. In certain private equity funds, including some funds of funds, the underlying investments are generally not actively traded at the time of investment. In these instances, estimated values may differ from the values that would have been reported had a ready market for these securities existed.

Certain investment companies in which the University has invested have imposed restrictions as to the frequency at which the University might redeem, in part or whole, its investment. Redemption frequencies can vary based on a number of criteria, including the liquidity of an investment company's underlying investments or initial investment lock-up periods.

The following descriptions illustrate the categories of the University's investments in investment companies, as defined:

- Nonpublic equity investments: This category includes long-only equity in the United States, international developed markets, and emerging markets. Over the long term, these investments are expected to reflect a return commensurate with the economic climate in which the University invests.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

- Hedge funds – long/short: Investments that own traditional equities but complement the holdings by being short securities they believe to be overvalued. The short portfolio acts as a hedge during market declines but may also serve as an additional source of investment return. Managers of these funds have the ability to shift between growth and value stocks across all capitalizations.
- Hedge funds – absolute return: Investments that exploit pricing inefficiencies such as companies trading at discounts, and includes funds that employ their investment strategies using both equity and debt securities.
- Private equity funds: Investments in private equity buyout funds, distressed credit opportunity funds, venture capital funds, international private equity funds, mezzanine funds, and multistrategy funds. Total unfunded commitments for these investments were \$89,953,905 and \$58,953,145 at June 30, 2015 and 2014, respectively. The majority of the private equity funds can be redeemed in three to eight years.

The following tables summarize the University’s total investment return and its classification in the financial statements for the years ended June 30, 2015 and 2014:

	2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Dividends and interest, (net of expenses of \$5,166,535)	\$ 1,283,301	3,256,891	187,803	4,727,995
Net appreciation (depreciation) on investments	12,995,142	(17,541,936)	584,754	(3,962,040)
Total return on investments	14,278,443	(14,285,045)	772,557	765,955
Investment return recognized in operating activities	28,031,164	—	—	28,031,164
Investment return (less) greater than amounts recognized in operating activities	\$ (13,752,721)	(14,285,045)	772,557	(27,265,209)

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Notes to Financial Statements

June 30, 2015 and 2014

	2014			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Dividends and interest, (net of expenses of \$4,288,418)	\$ 2,592,390	4,743,437	195,436	7,531,263
Net appreciation on investments	29,312,888	34,159,230	2,707,464	66,179,582
Total return on investments	31,905,278	38,902,667	2,902,900	73,710,845
Investment return recognized in operating activities	23,623,506	—	—	23,623,506
Investment return greater than amounts recognized in operating activities	\$ 8,281,772	38,902,667	2,902,900	50,087,339

(4) Endowment Funds

The University's endowment consists of 885 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the University to function as endowments (quasi-endowment). At June 30, 2015, the fair value of thirty three endowment accounts was less than its original fair value (underwater) by a total of approximately \$119,000. At June 30, 2014, the fair value of one endowment account was less than its original fair value (underwater) by a total of approximately \$1,200.

In 2006, the Uniform Law Commission approved a model act, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), to serve as a guideline for states to use in enacting new legislation to govern the investment and use of endowment funds. In September 2010, the state of New York enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA), its version of UPMIFA, effective immediately. Among NYPMIFA's most significant changes was the elimination of the prior law's important concept of the historical dollar-value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending.

The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Pursuant to the investment policy approved by the board of trustees of the University, the University has interpreted NYPMIFA as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund, as the University deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument, absent explicit donor stipulations to the contrary. As a result of this interpretation, the University has not changed the way permanently restricted net assets are classified.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

Endowment net assets, which exclude contributions receivable, consist of the following at June 30, 2015 and 2014:

2015				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	\$ (119,044)	144,143,234	253,993,769	398,017,959
Quasi (board-designated)	252,063,934	15,450,433	—	267,514,367
Total	\$ 251,944,890	159,593,667	253,993,769	665,532,326

2014				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	\$ (1,195)	158,365,736	236,550,682	394,915,223
Quasi (board-designated)	261,816,687	18,322,315	—	280,139,002
Total	\$ 261,815,492	176,688,051	236,550,682	675,054,225

The University maintains an investment pool for substantially all of its investments. The pool is managed to achieve the maximum prudent long-term total return while providing a predictable stream of funding to programs supported by the endowment. The University's board of trustees has authorized spending and investment policies designed to support these goals. Under the investment policy, the endowment assets are invested in a manner that is intended to earn, over the long term, a compound annual rate of return in excess of inflation and the spending rate. The University seeks to achieve competitive returns when compared with the University's peer group and measured against the appropriate benchmark for each asset class in the University's portfolio. The spending policy permits the use of total return at a rate (spending rate) of 4.5% during fiscal 2015 and 2014 (with the exception of one fund, which had a 6.0% and 0% spending rate during fiscal 2015 and 2014, respectively), of the average quarterly fair value during the three preceding calendar years for the permanently restricted and certain other board-designated portions of the pool.

In accordance with NYPMIFA, the University considers the duration and preservation of the fund, the purposes of the University and endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income, and the appreciation (depreciation) of investments, the University's investment policy, and certain other resources in making a determination to appropriate or accumulate endowment funds.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

Changes in the University's endowment net assets, which exclude contributions receivable, during 2015 and 2014 were as follows:

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, beginning of year	\$ 261,815,492	176,688,051	236,550,682	675,054,225
Investment return	(855,296)	(73,145)	39,736	(888,705)
Contributions and board designations	3,427,364	—	17,403,351	20,830,715
Appropriation for expenditure	(12,442,670)	(17,021,239)	—	(29,463,909)
Net assets, end of year	\$ 251,944,890	159,593,667	253,993,769	665,532,326

	2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, beginning of year	\$ 231,583,671	142,835,073	218,119,748	592,538,492
Investment return	21,406,855	46,796,799	606,543	68,810,197
Contributions and board designations	16,201,232	—	17,824,391	34,025,623
Appropriation for expenditure	(7,376,266)	(12,943,821)	—	(20,320,087)
Net assets, end of year	\$ 261,815,492	176,688,051	236,550,682	675,054,225

(5) Allowances for Uncollectible Accounts and Loans Receivable

Accounts receivable from students are reported net of an allowance for uncollectible accounts of approximately \$7,474,695 and \$6,677,067 at June 30, 2015 and 2014, respectively.

Student loans receivable are net of an allowance for uncollectible amounts of approximately \$3,503,563 and \$3,661,000 at June 30, 2015 and 2014, respectively.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(6) Contributions Receivable

Contributions receivable consist of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Amounts expected to be collected in:		
Less than one year	\$ 22,445,639	23,206,623
One to five years	23,746,267	30,270,514
More than five years	12,625,000	12,750,000
	<u>58,816,906</u>	<u>66,227,137</u>
Less:		
Allowance for uncollectible amounts	(15,474,977)	(16,753,707)
Discount to present value (ranging from 0.72% to 3.29%)	(2,830,236)	(3,470,937)
Subtotal	40,511,693	46,002,493
Funds held in perpetual trust	7,429,418	7,389,000
Charitable remainder trusts	6,683,441	6,547,807
	<u>\$ 54,624,552</u>	<u>59,939,300</u>

Nine pledges accounted for 46% of the gross contributions receivable balance at June 30, 2015.

The University is a one-thirteenth income beneficiary of a perpetual trust managed by an outside trustee. The present value of the estimated future cash receipts from the trust (which is equivalent to the University's interest in the current fair value of the trust) is recorded as contributions receivable. Changes in the underlying fair value of the assets of the trust are recorded as appreciation/depreciation in fair value of perpetual trust in the accompanying financial statements. Distributions from the trust are recorded as temporarily restricted revenue in the year received.

The University is also a beneficiary of a number of irrevocable charitable remainder trusts held by others. At the dates these charitable remainder trusts are established or the University becomes aware of their existence, contribution revenue and receivables are recognized at the present value of the estimated future benefits to be received when the trust assets are distributed. The receivable is adjusted during the term of the trusts for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(7) Plant Assets

Plant assets at June 30, 2015 and 2014 consist of the following:

	2015	2014
Land and land improvements	\$ 37,428,303	39,435,946
Buildings and building improvements	1,128,237,968	735,803,412
Furnishings, equipment, and library collections	274,529,492	268,918,148
Construction in progress	26,801,921	314,861,284
Total	1,466,997,684	1,359,018,790
Less accumulated depreciation	(429,121,165)	(400,679,468)
	\$ 1,037,876,519	958,339,322

(8) Pension and Other Postretirement Benefits

Employees of the University are covered under defined-contribution plans. Contributions by the University range from 5% to 11% of an employee's earnings and are determined by the employee's classification, level of earnings, and length of service. The University's contributions for retirement benefits for its employees totaled approximately \$17,849,000 and \$17,327,000 for the years ended June 30, 2015 and 2014, respectively.

In addition to providing pension benefits, the University provides certain healthcare and life insurance benefits for retired faculty and administrative employees who meet certain minimum age and length of service requirements. The following provides a summary of this unfunded plan as of June 30, 2015 and 2014:

	2015	2014
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 47,782,000	41,483,000
Service cost	3,265,000	3,093,000
Interest cost	1,739,000	1,856,000
Plan participants' contributions	462,000	407,000
Actuarial net (gain) loss	(1,729,000)	2,561,000
Amendments	(2,007,000)	—
Benefits paid	(1,632,000)	(1,618,000)
Benefit obligation at end of year (funded status)	\$ 47,880,000	47,782,000
Components of net periodic benefit cost:		
Service cost	\$ 3,265,000	3,093,000
Interest cost	1,739,000	1,856,000
Amortization of net gain	(1,208,000)	(1,060,000)
Net periodic benefit cost	\$ 3,796,000	3,889,000

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

At June 30, 2015, the gain not yet recognized as a component of net periodic benefit cost is \$9,651,000. The estimated amount that will be amortized into net periodic benefit cost in 2016 is \$486,000 related to actuarial gains.

Information with respect to plan assumptions and estimated future benefit payments follows:

	2015	2014
Benefit obligation weighted average assumptions as of June 30:		
Discount rate	4.32%	4.13%
Rate of compensation increase	3.50	3.50
Benefit cost weighted average assumptions for the years ended June 30, 2015 and 2014:		
Discount rate	4.13%	4.59%
Healthcare cost trend:		
Assumed for the next year	6.67%	7.00%
Ultimate rate	5.00	5.00
Year that the ultimate rate is reached	2020	2020
Discount rate	4.13%	4.59%

The healthcare cost trend rate assumption has a significant effect on the amounts reported. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects as of and for the year ended June 30, 2015:

	One- percentage- point increase	One- percentage- point decrease
Effect on total of service and interest cost components	\$ 1,036,000	820,000
Effect on postretirement benefit obligation	7,746,000	6,300,000

Estimated future benefit payments reflecting expected future service for the fiscal year(s) ending as follows:

	Benefit payments
2016	\$ 1,309,000
2017	1,476,000
2018	1,656,000
2019	1,823,000
2020	1,975,000
2021–2025	12,770,000

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(9) Bonds Payable, Line of Credit, and Other Long-Term Debt

The University's obligations under bonds payable, other debt, and a line of credit consist of the following:

Description	Maturity date	Interest rate	Amount outstanding at June 30	
			2015	2014
Bonds payable:				
Revenue bonds:				
Series 2014 (i)	2044	3.00%–5.00%	\$ 58,585,000	61,815,000
Series 2012 (ii)	2032	2.00%–5.00%	33,945,000	39,350,000
Series 2011 (iii)	2041	3.00%–5.25%	144,325,000	146,645,000
Series 2008B (iv)	2038	3.00%–5.00%	100,105,000	102,460,000
Series 2008A (v)	2032	Variable	91,255,000	92,130,000
Note payable with Department of Education (vi)	2022	3.00%	1,042,663	1,185,905
Note payable for Loyola Hall (vii)	2020	Interest-free	16,500,000	19,250,000
Capitalized lease obligations (viii)	2013	2.00–7.00%	1,313,486	1,659,220
Subtotal			447,071,149	464,495,125
Net unamortized premium			13,007,088	13,572,162
Bonds payable and other long-term debt			\$ 460,078,237	478,067,287
Line of credit (ix)		Variable	\$ —	—

- (i) In April 2014, the Dormitory Authority of the State of New York (DASNY) issued Fordham University Insured Revenue Bonds, Series 2014 (Series 2014 Bonds) for \$61,815,000, in connection with the acquisition of a facility and to refund the Series 2004 issue and to pay costs of issuance of the Series 2014 bonds.

The refunding of the 2004 issue resulted in an accounting net gain of \$382,000, which reflects the write-off of associated unamortized premiums and bond issue costs, and is reflected as a nonoperating gain in the 2014 statement of activities. Premiums paid at the time of issuance of the Series 2014 Bonds totaled \$4,367,433 (\$4,121,506 and \$4,319,568 unamortized at June 30, 2015 and 2014, respectively).

In December 2013, the University entered into an agreement with the College Entrance Examination Board, a New York education corporation, for the purchase of an 89,459 square foot condominium unit located at 45 Columbus Ave, New York, New York for \$49,500,000. The facility is being used by the University for administrative and academic office space at the Lincoln Center campus. The University deposited \$12,375,000 in escrow when the agreement was signed, which is included in prepaid expenses and other assets in the 2014 statement of financial position. The balance of the purchase price was paid at closing in July 2014. The building was capitalized at cost and included in plant assets in the statement of financial position at June 30, 2015.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

- (ii) In October 2012, DASNY issued Fordham University Insured Revenue Bonds, Series 2012 (Series 2012 Bonds) for \$42,320,000 to refund the Series 1998 and Series 2002 issues and to pay costs of issuance of the Series 2012 bonds. Premiums paid at the time of issuance of the Series 2012 Bonds totaled \$3,886,812 (\$3,359,787 and \$3,557,421 unamortized at June 30, 2015 and 2014, respectively).
- (iii) In May 2011, DASNY issued Fordham University Insured Revenue Bonds, Series 2011 for \$146,645,000 in connection with the construction of a new Law School building, a 430-bed residence hall, and renovations to an existing library, which is connected to the Law School on the Lincoln Center campus. Premiums paid at the time of issuance totaled \$6,284,720 (\$5,235,559 and \$5,484,872 unamortized at June 30, 2015 and 2014, respectively).
- (iv) In July 2008, DASNY issued Fordham University Insured Revenue Bonds, Series 2008B for \$115,000,000 in connection with the construction of a new 450-bed residential facility and certain renovation projects located at the University's Rose Hill and Westchester campuses. Premiums paid at the time of issuance totaled \$3,287,807 (\$2,526,382 and \$2,636,225 unamortized at June 30, 2015 and 2014, respectively).
- (v) In May 2008, DASNY issued Fordham University Revenue Bonds, Series 2008A (Series 2008A bonds) for \$96,895,000 to refund a previous bond issue and to pay costs of issuance of the Series 2008A bonds. The Series 2008A bonds are secured by an irrevocable letter of credit, which expires in 2018.

In September 2005, and in connection with the bond issue that was refunded with issuance of the Series 2008A bonds, the University entered into an interest rate exchange agreement (swap) with Merrill Lynch Capital Services, Inc. with a notional amount of \$95,750,000 for the purpose of creating a synthetic fixed rate on the Series 2005A bonds. This agreement has since been amended to reflect the Series 2008A bond issue, with a notional amount of \$96,895,000. Under the terms of the agreement, the University pays a fixed rate of 3.2475%, and receives 67.0000% of the one-month LIBOR on the notional principal amount (\$91,255,000 at June 30, 2015).

The University's derivative contracts are subject to International Swaps and Derivatives Association (ISDA) Master Agreements, which contain certain covenants and other provisions that may require the University to post collateral on derivatives if the University is in a net liability position with its counterparties exceeding certain amounts.

The fair value (liability) of the swap at June 30, 2015 and 2014 was \$12,844,016 and \$12,556,680. The change in value of the swap was \$(287,336) and \$(77,561) for the years ended June 30, 2015 and 2014, respectively.

The University posted \$1,280,000 as collateral in the normal course of business, which is included in the 2015 statement of financial position.

- (vi) The note payable is with the U.S. Department of Education and is due in semiannual installments through November 2022. The note is secured by the properties financed.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

- (vii) In July 2012, the University entered into an agreement with the Jesuits of Fordham, Inc., a not-for-profit provincial order, for the purchase of Loyola Hall, a building located on the Rose Hill Campus of Fordham University, for \$30 million. The first installment of \$8 million was paid on the closing date. The balance of the purchase price is being paid pursuant to an interest-free promissory note calling for eight installments of \$2,750,000 each year through July 2020. The University's recorded unamortized discount totaled \$2,263,147 and \$2,425,924 at June 30, 2015 and 2014, respectively.
- (viii) The University has executed certain capital lease agreements relating to computer equipment, which bear interest at rates ranging from 2% to 7% per annum.
- (ix) The University maintains an unsecured line of credit that provides up to \$20 million of short-term financing. The University did not use this line of credit or incur interest expense under this line in either 2015 or 2014.

The revenue bonds are secured by mortgages on certain of the University's property and, in certain cases, by pledges of dormitory and tuition revenue equal to the annual debt service requirements on the bonds.

The combined aggregate amounts of payments on long-term debt for each of the next five years and thereafter are as follows:

	<u>Bonds and notes principal</u>	<u>Capital lease principal</u>	<u>Interest</u>	<u>Total</u>
Year:				
2016	\$ 15,577,573	767,873	19,708,141	36,053,587
2017	16,582,033	326,721	18,667,743	35,576,497
2018	17,251,628	218,892	18,011,242	35,481,762
2019	17,826,362	—	17,421,411	35,247,773
2020	18,496,240	—	16,766,583	35,262,823
Thereafter	<u>360,023,827</u>	<u>—</u>	<u>172,167,658</u>	<u>532,191,485</u>
Subtotal	445,757,663	1,313,486	262,742,778	709,813,927
Net unamortized premium	<u>13,007,088</u>	<u>—</u>	<u>—</u>	<u>13,007,088</u>
Total	<u>\$ 458,764,751</u>	<u>1,313,486</u>	<u>262,742,778</u>	<u>722,821,015</u>

Total interest expense on long-term debt amounted to approximately \$20,379,145 and \$12,134,000 for the years ended June 30, 2015 and 2014, respectively.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill construction commitments. The funds are invested, principally in U.S. government obligations, by the trustees until withdrawn to effect the purposes for which they were generated. Deposits held by bond trustees consist of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Debt service funds	\$ 8,253,649	4,040,368
Construction funds	81,177	41,872,248
	<u>\$ 8,334,826</u>	<u>45,912,616</u>

(10) Fair Value Measurements

The University measures the fair value of its financial and nonfinancial assets and liabilities utilizing a three-tiered hierarchy, defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than active market pricing included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability.

At June 30, 2015 and 2014, the carrying values of the University's contributions receivable approximate fair value. However, the inputs to this fair value estimate are considered to be Level 3 in the fair value hierarchy.

A reasonable estimate of the fair value of loans receivable from students under government loan programs (carrying amounts of approximately \$5,200,000 and \$4,605,000 at June 30, 2015 and 2014, respectively) could not be made because the notes are not salable and can only be assigned to the U.S. government or its designees.

The fair value of long-term debt approximated \$511,367,141 and \$522,733,000 at June 30, 2015 and 2014, respectively. This amount was estimated by discounting the future cash flows associated with such debt using current market rates for loans with similar maturities and credit quality (Level 2 inputs).

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

The hierarchy for assets and liabilities measured at fair value is as follows as of June 30:

	2015			Fair Value
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Endowment and other investments:				
Cash and cash equivalents	\$ 30,467,418	—	—	30,467,418
U.S. government obligations	6,628,123	—	—	6,628,123
Domestic equities – large market capitalization	26,977,133	—	—	26,977,133
Equity mutual funds	39,483,735	—	—	39,483,735
Bond mutual funds	89,870,629	46,866,784	—	136,737,413
Other	329,086	1,687,058	—	2,016,144
	<u>193,756,124</u>	<u>48,553,842</u>	<u>—</u>	<u>242,309,966</u>
Investments measured at net asset value (or its equivalent)*				<u>478,644,053</u>
Total investments				720,954,019
Included within contributions receivable:				
Funds held in perpetual trust	—	—	7,429,418	7,429,418
Charitable remainder trusts	—	—	6,683,441	6,683,441
Total included within contributions receivable	—	—	14,112,859	14,112,859
Deposits held by bond trustees:				
U.S. government obligations	8,334,826	—	—	8,334,826
Total disclosed assets	<u>\$ 202,090,950</u>	<u>48,553,842</u>	<u>14,112,859</u>	<u>743,401,704</u>
Liabilities:				
Fair value of swap agreement	\$ —	<u>(12,844,018)</u>	<u>—</u>	<u>(12,844,018)</u>

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

	2014			
	Level 1	Level 2	Level 3	Fair value
Assets:				
Investments:				
Endowment and other investments:				
Cash and cash equivalents	\$ 102,638,002	—	—	102,638,002
U.S. government obligations	2,162,210	—	—	2,162,210
Domestic equities – large market capitalization	63,000,770	—	—	63,000,770
Equity mutual funds	20,166,707	—	—	20,166,707
Bond mutual funds	95,826,548	49,378,110	—	145,204,658
Other	333,455	1,730,470	—	2,063,925
	<u>284,127,692</u>	<u>51,108,580</u>	<u>—</u>	<u>335,236,272</u>
Investments measured at net asset value (or its equivalent)*				<u>385,444,685</u>
Investments designated for construction:				
Cash and cash equivalents	9,847,602	—	—	9,847,602
Domestic corporate bonds	—	30,456,629	—	30,456,629
	<u>9,847,602</u>	<u>30,456,629</u>	<u>—</u>	<u>40,304,231</u>
Total investments				760,985,188
Included within contributions receivable:				
Funds held in perpetual trust	—	—	7,389,000	7,389,000
Charitable remainder trusts	—	—	6,547,807	6,547,807
	<u>—</u>	<u>—</u>	<u>13,936,807</u>	<u>13,936,807</u>
Deposits held by bond trustees:				
U.S. government obligations	45,912,616	—	—	45,912,616
Total disclosed assets	<u>\$ 339,887,910</u>	<u>81,565,209</u>	<u>13,936,807</u>	<u>820,834,611</u>
Liabilities:				
Fair value of swap agreement	\$ —	(12,556,680)	—	(12,556,680)

* As discussed in note 2(o), Investments measured at net asset values (or its equivalent) are not required to be categorized within the fair value hierarchy. See note 3 for composition of investments.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

The University estimates the fair value of its interests in perpetual and charitable remainder trusts by discounting the present value of the estimated future cash receipts from the trusts (which approximates the University's interest in the fair values of these trusts) (note 6).

The fair value of the interest rate swap is determined using pricing models that calculate and compare the present value of both the fixed and variable rate component of the swap.

The following tables present the changes in Level 3 investments as of June 30, 2015 and 2014:

		2015				
		Level 3, beginning of year	Net appreciation in fair value of investments	Purchases	Sales	Level 3, end of the year
Perpetual trust, charitable remainder trust, and other trusts	\$	13,936,807	176,052	—	—	14,112,859
		2014				
		Level 3, beginning of year	Net appreciation in fair value of investments	Purchases	Sales	Level 3, end of the year
Perpetual trust, charitable remainder trust, and other trusts	\$	11,998,720	1,792,051	146,036	—	13,936,807

There were no significant transfers between levels during the years ended June 30, 2015 and 2014.

(11) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 are available for the following purposes:

		2015	2014
Instruction	\$	74,585,377	81,169,244
Research		14,361,295	14,522,638
Public service		16,789,449	17,166,337
Academic support		38,289,332	39,396,794
Scholarships and fellowships		56,646,341	60,948,858
Other		46,282,296	48,444,116
Capital projects		11,472,058	53,659,057
Restricted for time		13,874,467	15,124,008
Total	\$	272,300,615	330,431,052

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

Of the temporarily restricted net assets available for capital projects, the University does not have any expended amounts included in net investment in plant assets at June 30, 2015. The University had \$40,675,000 expended temporarily restricted net assets available for capital projects at June 30, 2014.

Permanently restricted net assets at June 30, 2015 and 2014 are restricted to investment in perpetuity, with investment return available to support the following activities:

	<u>2015</u>	<u>2014</u>
Instruction	\$ 83,801,917	81,432,803
Public service	6,404,866	6,361,688
Academic support	16,405,476	15,660,459
Scholarships and fellowships	160,307,274	150,227,714
General operations	18,817,261	18,488,251
Total	<u>\$ 285,736,794</u>	<u>272,170,915</u>

(12) Financial Aid

Tuition and fees and auxiliary enterprises revenue are presented net of amounts awarded to students to defray their cost of attending the University as follows:

	<u>2015</u>	<u>2014</u>
Tuition and fees	\$ 162,365,163	145,541,021
Room and board	2,795,775	2,477,172
	<u>\$ 165,160,938</u>	<u>148,018,193</u>

(13) Expenses

Expenses are reported in the accompanying statements of activities in categories recommended by the National Association of College and University Business Officers. The University's primary program services are instruction, research, and public service. Expenses reported as academic support, student services, and auxiliary enterprises are incurred in support of these primary program services. Institutional support includes approximately \$11,912,000 and \$11,517,000 of fund-raising expenses in 2015 and 2014, respectively. For purposes of reporting fund-raising expenses, the University includes only those fund-raising costs incurred by its development office.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(14) Commitments and Contingencies

In the normal course of business, the University leases facilities under operating leases. Minimum rental payments under those agreements over the next five years and thereafter are as follows:

Year ending June 30:	
2016	\$ 10,357,064
2017	7,896,582
2018	6,197,653
2019	6,398,196
2020	4,104,928
2021 and thereafter	23,533,893

Rent expense relating to these leases was \$9,780,000 and \$9,616,000 for the years ended June 30, 2015 and 2014, respectively.

The University has commitments under contracts for certain construction projects, which total approximately \$956,000 at June 30, 2015.

The University is also a defendant in various lawsuits arising in the normal course of business. Management of the University does not expect the ultimate resolution of these actions to have a material adverse effect on the University's financial position.

(15) Manhattan Office Leases

In July 2015, the University's location at 45 Columbus Ave was open and fully operational, replacing several leased properties located throughout Manhattan. The leased spaces were primarily used for academic support with a lesser amount used for institutional support office space. The University lease agreements expire at various times through June 2022. A \$6,200,000 liability for remaining lease rentals and lease-related expenses, net of estimated sublease rentals that could be obtained for the properties, was recorded during fiscal year 2015.

FORDHAM UNIVERSITY

Notes to Financial Statements

June 30, 2015 and 2014

(16) Related-Party Transactions

The University has a written conflict of interest policy that requires, among other things, that no member of the board of trustees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each trustee is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the University, and in accordance with relevant conflict of interest laws.

Effective fiscal 2016, a member of the board of trustees is also owner of a corporation from which the University leases facilities. The amount of rental costs incurred totaled \$1,935,000 for each of the years ended June 30, 2015 and 2014. The lease agreement expires in December 2028 and there are rental commitments to the corporation of \$30 million at June 30, 2015.

(17) Subsequent Events

In connection with the preparation of the financial statements, the University evaluated subsequent events through October 26, 2015 which was the date the financial statements were issued, and concluded that no additional disclosures are required.

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

Appendix C

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement. This summary does not purport to be complete and reference is made to the Loan Agreement for full and complete statements of such and all provisions. The headings below are not part of the Loan Agreement but have been added for ease of reference. Defined terms used herein shall have the meaning ascribed to them in Appendix A or in the body of this Official Statement.

Construction of the Project

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and the Series 2016A Resolution and under the Loan Agreement, the Institution shall complete the acquisition, design, construction, reconstruction, rehabilitation, renovation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the Contract Documents relating thereto. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of moneys available in the Construction Fund, cause the Institution to be reimbursed for, or pay, any costs and expenses incurred by the Institution which constitute Costs of the Project, provided such costs and expenses are approved by the Authority, which approval shall not be unreasonably withheld or delayed (subject to receipt by the Authority of all required documents and information as set forth in the Loan Agreement).

(Section 5)

Amendment of the Project

(a) The Project may be amended by the Institution, with the prior written consent of the Authority, which consent will not be unreasonably withheld, or delayed (subject to receipt by the Authority of all required documents and information as set forth in the Loan Agreement) to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing, furnishing and equipping of the Project which the Authority is authorized to undertake.

(b) The Institution shall provide such moneys or an irrevocable letter of credit or other security in such form as may be reasonably acceptable to the Authority as in the reasonable judgment of the Authority may be required for the cost of completing the Project or a portion thereof in accordance with the Contract Documents in excess of the moneys in the Construction Fund established for such Project, whether such moneys, letter of credit or other security are required as a result of an increase in the scope of the Project or otherwise. Such moneys, letter of credit or other security shall be paid or made available to the Trustee for deposit in the Construction Fund within fifteen (15) days after receipt by the Institution of written notice from the Authority that such moneys or other security are required.

(c) The Institution agrees to furnish or cause to be furnished to the Authority copies of all change orders regardless of amount, upon the request of the Authority therefor.

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Resolution or the Series 2016A Resolution or under the Loan Agreement, including, without limitation, moneys in the Debt Service Fund, and interest accrued but unpaid on investments held in the Debt Service Fund, the Institution unconditionally agrees to pay or cause to be paid, so long as the Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the Bonds, the Authority Fee as set forth in Schedule B attached to the Loan Agreement;

Appendix C

(ii) On or before the date of delivery of the Bonds, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the Costs of Issuance of the Bonds, and other costs in connection with the issuance of the Bonds;

(iii) In the case of Variable Interest Rate Bonds that pay interest more frequently than semi-annually, on or before the tenth (10th) day of each month, an amount equal to the interest coming due on such Variable Interest Rate Bonds on all Interest Payment Dates in the next succeeding month, assuming that such Variable Interest Rate Bonds will, during such next succeeding month, bear interest at the rate borne by such Variable Interest Rate Bonds on the last day of the month immediately preceding the month of payment by the Institution plus one percent (1%) per annum;

(iv) On the tenth (10th) day of each month commencing on the tenth (10th) day of the sixth (6th) month immediately preceding the date on which interest on the Bonds, becomes due, other than Variable Interest Rate Bonds that pay interest more frequently than semi-annually, one-sixth (1/6) of the interest coming due on the Bonds, , on the immediately succeeding interest payment date; **provided, however**, that, if with respect to such Bonds there are more or less than six (6) such payment dates prior to the first interest payment on such Bonds, on each payment date prior to such interest payment date, the Institution shall pay with respect to such Bonds an amount equal to the interest coming due on such Bonds on such interest payment date multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to the first interest payment date on such Bonds;

(v) On the tenth (10th) day of each month commencing on the tenth (10th) day of the July immediately preceding the July 1 on which the principal or a Sinking Fund Installment of Bonds becomes due, one-twelfth (1/12) of the principal and Sinking Fund Installment on the Bonds coming due on such July 1; **provided, however**, that, if with respect to the Bonds there are less than twelve (12) such payment dates prior to the July 1 on which principal or Sinking Fund Installments come due on such Bonds, on each payment date prior to such July 1, the Institution shall pay with respect to such Bonds an amount equal to the principal and Sinking Fund Installments of such Bonds coming due on such July 1 multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of payment dates prior to such July 1;

(vi) At least forty-five (45) days with respect to Bonds other than Option Bonds and Variable Interest Rate Bonds, and fifteen (15) days with respect to Option Bonds and Variable Interest Rate Bonds, prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or contracted to be purchased is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(vii) On December 10 of each Bond Year, one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with the Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; **provided, however**, that the Annual Administrative Fee with respect to the Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to the Bonds multiplied by a fraction the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12);

(viii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (A) for the Authority Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to provisions of the Loan Agreement summarized in paragraph (e) below and any expenses or liabilities incurred by the Authority pursuant to provisions of the Loan Agreement summarized under the headings “**Damage or Condemnation,**” “**Taxes and Assessments**” and “**Arbitrage; Tax Exemption**” below and other provisions of the Loan Agreement relating to indemnity by the Institution, (C) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of the Project, including but not limited to any fees or other amounts payable by the Authority under a Remarketing Agreement, Credit Facility or Liquidity Facility, if any, (D) for the costs and expenses incurred by the Authority to compel full and punctual performance by the Institution of all the provisions of

the Loan Agreement or of the Resolution in accordance with the terms thereof, (E) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution, and (F) to pay any Provider Payments then due and unpaid;

(ix) Promptly upon demand by the Authority (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the Institution as a result of an acceleration pursuant to provisions of the Loan Agreement summarized under the heading “**Defaults and Remedies;**”

(x) Promptly upon demand by the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Bonds or otherwise available therefor under the Resolution and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds, and any fees or expenses incurred by the Authority in connection therewith including those of any rebate analyst or consultant engaged by the Authority;

(xi) [Reserved];

(xii) Promptly upon demand by the Authority, all amounts required to be paid by the Authority to a counterparty in accordance with an Interest Rate Exchange Agreement or to reimburse the Authority for any amounts paid to a counterparty in accordance with an Interest Rate Exchange Agreement; and

(xiii) To the extent not otherwise set forth in the provisions of the Loan Agreement summarized in this paragraph (a), including without limitation, in the event of any insufficiency, any amounts necessary to pay the principal, Sinking Fund Installment, or Redemption Price, if any, of, and interest on, the Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Resolution and the Series 2016A Resolution, whether at maturity, upon acceleration, redemption or otherwise.

Subject to the provisions of the Loan Agreement and of the Resolution or the Series 2016A Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to provisions of the Loan Agreement summarized in paragraph (a)(v) above on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the Institution delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the direction of the Authority, has purchased one or more Bonds and maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

The Authority directs the Institution, and the Institution agrees, to make the payments required by provisions of the Loan Agreement summarized in this paragraph (a) as follows: (i) the payments required by paragraphs (a)(iii), (a)(iv), (a)(v), (a)(vi), (a)(ix), and (a)(xiii) directly to the Trustee for deposit and application in accordance with the Resolution and the Bond Series Certificate(s); (ii) the payments required by paragraph (a)(ii) directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Authority; (iii) the payments required by paragraphs (a)(x) directly to the Trustee for deposit in the Arbitrage Rebate Fund; and (iv) the payments required by paragraphs (a)(i), (a)(vii), a(viii) and (a)(xii) to or upon the written order of the Authority.

(b) Notwithstanding any provisions in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the Institution’s indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the provisions of the Resolution summarized in Appendix D under the heading “**Defeasance.**”

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Except as otherwise provided in the Resolution, the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

(c) The obligations of the Institution to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Institution may otherwise have against the Authority, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Institution to complete the Project or, the completion thereof with defects, failure of the Institution to occupy or use the Project, any declaration or finding that the Bonds are or the Resolution is invalid or unenforceable or any other failure or default by the Authority or the Trustee; **provided, however**, that nothing in the Loan Agreement shall be construed to release the Authority from the performance of any agreements on its part in the Loan Agreement contained or any of its other duties or obligations, and in the event the Authority shall fail to perform any such agreement, duty or obligation, the Institution may institute such action as it may deem necessary to compel performance or recover damages for non-performance. Notwithstanding the foregoing, the Authority shall have no obligation to perform its obligations under the Loan Agreement to cause advances to be made to reimburse the Institution for, or to pay, the Costs of the Project beyond the extent of moneys in the Construction Fund established for such Project available therefor.

The Loan Agreement and the obligations of the Institution to make payments under the Loan Agreement are general obligations of the Institution.

(d) The Authority, for the convenience of the Institution, shall furnish to the Institution statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. The failure to furnish such statements shall not excuse non-payment of the amounts payable under the Loan Agreement at the time and in the manner provided by the Loan Agreement. The Institution shall notify the Authority as to the amount and date of each payment made to the Trustee by the Institution.

(e) The Authority shall have the right in its sole discretion to make on behalf of the Institution any payment required pursuant to provisions of the Loan Agreement summarized herein which has not been made by the Institution when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under provisions of the Loan Agreement summarized under the heading “**Defaults and Remedies**” below arising out of the Institution’s failure to make such payment and no payment by the Authority shall be construed to be a waiver of any such right or of the obligation of the Institution to make such payment.

(f) The Institution, if there is not then an Event of Default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the Institution or any payment made pursuant to provisions of the Loan Agreement summarized under the heading “**Sale of the Project**” below, the Authority agrees to direct the Trustee to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with provisions of the Resolution summarized in Appendix D under the heading “**Defeasance**” with respect to such Bonds; **provided, however**, that in the event such voluntary payment is in the sole judgment of the Authority sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with provisions of the Resolution summarized in Appendix D under the heading “**Defeasance**,” the Authority agrees, in accordance with the instructions of the Institution, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with the Resolution.

(g) If the Institution elects to purchase Bonds, with the consent of the Authority, the Institution shall give written notice to the Authority, the Trustee and each Facility Provider, if any, whenever Bonds are to be purchased at the election of the Institution, which written notice shall include the Sub-Series, if applicable, maturity and principal amount of the Bonds to be so purchased. All such purchases shall be subject to the condition that money for the payment of the purchase price therefore is available on the date set for each such purchase.

Warranty of Title; Utilities and Access

The Institution warrants, represents and covenants to the Authority that (i) it has good and marketable title to the Project, free and clear of liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes of the Loan Agreement and the Institution's programs and (ii) the Institution has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project for proper operation and utilization of the Project and for utilities required to serve the Project, together with, such rights of way, easements or other rights in, to and over land as may be necessary for construction, use and operation by the Institution of the Project.

The Institution warrants, represents and covenants that from and after the date on which the Authority enters into a bond purchase agreement with one or more underwriters for the purchase and offering of Bonds, the Project (i) is then and will continue to be kept free from any encumbrances, liens or commitments of any kind, other than Permitted Encumbrances, (ii) is and will continue to be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation) and (iii) to the extent applicable, has and will continue to have its own separate and independent means of access, apart from any other property owned by the Institution or others; **provided, however**, that such access may be through common roads or walks owned by the Institution used also for other parcels owned by the Institution.

(Section 10)

Additional Representation and Covenants

(a) The Institution warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under, the Loan Agreement and the Related Agreements and (B) to incur the indebtedness contemplated by the Loan Agreement and thereby, (ii) the Loan Agreement and the Related Agreements constitute valid and binding obligations of the Institution enforceable in accordance with their terms subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting or relating to the rights of creditors generally and general principles of equity, and (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the Institution's obligations under the Loan Agreement and each of the Related Agreements do not violate, conflict with or constitute a default under the charter or by-laws of the Institution or any indenture, mortgage, trust, or other commitment or agreement to which the Institution is a party or by which it or any of its properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any governmental authority, body, agency or other instrumentality or court having jurisdiction over the Institution or any of its properties.

(b) The Institution covenants not to incur any lien, pledge, charge, encumbrance or security interest in tuition and fees in connection with the incurrence of any indebtedness without granting an equal lien, pledge, charge, encumbrance or security interest as security for the payment of all liabilities and the performance of all obligations of the Institution pursuant to the Loan Agreement.

(Section 12)

Tax-Exempt Status of Institution

The Institution represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for payment of unrelated business income tax. The Institution agrees that: (a) it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in the manner which will conform to the standards necessary to qualify the Institution as an educational organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it shall not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any

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trade or business unrelated to the educational purposes of the Institution, which could adversely affect the exclusion of interest on the Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 13)

Securities Acts Status

The Institution represents that: (i) it is an organization organized and operated (A) exclusively for educational or charitable purposes and (B) not for pecuniary profit; and (ii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in provisions of the Loan Agreement summarized herein.

(Section 14)

Maintenance of Corporate Existence

The Institution covenants that it will maintain its corporate existence, will continue to operate as a an institution for higher education, will obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for the continued operation of the Institution as an institution for higher education, providing such programs of instruction as it may from time to time determine, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; **provided, however**, that (a) if no Event of Default shall be continuing, then , upon prior written notice to the Authority and the Trustee, the Institution may (a) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies under Section 501(c)(3) of the Code, or any successor provision of federal income tax law, or (b) permit one or more corporations or any other organization to consolidate with or merge into it, or (c) acquire all or substantially all of the assets of one or more corporations or any other organizations; **provided, further**, that (i) any such sale, transfer, consolidation, merger or acquisition does not in the opinion of counsel satisfactory to the Authority adversely affect the exclusion from federal gross income the interest paid or payable on the Bonds, (ii) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and qualified under Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (iii) the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the Institution under the Loan Agreement, under the Continuing Disclosure Agreement and under the Related Agreements, and furnishes to the Authority (A) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with each of the provisions of the Loan Agreement and of the Related Agreements and shall meet the requirements of the Act, and (B) such other certificates and documents as the Authority and the Trustee may reasonably require to establish compliance with provisions of the Loan Agreement summarized herein.

(Section 15)

Environmental Quality Review and Historic Preservation

For the purpose of assisting the Authority in making any findings or determinations which might be required by (i) Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereunder (collectively, "SEQR") or (ii) the New York State Historic Preservation Act of 1980 and the regulations promulgated thereunder (collectively the "Preservation Act"), the Institution agrees to abide by the requirements relating thereto as set forth in the Loan Agreement.

(Section 16)

Use and Possession of the Project

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the Institution shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the operation of the Project and supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project; **provided, however**, that, except as otherwise limited by the

Loan Agreement, the foregoing shall not prohibit use of the Project by persons other than the Institution or its students, staff or employees in furtherance of the Institution's corporate purposes, if such use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(Section 17)

Restrictions on Religious Use

The Institution agrees that with respect to the Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; **provided, however**, that the foregoing restriction shall not prohibit the free exercise of any religion; provided, further, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to such Project and each portion thereof. The Authority and its agents may conduct such inspections as the Authority deems necessary to determine whether the Project or any portion or real property thereof financed by Bonds is being used for any purpose proscribed by the Loan Agreement. The Institution further agrees that prior to any disposition of any portion of the Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of such Project to the restriction that (i) so long as such portion of such Project (and, if included in the Project, the real property on or in which such portion of such Project is situated) shall exist and (ii) until such portion of such Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of such Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of the provisions of the Loan Agreement summarized herein an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Section 18)

Sale of the Project

The Institution covenants that it will not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights, without the prior approval of the Authority, unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Bond from gross income for federal income tax purposes and (b) to the extent required by the Tax Certificate, the Institution pays to the Trustee either for deposit into the Debt Service Fund, or, pursuant provisions of the Resolution summarized in Appendix D under the heading "**Defeasance,**" to be set aside or to purchase Defeasance Securities in accordance with the direction of the Authority.

Notwithstanding the foregoing, the Institution may remove equipment, furniture or fixtures that is part of the Project and was financed with the proceeds of Bonds provided that the Institution substitutes for such equipment, furniture or fixtures additional equipment, furniture or fixtures having a value and utility at least equal to the equipment, furniture or fixtures removed or replaced.

(Section 19)

Maintenance, Repair and Replacement

The Institution agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with the

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appurtenances and every part and parcel thereof, in good repair, working order and safe condition, reasonable wear and tear expected, and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted. The Institution shall give the Authority not less than fifteen (15) days prior written notice of its intention to make a change or alteration that materially alters the scope or nature of the Project or a portion thereof. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project which may have been financed by the proceeds of the sale of the Bonds provided the Institution substitutes for any such removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

The Institution further agrees that it shall pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Project except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards.

(Section 20)

Covenant as to Insurance

(a) The Institution agrees to maintain or cause to be maintained insurance with insurance companies or by means of self-insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the Institution, which insurance shall include property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability, subject to reasonable deductible provisions. The Institution shall at all times also maintain worker's compensation coverage and disability benefits insurance coverage as required by the laws of the State.

(b) The Institution shall furnish to the Authority annually (1) a certificate or report of an Insurance Consultant that the insurance coverage maintained by the Institution is adequate and in accordance with the standards above, and (2) any certificates of workers' compensation insurance and disability benefits insurance coverage required by the New York State Workers' Compensation Board.

(c) If the Authority shall so request in writing, the Institution shall provide to the Authority summaries or other evidence of its insurance coverage and shall obtain endorsements reasonably requested by the Authority.

(Section 21)

Damage or Condemnation

In the event of a taking of the Project or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, any property casualty insurance, condemnation or eminent domain proceeds shall, if in excess of \$250,000 which are not applied to reimburse the Institution for costs incurred to repair or restore the same, be paid to the Trustee for deposit in the Construction Fund. All proceeds derived from an award for such taking or from property casualty insurance shall be applied as follows:

(i) If within one hundred twenty (120) days (or such longer period as the Authority and the Institution may agree) from the receipt by the Authority of actual notice or knowledge of the occurrence, the Institution and the Authority agree in writing that the property or the affected portion thereof shall be repaired, replaced or restored, the Institution shall proceed to repair, replace or restore the same, or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as possible with such changes and additions as shall be appropriate to the needs of the Institution and approved in writing by the Authority. The funds required for such repair, replacement or restoration shall be paid, subject to such conditions and limitations as the Authority may impose, from the proceeds of insurance, condemnation or eminent domain awards received by reason of such occurrence and to the extent such proceeds are not sufficient, from funds to be provided by the Institution.

(ii) If no agreement for the repair, restoration or replacement of the property or the affected portion thereof shall have been reached by the Authority and the Institution within such period, the

proceeds then held by the Institution shall be paid to the Trustee for deposit in the Debt Service Fund and all respective proceeds then held in the Construction Fund shall be transferred to the Debt Service Fund, whereupon such proceeds shall be applied to the purchase or redemption of Outstanding Bonds.

(Section 22)

Taxes and Assessments

The Institution shall pay when due at its own expense, and hold the Authority harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Project or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing the Project and its equipment. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to the Authority within ten (10) days after written demand by the Authority, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; **provided, however**, the good faith contest of such impositions and deposits with the Authority of the full amount such impositions shall be deemed to be complete compliance with the requirements of the Loan Agreement. Notwithstanding the foregoing, the Authority in its sole discretion, after notice in writing to the Institution, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Authority, the Project or any part thereof would be in substantial danger by reason of the Institution's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, lien, charge, fee or penalty that would impair: (a) the interests or security of the Authority under the Loan Agreement or under the Resolution; (b) the ability of the Authority to enforce its rights thereunder; (c) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Resolution; or (d) the ability of the Institution to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement and the Institution agrees to reimburse the Authority for any such payment, with interest thereon from the date payment was made by the Authority at a rate equal to the highest rate of interest payable on any investment held for the Debt Service Fund on the date such payment was made by the Authority.

(Section 23)

Defaults and Remedies

(a) As used in the Loan Agreement the term "Event of Default" shall mean:

(i) the Institution shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (other than pursuant to Section 9(a)(xiii) of the Loan Agreement) or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution in accordance with the Loan Agreement, the Series 2016A Resolution or with the Resolution, and such default continues for a period in excess of seven (7) days or days or (B) default in the timely payment of any amount payable pursuant to Section 9(a)(xiii) of the Loan Agreement; or

(ii) the Institution defaults in the due and punctual performance of any other covenant in the Loan Agreement contained and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Institution by the Authority or the Trustee; provided, however, that, if in the determination of the Authority such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the Institution within such period and is diligently pursued until the default is corrected; or

(iii) as a result of any default in payment or performance required of the Institution under the Loan Agreement or any other Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Authority shall be in default in the payment or performance of any of its obligations under the Resolution or an "event of default" (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee, a Provider or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof; or

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(iv) the Institution shall (A) be generally not paying its debts as they become due, (B) file, or consent by answer or otherwise to the filing against it of, a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (C) make a general assignment for the benefit of its general creditors, (D) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (E) be adjudicated insolvent or be liquidated or (F) take corporate action for the purpose of any of the foregoing; or

(v) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the Institution, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Institution, or any petition for any such relief shall be filed against the Institution and such petition shall not be dismissed or stayed within ninety (90) days; or

(vi) the charter of the Institution shall be suspended or revoked; or

(vii) a petition to dissolve the Institution shall be filed by the Institution with the Board of Regents of the University of the State of New York, the legislature of the State or other governmental authority having jurisdiction over the Institution; or

(viii) an order of dissolution of the Institution shall be made by the Board of Regents of the University of the State of New York, the legislature of the State or other governmental authority having jurisdiction over the Institution, which order shall remain undismissed or unstayed for an aggregate of thirty (30) days; or

(ix) a petition shall be filed with a court having jurisdiction for an order directing or providing for the sale, disposition or distribution of all or substantially all of the property belonging to the Institution which petition shall remain undismissed or unstayed for an aggregate of ninety (90) days; or

(x) an order of a court having jurisdiction shall be entered directing or providing for the sale, disposition or distribution of all or substantially all of the property belonging to the Institution, which order shall remain undismissed or unstayed for the earlier of (A) three (3) Business Days prior to the date provided for in such order for such sale, disposition or distribution or (B) an aggregate of thirty (30) days from the date such order shall have been entered; or

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, which in the judgment of the Authority will adversely affect the rights of the Holders of the Bonds shall be rendered against the Institution and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the Institution shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

(b) Upon the occurrence of an Event of Default, the Authority may take any one or more of the following actions:

(i) declare all sums payable by the Institution under the Loan Agreement immediately due and payable;

(ii) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of Bonds or the Construction Fund or otherwise to which the Institution may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or moneys for such purposes as are authorized by the Resolution;

- (iii) withhold any or all further performance under the Loan Agreement;
- (iv) maintain an action against the Institution under the Loan Agreement to recover any sums payable by the Institution or to require its compliance with the terms of the Loan Agreement;
- (v) to the extent permitted by law, (A) enter upon the Project and complete the construction thereof in accordance with the plans and specifications with such changes therein as the Authority may deem appropriate and employ watchmen to protect the Project, all at the risk, cost and expense of the Institution, consent to such entry being given by the Institution, (B) at any time discontinue any work commenced in respect of the construction of the Project or change any course of action undertaken by the Institution and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (C) assume any construction contract made by the Institution in any way relating to the construction of the Project and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Institution, whether or not previously incorporated into the construction of such Project, and (D) in connection with the construction of the Project undertaken by the Authority pursuant to the provisions of this subparagraph (v), (1) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of such Project, (2) pay, settle or compromise all bills or claims which may become liens against the Project or against any moneys of the Authority applicable to the construction of such Project, or which have been or may be incurred in any manner in connection with completing the construction of the Project or for the discharge of liens, encumbrances or defects in the title to the Project or against any moneys of the Authority applicable to the construction of such Project, and (3) take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The Institution shall be liable to the Authority for all sums paid or incurred for construction of the Project whether the same shall be paid or incurred pursuant to the provisions of this subparagraph (v) or otherwise, and all payments made or liabilities incurred by the Authority under the Loan Agreement of any kind whatsoever shall be paid by the Institution to the Authority upon demand. The Institution irrevocably constitutes and appoints the Authority its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Institution for the purpose of exercising the rights granted to the Authority by this subparagraph (vi) during the term of the Loan Agreement; and
- (vi) take any action necessary to enable the Authority to realize on its liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

All rights and remedies in the Loan Agreement given or granted to the Authority are cumulative, non-exclusive and in addition to any and all rights and remedies that the Authority may have or may be given by reason of any law, statute, ordinance or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Authority's right to exercise such remedy thereafter.

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Authority may annul any declaration made pursuant to provisions of the Loan Agreement summarized in paragraph (b) above and its consequences if such Event of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 27)

Investment of Moneys

The Institution acknowledges that the Authority may in its sole discretion direct the investment of certain moneys held under the Resolution and the Series 2016A Resolution as provided therein and that no representation or warranty has been made by the Authority with respect to interest rates on, or the amount to be earned as a result of, any such investment. Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment. The Authority agrees that it shall direct the

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making of investments as permitted by the Resolution as soon as practicable when moneys are legally available therefor.

(Section 29)

Limitation on Agreements

Except as expressly provided in the Loan Agreement or by the Resolution of the Series 2016A Resolution the Institution shall not enter into any contracts or agreements or perform any act which may adversely affect any of the assurances, interests or rights of the Authority or the Bondholders hereunder or under the Resolution or the Series 2016A Resolution.

(Section 31)

Arbitrage; Tax Exemption

Each of the Institution and the Authority covenants that it shall take no action, nor shall it approve the Trustee's taking any action or making any investment or use of the proceeds of the Bonds, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the Bonds at the time of such action, investment or use. Neither the Institution nor any "related person" (as such term is defined for purposes of Section 148 of the Code) shall purchase Bonds other than for delivery to and cancellation by the Trustee, unless the Trustee shall receive an opinion of Bond Counsel to the effect that the purchase by the Institution or by a related person of Bonds will not cause interest on the Bonds to be included in the gross income of the owners of such Bonds for purposes of federal income taxation.

The Institution covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Institution contained in the Tax Certificate then to be untrue and shall comply with all covenants and agreements of the Institution contained in the Tax Certificate, in each case to the extent required by and otherwise in compliance with such Tax Certificate, unless, in the opinion of Bond Counsel, taking or failing to take such action or failing to comply with its obligations under such Tax Certificate would not adversely effect the exclusion of interest on the Bonds from gross income for federal tax purposes.

The Authority has undertaken full responsibility for performing rebate calculations that may be required from time to time with respect to the Bonds. Upon request, the Institution covenants that it will provide such information not in Authority's possession as the Authority deems necessary to calculate the yield on the Bonds and to comply with the arbitrage and rebate requirements of the Code, and any other information as may be necessary to prepare the rebate calculation to the Authority or an entity which the Authority has designated no less than once a year measured from the date of issuance of the Bonds. The Institution shall be obligated to pay the costs in connection therewith in accordance with the Loan Agreement. The Authority shall retain in its possession, so long as required by the Code, copies of all documents, reports and computations made by it in connection with the calculation of excess earnings and the rebate of all or a portion thereof to the Department of the Treasury of the United States of America, which shall be subject at all reasonable times to the inspection of the Institution and its agents and representatives, any of whom may make copies thereof. Upon written request from the Institution, the Authority shall as soon as practicable provide the Institution with a copy of such documents, reports and computations.

(Section 32)

Limitation on Authority Rights

As long as no Event of Default has occurred and is continuing, and no event has occurred that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, the Authority will not, without the prior written consent of the Institution, (i) change the dates on which an Option Bond is to be tendered for purchase or the period during which a Variable Interest Rate Bond is to bear interest at a particular rate, (ii) convert a Variable Interest Rate Bond to bear interest at a fixed rate to its maturity, (iii) seek the removal or resignation of a Remarketing Agent or appoint a successor Remarketing Agent, (iv) amend or modify the dates on or Redemption Price at which a Variable Interest Rate Bond after its conversion to bear interest at a fixed rate to the maturity date thereof may be redeemed at the election or direction of the Authority in accordance with Section 4.02 of the

Resolution or (v) remarket at a price other than par any Option Bond tendered or deemed to have been tendered for purchase. The Institution may, at any time no Event of Default, or an event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, request the Authority to take such action as may be required by the Resolution, the Series 2016A Resolution or the Bond Series Certificate(s) to change the dates on which Option Bonds are to be tendered for purchase or the period during which Variable Interest Rate Bonds shall bear interest at a particular rate or to convert Variable Interest Rate Bonds to bear interest at a fixed rate to their maturity.

(Section 33)

Certificate as to Representations and Warranties

The obligations of the Authority under the Loan Agreement and the delivery of the Bonds are conditioned upon the receipt by the Authority at or prior to delivery of the Bonds of a certificate of an Authorized Officer of the Institution acceptable to the Authority to the effect that the representations and warranties contained in the Loan Agreement are true and correct and in full force and effect on and as of the date of delivery of the Bonds as if made on the date of delivery of the Bonds.

(Section 36)

Further Assurances

The Institution, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as are necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the moneys, securities, funds and security interests by the Loan Agreement or by the Resolution pledged, assigned or granted, or intended so to be, or which the Institution may hereafter become bound to pledge, assign or grant to the Authority pursuant to the Loan Agreement.

(Section 39)

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with the Resolution and the Bond Series Certificate(s) and each amendment shall be made by an instrument in writing signed by the Institution and the Authority, an executed counterpart of which shall be filed with the Trustee.

(Section 40)

Appendix C

Management Consultant

(a) If at any time while the Bonds are Outstanding the Institution has no long term unsecured, unenhanced debt obligations that are rated at least “A3” (or its then-equivalent) by Moody’s Investors Service, Inc. or at least “A-” (or its then-equivalent) by Standard & Poor’s Ratings Services or Fitch, Inc. then the Authority may require the Institution to engage, at the Institution’s expense, a Management Consultant, which the Institution agrees to engage within sixty (60) days after such request is made.

(b) The Management Consultant shall review the fees and tuition, operations and management of the Institution and any other matters deemed appropriate by the Authority and make recommendations with respect to such fees and tuition, operations, management and other matters. Copies of the report and recommendations of the Management Consultant shall be filed with the Authority, the Board of Trustees of the Institution and an Authorized Officer of the Institution no later than one hundred twenty (120) days following the date of engagement of such Management Consultant.

(c) The Institution shall deliver to the Authority:

(i) Within sixty (60) days of receipt of such Management Consultant’s report, a written report of the Institution setting forth the Institution’s comment and response to the report and recommendations of the Management Consultant;

(ii) Within one hundred twenty (120) days of receipt of such Management Consultant’s report, (x) a report setting forth in reasonable detail the steps the Institution proposes to take to implement the recommendations of such Management Consultant, and (y) a certified copy of a resolution adopted by the Board of Trustees of the Institution accepting the report prepared by the Institution as required in clause (x) hereof; and

(iii) Within thirty (30) days after the end of each calendar quarter subsequent to the adoption of the resolution described in clause (ii)(x) above, a report demonstrating the progress made by the Institution in implementing the recommendations of the Management Consultant.

(d) Notwithstanding the provisions of the Loan Agreement, the Institution may elect in lieu of engaging a Management Consultant to provide security, in form and substance acceptable to the Authority in its sole discretion, for the Institution’s obligations under the Loan Agreement.

(e) The provisions of the Loan Agreement summarized herein may be amended by written agreement of the Authority and the Institution without the consent of the Trustee or the Holders of the Bonds.

(Section 41)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Institution shall have been made or provision made for the payment thereof; **provided, however**, that the liabilities and the obligations of the Institution to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to provisions of the Loan Agreement in connection with taxes and assessments or indemnity by the institution or relating to the prompt payment of arbitrage rebate shall nevertheless survive any such termination. Upon such termination, the Authority shall promptly deliver such documents as may be reasonably requested by the Institution to evidence such termination and the discharge of the Institution’s duties under the Loan Agreement, including the release or surrender of any security interests granted by the Institution to the Authority pursuant to the Loan Agreement.

(Section 42)

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS

Appendix D

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS

The following is a brief summary of certain provisions of the Resolution and the Series 2016A Resolution (collectively, the “Resolutions”). This summary does not purport to be complete and reference is made to the Resolutions for full and complete statements of such and all provisions. The headings below are not part of the Resolutions but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Resolution and Bonds Constitute a Contract

It is the intent of the Resolution to authorize the issuance by the Authority, from time to time, of its Fordham University Revenue Bonds in one or more Series, each such Series to be authorized by a separate Series Resolution and, *inter alia*, to be separately secured from each other Series of Bonds. Each such Series of Bonds shall be separate and apart from any other Series of Bonds authorized by a different Series Resolution and the Holders of Bonds of such Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series of Bonds by the respective Series Resolution authorizing such Series of Bonds. With respect to each Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of a Series authorized to be issued under the Resolution and under a Series Resolution by those who shall hold or own the same from time to time, the Resolution and such Series Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of the Bonds of a Series, and the pledge and assignment made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any Bonds of such Series over any other Bonds of such Series except as expressly provided in the Resolution or permitted by the Resolution or by a Series Resolution.

(Section 1.03)

Assignment of Certain Rights and Remedies to the Trustee

With respect to each Series of Bonds, as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Outstanding Bonds of such Series and for the performance of each other obligation of the Authority under the Resolution and under a Series Resolution, the Authority may, and upon the happening of an Event of Default under the Resolution, shall, grant, pledge and assign to the Trustee all of the Authority’s estate, right, title, interest and claim in, to and under the applicable Loan Agreement or the applicable Mortgage, together with all rights, powers, security interests, privileges, options and other benefits of the Authority under such Loan Agreement or Mortgage, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under such Loan Agreement or Mortgage, and the right to make all waivers and agreements in the name and on behalf of the Authority, as Trustee for the benefit of the Holders of a Series of Bonds, and to perform all other necessary and appropriate acts under such Loan Agreement or Mortgage, including but not limited to the right to declare the indebtedness under such Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon the applicable Pledged Revenues or the Mortgage, subject to the following conditions, that (i) the Holders of such Bonds, if any, shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority and (ii) unless and until the Trustee is assigned the applicable Loan Agreement and Mortgage, the Trustee shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in such Loan Agreement and Mortgage to be performed by the Authority (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision), (iii) with respect to a Mortgage granted by the Institution to the Authority in connection with a Series of Bonds, any grant, pledge and assignment to the Trustee of the Authority’s estate, right, title, interest and claim, in, to and under such Mortgage shall secure only the payment of the principal and Redemption Price of and interest on the Outstanding Bonds of such Series. Until such election is made, the Authority shall remain liable to observe and perform all the conditions and covenants, in the applicable Loan Agreement and Mortgage provided to be observed and performed by it. Upon any such grant, pledge or assignment contemplated by the Resolution, the Authority may retain the right to (i) the payment of any fees, costs and expenses of the Authority payable pursuant to the applicable Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any

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right or remedy available under the applicable Loan Agreement or any applicable Mortgage for the enforcement of the obligations of the Institution to which the Authority has retained such right.

Any grant, pledge or assignment made pursuant to these provisions of the Resolution shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by the Authority within thirty (30) days after written notice of the Authority's election to make such grant, pledge or assignment.

If an Event of Default under the Resolution has been cured and is no longer continuing, the Trustee, as soon as practicable after the written request of the Authority, shall re-grant and re-assign to the Authority, and release from any pledge made by the Authority pursuant to the Resolution as summarized herein, all of the Authority's estate, right, title, interest and claim in, to and under the Loan Agreement and the Mortgage, together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder, theretofore granted, pledged or assigned to the Trustee pursuant to the Resolution. The Trustee shall execute such instruments as the Authority may reasonably require to effect or evidence such re-grant, re-assignment or release.

(Section 1.04)

Authorization and Issuance of Bonds

Additional Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien created by the Resolution and pursuant to a Series Resolution, or prior or equal to the rights of the Authority and Holders of Bonds of a Series.

(Section 2.05)

Redemption of Bonds

Authorization of Redemption

Bonds of a Series subject to redemption prior to maturity pursuant to the Resolution or to a Series Resolution or a Bond Series Certificate shall be redeemable, in accordance with the Resolution, at such times, at such Redemption Prices and upon such terms as may otherwise be specified in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate.

(Section 4.01)

Redemption at the Election or Direction of the Authority

In the case of any redemption of Bonds of a Series other than as summarized in the following paragraph, the Authority shall give to the Trustee and each applicable Facility Provider written notice of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-Series to be redeemed. The Series, Sub-Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Authority shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate. Such notice shall be given to the Trustee and each applicable Facility Provider at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given with respect to Bonds to be redeemed pursuant to provisions of the Resolution summarized herein unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds of such Series to be so redeemed.

(Section 4.02)

Redemption Other Than at Authority's Election or Direction

Whenever by the terms of the Resolution the Trustee is required to redeem Bonds of a Series through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of such Series, Sub-Series and maturities to be redeemed in the manner summarized in the following paragraph, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of the Resolution.

(Section 4.03)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of a Series of Bonds or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, Sub-Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, Sub-Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as provided in provisions of the Resolution summarized herein) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; **provided, however**, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of the Resolution as summarized herein, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds.

(Section 4.04)

Notice of Redemption

Whenever Bonds of a Series are to be redeemed, the Trustee shall give notice of the redemption of such Bonds in the name of the Authority which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) of each such Bond, the principal amount thereof to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (ix) if the Authority's obligation to redeem the Bonds is subject to one or more conditions, a statement to that effect that describes the conditions to such redemption.

Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the

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Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

Such notice shall further state that on such date there shall become due and payable upon each Bond of a Series to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice the Trustee shall promptly certify to the Authority that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond of a Series to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds. If directed in writing by an Authorized Officer of the Authority, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date; **provided, however**, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

In addition, unless otherwise provided for in a Series Resolution with respect to a Series of Bonds, the Trustee shall (i) if any of the Bonds to be redeemed are Book Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book Entry Bonds not less than thirty-five (35) days prior to the redemption date, but, if notice of redemption is to be published as aforesaid, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor. Such copies shall be sent by certified mail, return receipt requested, but mailing such copies shall not be a condition precedent to such redemption and failure to so mail or of a person to which such copies were mailed to receive such copy shall not affect the validity of the proceedings for the redemption of the Bonds.

(Section 4.05)

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution, the Bonds of a Series or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, Sub-Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bond is surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond of a Series, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of such registered Bond so surrendered, Bonds of like Series, Sub-Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds of a Series or portions thereof of any like Series, Sub-Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date,

shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on such Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Purchase of Purchased Bonds

Whenever Bonds are to be purchased at the election of the Institution, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by the Institution to the Authority, the Trustee, and each applicable Facility Provider, the Trustee shall select the particular Bonds of such Series and maturity to be so purchased in the same manner as provided in the Resolution for the selection of Bonds to be redeemed in part. Promptly thereafter the Trustee shall give notice of the purchase of the Bonds at the times and in the manner provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, the Institution has caused to be delivered to the Trustee the written consent to such purchase of the Authority. All such purchases may be subject to conditions to the Institution's obligation to purchase such Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required by the Series Resolution authorizing the Bonds to be so purchased or the Bond Series Certificate relating thereto, then, if sufficient money to pay the purchase price of such Bonds is held by the Trustee, the purchase price of the Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase, upon presentation and surrender of such Bonds (other than Book Entry Bonds) to be purchased at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Payment of the purchase price of other than Book Entry Bonds shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be so purchased, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has prior to the purchase date directed in writing the Trustee to wire such purchase price. Bonds so purchased shall be considered to be Outstanding and each such Bond so purchased that is not a Book Entry Bond shall be registered in the name or at the direction of the Institution.

(Section 4.07)

Pledge of Revenues; Funds and Accounts; Revenues and Application Thereof

Pledge of Revenues

The proceeds from the sale of a Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund, are pursuant to the Resolution, subject to the adoption of a Series Resolution, pledged and assigned by the Resolution to the Trustee as security for the payment of the principal and Redemption Price of and interest on such Series of Bonds, all in accordance with the provisions of the Resolution and thereof. The pledge made by the Resolution shall relate only to the Bonds of a Series authorized by such Series Resolution and no other Series of Bonds and such pledge shall not secure any such other Series of Bonds. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of a Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and all funds and accounts established by the Resolution and by a Series Resolution which are pledged by the Resolution shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and the funds and accounts established by the Resolution and

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pursuant to a Series Resolution and which are pledged by the Resolution as provided in the Resolution, which pledge shall constitute a first lien thereon, subject only to the applicable Prior Pledges.

(Section 5.01)

Establishment of Funds and Accounts

Unless otherwise provided by a Series Resolution, the following funds are authorized to be established and shall be held and maintained for each Series of Bonds by the Trustee separate and apart from any other funds established and maintained pursuant to any other Series Resolution:

Construction Fund;

Debt Service Fund; and

Arbitrage Rebate Fund.

Accounts and subaccounts within each of the foregoing funds may from time to time be established in accordance with a Series Resolution, a Bond Series Certificate or upon the direction of the Authority. All moneys at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by a Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds of a Series, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution, unless otherwise provided in the applicable Series Resolution; provided, however, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price or Redemption Price of such Option Bonds; provided further, that any Debt Service Reserve Fund established by or pursuant to a Series Resolution, the amounts held therein and amounts derived from any Reserve Fund Facility related thereto, shall not be held in trust for the benefit of the Holders of Bonds other than the Bonds of the Series secured thereby as provided in such Series Resolution and are pledged solely thereto and no Holder of the Bonds of any other Series shall have any right or interest therein.

(Section 5.02)

Application of Moneys in the Construction Fund

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to provisions of the Resolution summarized under the heading “**Deposit of Certain Moneys in the Construction Fund**” below. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the Institution which by the terms of the Loan Agreement are required to be deposited therein.

(a) Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, moneys deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such Series of Bonds. For purposes of internal accounting, the Construction Fund may contain one or more further subaccounts, as the Authority or the Trustee may deem proper.

(b) Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Payments for Costs of each Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the

Authority, substantiated by a certificate filed with the Authority in accordance with a Loan Agreement naming the Project in connection with which payment is to be made and describing in reasonable detail the purpose for which moneys were used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of such Project, except that payments to pay interest on Bonds of a Series shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Construction Fund to the Debt Service Fund.

(c) Any proceeds of insurance, condemnation or eminent domain awards received by the Trustee, the Authority or the Institution with respect to a Project shall be deposited in the Construction Fund and, if necessary, such fund may be re-established for such purpose.

(d) A Project shall be deemed to be complete upon delivery to the Authority and the Trustee of a certificate signed by an Authorized Officer of the Institution, which certificate shall be delivered as soon as practicable after the date of completion of such Project, or upon delivery to the Institution and the Trustee of a certificate signed by an Authorized Officer of the Authority which certificate may be delivered at any time after completion of such Project. Each such certificate shall state that such Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for occupancy or use, and, in the case of a certificate of an Authorized Officer of the Institution, shall specify the date of completion.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the moneys, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project in connection with such Project which are then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

First: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund, the amount set forth in such direction;

Second: To the Debt Service Reserve Fund, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the applicable Debt Service Reserve Fund Requirement, if any; and

Third: To the Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

(Section 5.04)

Deposit of Revenues and Allocation Thereof

The Revenues and any other moneys, which, by any of the provisions of a Loan Agreement, are required to be paid to the Trustee, shall upon receipt thereof be deposited or paid by the Trustee as follows and in the following order of priority:

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds of a Series payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond of a Series on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds of a Series and Variable Interest Rate Bonds of a Series payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the provisions of the Resolution summarized under the heading section entitled “**Debt Service Fund**” in this Appendix D, plus accrued

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interest thereon to the date of purchase or redemption; and (ii) in the case of Revenues received thereafter and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on and the principal and Sinking Fund Installments of Outstanding Bonds of a Series payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding July 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to the provisions of the Resolution summarized under the heading section entitled “**Debt Service Fund**” in this Appendix D, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse each Facility Provider for Provider Payments which are then unpaid the respective Provider Payments and to replenish each Debt Service Reserve Fund to its respective Debt Service Reserve Fund Requirement, pro rata, in proportion to the amount the respective Provider Payments then unpaid to each Facility Provider and the amount of the deficiency in each Debt Service Reserve Fund bears to the aggregate amount of Provider Payments then unpaid and deficiencies in the respective Debt Service Reserve Funds;

Third: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund the amount set forth in such direction;

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority relating to such Series for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of a Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreement or any Mortgage in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

The Trustee shall, promptly after making the above required payments, notify the Authority and the Institution of any balance of Revenues remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the Institution, in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Resolution.

(Section 5.05)

Debt Service Fund

(a) The Trustee shall on or before the Business Day preceding each interest payment date pay to itself and any other Paying Agent out of the Debt Service Fund:

(i) the interest due and payable on all Outstanding Bonds of a Series on such interest payment date;

(ii) the principal amount due and payable on all Outstanding Bonds of a Series on such interest payment date; and

(iii) the Sinking Fund Installments, if any, due and payable on all Outstanding Bonds of a Series on such interest payment date.

The amounts paid out pursuant to the provisions of the Resolution summarized herein shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of the Resolution summarized in paragraph (a) above, the Authority may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of a Series to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the Institution and delivered to the Trustee in accordance with a Loan Agreement shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; provided, however, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(c) Moneys in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of a Series payable on and prior to the next succeeding July 1, the interest on Outstanding Bonds of a Series payable on and prior to the earlier of the next succeeding January 1 or July 1, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of a Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund, such moneys shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority given pursuant to the Resolution to the redemption of Bonds of a Series as provided in the redemption provisions of the Resolution, at the Redemption Prices specified in the Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any moneys delivered to it by the Institution for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, moneys on deposit in any other funds held by the Trustee under the Resolution at such times and in such amounts as shall be set forth in such directions.

Moneys on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to a Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee under the Resolution and deposit to the Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to such Series of Bonds and (ii) if and to the extent required by the Code, pay out of the Arbitrage

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Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 5.07)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time (i) the amounts held in the Debt Service Fund and the Debt Service Reserve Fund, if applicable, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of a Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, (ii) the amounts held in the Debt Service Reserve Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Series secured thereby and the interest accrued and unpaid and to accrue on such Bonds to the next date on which such Bonds may be redeemed or (iii) in either case, to make provision pursuant to the defeasance provisions of the Resolution for the payment of such Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the Institution. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds of a Series, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by a Series Resolution as provided in the redemption provisions of the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the defeasance provisions of the Resolution and make provision for the payment of such Outstanding Bonds at the maturity or redemption dates thereof in accordance with such instruction.

(Section 5.08)

Transfer of Investments

Whenever moneys in any fund or account established under the Resolution or under a Series Resolution are to be paid in accordance with the Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; **provided, however**, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.09)

Security for Deposits and Investment of Funds

Security for Deposits

All money held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of a Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however**, (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to the debt service fund provisions or the defeasance provisions of the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

(Section 6.01)

Investment of Funds and Accounts

(a) Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an

Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations, or Exempt Obligations; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution.

(b) In lieu of the investments of money in obligations summarized in paragraph (a) above, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment, **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

(c) Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(d) In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(e) Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in provisions of the Resolution summarized herein. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions summarized in paragraphs (a), (b) and (c) above. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(f) No part of the proceeds of a Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond of a Series to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 6.02)

Particular Covenants

Payment of Principal and Interest

The Authority shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in such Bonds according to the true intent and meaning thereof.

(Section 7.01)

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Further Assurance

The Authority, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, pledges and assignments by the Resolution and by the Series Resolution created or made or intended to be created or made, or which the Authority may hereafter become bound to pledge or assign.

(Section 7.04)

Accounts and Audits

The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of the Institution, the Trustee or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each Facility Provider and to the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each Series Resolution; and complete and correct entries of the Authority's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

(Section 7.05)

Creation of Liens

Except as permitted by the Resolution or by a Series Resolution the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds of a Series on the proceeds from the sale of such Bonds, the Revenues pledged for such Series of Bonds, the Pledged Revenues or the funds and accounts established by the Resolution or by a Series Resolution which are pledged by the Resolution; **provided, however**, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations under another and separate resolution or otherwise incur indebtedness so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the applicable Revenues and the Authority's security interest in the applicable Pledged Revenues of equal priority with the lien created and the pledge made by the Resolution and by the applicable Series Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the Institution

The Authority shall take all legally available action to cause the Institution to perform fully all duties and acts and comply fully with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement; **provided, however**, that the Authority may (i) delay or defer enforcement of one or more provisions of such Loan Agreement (other than provisions requiring the payment of moneys or the delivery of securities to the Trustee for deposit to any fund or account established under the Resolution) if the Authority determines such delay or deferment will not materially adversely affect the interests of the Holders of the Bonds of a Series and (ii) at any time prior to the occurrence of an Event of Default under the Resolution, annul any declaration that the indebtedness under such Loan Agreement is immediately due and payable and, if prior to the entry of a final judgment or decree in any action or proceeding instituted on account of an "Event of Default" under such Loan Agreement, discontinue such action or proceeding if the Institution shall have cured each "Event of Default" under such Loan Agreement.

(Section 7.07)

Deposit of Certain Moneys in the Construction Fund

In addition to the proceeds of a Series of Bonds to be deposited in the Construction Fund, any moneys paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of a Project, including the proceeds of an insurance or condemnation award to be so applied, shall be deposited in the Construction Fund.

(Section 7.08)

Offices for Payment and Registration of Bonds

The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Resolution, designate an additional Paying Agent or Paying Agents where Bonds of a Series authorized thereby or referred to therein may be presented for payment. The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for registration, transfer or exchange and the Trustee is appointed as its agent to maintain such office or agency for the registration, transfer or exchange of such Bonds. The provisions of the Resolution summarized in this paragraph shall be subject to the provisions of the Resolution relating to place and medium of payment.

(Section 7.09)

Amendment of Loan Agreement

A Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds of the applicable Series in any material respect unless consented to in writing by the Holders of at least a majority in aggregate principal amount of the Bonds of such Series then Outstanding; provided, however, that no such amendment, change, modification, alteration, or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of a Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Institution under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to the paragraph summarized herein by the Holders of Bonds shall, except as otherwise provided in the paragraph summarized herein, be given in the same manner required by the portion of the Resolution addressing amendments of the Resolution.

A Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement. Except as otherwise provided in the paragraph summarized herein, the Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of the paragraph summarized herein, the purchasers of Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by the paragraph summarized herein in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series.

In addition, the Holder of an Outstanding Auction Rate Bond of a Series shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has

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mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by the portion of the Resolution addressing amendments of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. The following terms shall have the respective meanings: “Auction Rate Bond” means a Variable Interest Rate Bond of a Series that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; “Auction Date” means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and “Winning Bid Rate” when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of the paragraph summarized herein, a Series of Bonds shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the Institution, the Authority and all Holders of Bonds of such Series.

For all purposes of the paragraph summarized herein, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds of a Series then Outstanding in any material respect.

(Section 7.11)

Notice as to Event of Default under Loan Agreement

The Authority shall notify the Trustee in writing that an “Event of Default” under the Loan Agreement, as such term is defined in the Loan Agreement, has occurred and is continuing, which notice shall be given as soon as practicable after the Authority has obtained actual knowledge thereof.

(Section 7.12)

Issuance of Obligations under Previous Resolutions

The Authority so long as Bonds are Outstanding shall not issue additional bonds or notes pursuant to its “Fordham University Insured Revenue Bond Resolution,” adopted September 25, 2002 or its “Fordham University Insured Revenue Bond Resolution,” adopted March 24, 2004.

(Section 7.13)

Series Resolutions and Supplemental Resolutions

Modification and Amendment without Consent

Notwithstanding any other provisions of the Resolution, the Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution or under a Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, or any Series Resolution, of the Revenues, or any pledge of any other moneys, securities or funds;

(f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of a Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds of such Series issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent

The provisions of the Resolution or of a Series Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Holders of a Series of Bonds in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained in the Resolution shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Resolution summarized under the heading “**Further Assurance**” above or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere provided or permitted in the Resolution to be delivered to the Trustee or any Paying Agent.

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A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution and each applicable Facility Provider upon its becoming effective.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent or of a Facility Provider shall become effective without the written consent of the Trustee, Paying Agent or Facility Provider affected thereby.

(Section 9.03)

Amendments of Resolution

Powers of Amendment

Any modification or amendment of the Resolution or of any Series Resolution that modifies or amends the rights and obligations of the Authority and of the Holders of a Series of Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution and summarized in the following paragraph, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding of such Series at the time such consent is given or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds of a Series the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the provisions of the Resolution summarized in this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of a particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds of such Series. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding paragraph to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to such Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in provisions of the Resolution

summarized in the preceding paragraph and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Resolution as provided below. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee. Any consent given by the Holder of a Bond of a Series shall be binding upon such Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Bondholder giving such consent or a subsequent Holder of such Bond by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in the Resolution is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds of each Series and will be effective as provided in the Resolution, shall be given to such Bondholders by the Trustee at the direction of the Authority by mailing such notice to such Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of such Bonds of a Series shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for in the Resolution is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in the Resolution). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by the Resolution to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of such Series of Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; **provided, however**, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of these provisions of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters or remarketing agent for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however**, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority

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and the Holders of all of the Bonds then Outstanding of a Series, such consent to be given as provided in the Resolution, except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.03)

Consent of Facility Provider

Whenever by the terms of the Resolution the consent of any of the Holders of the Bonds of a Series to a modification or amendment of the Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment shall not become effective until the written consent of each applicable Facility Provider has been obtained. No modification or amendment of the Resolution which adversely affects a Facility Provider shall be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each applicable Facility Provider by mail at the times and in the manner provided in the Resolution with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Series Resolution or Supplemental Resolution and of the effectiveness thereof.

(Section 10.07)

Defaults and Remedies

Events of Default

An event of default shall exist under the Resolution and under a Series Resolution (referred to in the Resolution as an “Event of Default”) if:

(a) With respect to a Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to a Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds of such Series or in a Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

(e) With respect to a Series of Bonds, the Authority shall have notified the Trustee that an “Event of Default” as defined in the Loan Agreement, arising out of or resulting from the failure of the Institution to comply with the requirements of the Loan Agreement shall have occurred and is continuing and all sums payable by the Institution under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any Event of Default specified in the Resolution, other than an Event of Default specified in provisions of the Resolution summarized in paragraph (c) under the heading “**Events of Default**” above, then and in every such case the Trustee upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of a Series shall, by notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds of such Series to be due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in a Series Resolution or in the Bonds of a Series to the contrary notwithstanding. At any time after the principal of the Bonds of a Series shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee may, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of such Series of Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) moneys shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds of such Series (except the interest accrued on such Bonds since the last interest payment date); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under a Series Resolution (other than principal amounts payable only because of a declaration and acceleration under the Resolution) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution or in such Series Resolution or in such Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under the Resolution) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the Resolution, then and in every such case, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of a Series, shall proceed (subject to the provisions of the Resolution relating to the compensation of the Trustee or any Paying Agent) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under the applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power in the Resolution or therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of a Series Resolution or of a Series of Bonds, with interest on overdue payments of the principal of or interest on such Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under a Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution, in a Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

(Section 11.04)

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Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared by the Resolution in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds of a Series secured by the Resolution and by a Series Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of such Series. Notwithstanding any other provision of the Resolution, the Holder of any Bond of a Series shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

Defeasance

(a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Series of Bonds and all other rights granted by the Resolution to such Series of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all moneys or other securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such moneys or securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(b) Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. All Outstanding Bonds of a Series or any maturity within such Series or a portion of a maturity within such Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in provisions of the Resolution summarized in the preceding paragraph (a) if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount which

shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds of a Series on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses, if any, appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select which Bonds of such Series, Sub-Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Resolution summarized in this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date of the Resolution, as the case may be; provided further, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each

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Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(d) Option Bonds shall be deemed to have been paid in accordance with provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b) only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to provisions of the Resolution summarized in the preceding paragraph (b), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said moneys is held was due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds; provided, however, that, before being required to make any such payment to the Authority, the Trustee or Paying Agent may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such moneys then unclaimed shall be returned to the Authority.

(Section 12.01)

Provider Provisions

Credit Facility Provider as Holder

If provided in or authorized by the Series Resolution authorizing the issuance of a Series of Bonds, the Authority may provide for the rights of a Facility Provider of a Credit Facility in connection with Bonds of such Series, which rights may include that, whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to any amendment, change, modification or waiver, or request or direct the Trustee to take an action, such Facility Provider may be deemed to be the Holder of such Bonds.

(Section 14.08)

**FORM OF APPROVING OPINIONS
OF CO-BOND COUNSEL**

Appendix E

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FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

To Be Rendered By Each Of
Squire Patton Boggs (US) LLP and D. Seaton and Associates

_____, 2016

To: Dormitory Authority of the
State of New York
515 Broadway
Albany, New York 12207

We have served as bond counsel to our client the Dormitory Authority of the State of New York (the "Authority") and not as counsel to any other person in connection with the issuance by the Authority of its \$146,465,000 Fordham University Revenue Bonds, Series 2016A (the "Series 2016A Bonds"), dated the date of this letter.

The Series 2016A Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"), the Fordham University Revenue Bond Resolution, adopted on March 26, 2008 and the Series Resolution Authorizing Up To 175,000,000 Fordham University Revenue Bonds, Series 2016A, adopted on March 9, 2016 (collectively, the "Resolution"). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2016A Bonds, a copy of the signed and authenticated Series 2016A Bond of the first maturity and the Loan Agreement, dated as of March 9, 2016 (the "Loan Agreement"), between the Authority and Fordham University (the "Institution"), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Resolution has been duly and lawfully adopted by the Authority.
2. The Resolution and the Loan Agreement are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
3. The Series 2016A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of

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debt service on the Series 2016A Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2016A Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of New York or any of its political subdivisions.

4. Interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2016A Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on the Series 2016A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. We express no opinion as to any other tax consequences regarding the Series 2016A Bonds.

Initial purchasers of the Series 2016A Bonds maturing on July 1, 2017 through July 1, 2036, inclusive, and July 1, 2041, whose initial adjusted basis in such Bonds exceeds the respective principal amount of such Bonds (“Premium Bonds”) will have bond premium to the extent of that excess. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority, and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the Institution delivered in connection with this matter.

In rendering those opinions with respect to the treatment of the interest on the Series 2016A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Institution. Failure to comply with certain of those covenants subsequent to issuance of the Series 2016A Bonds may cause interest on the Series 2016A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

In rendering those opinions with respect to the treatment of the interest on the Series 2016A Bonds under the federal tax laws, we also further assume the correctness of, and rely on the opinions of Bond, Schoeneck & King, PLLC, counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code, and the use of the facilities financed with the Series 2016A Bonds in activities that are not considered “unrelated trade or business” activities of the Institution, as defined in Section 513(a) of the Code, which opinions are subject to a number of qualifications and limitations. We also assume the correctness of, and rely upon the accuracy of, representations of the Institution concerning the use of the facilities financed with the Series 2016A Bonds in activities that are considered “unrelated trade or business” activities of the Institution, as defined in Section 513(a) of the Code. Failure of the Institution to maintain its qualification as an organization described in Section 501(c)(3) of the Code, or to use the facilities financed by the Series 2016A Bonds in a manner that is substantially related to the Institution’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2016A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2016A Bonds.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2016A Bonds, the Resolution or the Loan Agreement.

The opinions contained in paragraphs 1, 2 and 3 above are qualified to the extent that the enforceability of the Resolution, the Series 2016A Bonds and the Loan Agreement may be limited by bankruptcy, insolvency,

moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the Institution. We have assumed the due authorization, execution and delivery of the Loan Agreement by the Institution.

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the Series 2016A Bonds, or any appendices thereto.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2016A Bonds has concluded on this date.

Respectfully submitted,

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FORM OF CONTINUING DISCLOSURE AGREEMENT

Appendix F

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AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
FORDHAM UNIVERSITY REVENUE BONDS, SERIES 2016A**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of _____, is executed and delivered by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”), Fordham University (the “Obligated Person”), The Bank of New York Mellon, as Trustee (the “Trustee”) and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute “advice” within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer, the Obligated Person or anyone on the Issuer’s or the Obligated Person’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

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“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Dissemination Agreement” means that agreement, dated January 31, 2005, as amended to the date hereof, by and between the Disclosure Dissemination Agent and the Issuer pursuant to which disclosure dissemination services are to be provided by the Disclosure Dissemination Agent.

“Disclosure Representative” means the chief financial officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding

Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Dormitory Authority of the State of New York, as conduit issuer of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

“Resolution” means DASNY’s bond resolution(s) pursuant to which the Bonds were issued.

“Trustee” means The Bank of New York Mellon and its successors and assigns.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, not later than 120 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2016, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual

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Report to the MSRB through its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if audited financial statements are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer and the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person hereby irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to the Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, IRS notices or events affecting the tax status of the securities;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Tender offers;
 - 13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 14. Merger, consolidation, or acquisition of the Obligated Person, if material; and
 - 15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of

Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer or the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”

4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data;”

(viii) provide the Obligated Person and the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Issuer, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds in “PART 7 – THE UNIVERSITY” under the headings “OPERATING INFORMATION” and “ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions and enrollment*, similar to that set forth in the tables under the table headings “ADMISSION STATISTICS FOR FALL,” “TOTAL ENROLLMENT” and “MEAN SAT SCORES ENTERING FRESHMEN;” (2) *tuition and other student charges*, similar to that set forth in the table under the table heading “STUDENT CHARGES;” (3) *financial aid*, similar to that set forth in the table under the table heading “SCHOLARSHIPS AND GRANTS FROM ALL SOURCES BY SOURCE;” (4) *faculty*, similar to that set forth in the table under the table

heading “FACULTY PROFILE;” (5) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (6) *investments*, similar to that set forth under the headings “INVESTMENT VALUES AND RETURNS” and “ANNUAL INVESTMENT RETURNS,” unless such information is included in the Audited Financial Statements; (7) *plant values*, similar to that set forth under the heading “PLANT ASSETS,” unless such information is included in the Audited Financial Statements; and (8) *outstanding long term indebtedness*, similar to that set forth under the heading “**Outstanding Indebtedness and Other Obligations**,” unless such information is included in the Audited Financial Statements; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed the Securities and Exchange Commission or available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;

7. Modification to rights of the security holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Tender Offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(13) of this Section 4: For the purposes of the event described in subsection (a)(13) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify DASNY, the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, DASNY or the Trustee shall promptly notify the Obligated Person and also may notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to

subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Issuer, the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer or the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer or the Obligated Person desires to make, contain the written authorization of the Issuer or the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer or the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such

laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer or the Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer or Obligated Person desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the date the Issuer or Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer or Obligated Person, with the prior approval of DASNY, may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer or Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent may presume that the Obligated Person has obtained the prior approval of DASNY for such filing and shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person, with the approval of DASNY, from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If

the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement pursuant to the Disclosure Dissemination Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer or the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall

have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Issuer or the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Issuer or the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer or the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and neither of them shall incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4(b) hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under said

Appendix F

Section 4(b). DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Issuer, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Issuer, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, DASNY, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person, the Trustee or the Issuer and the assumption by any such successor of the covenants of the Obligated Person, the Trustee or the Issuer hereunder;

(iv) to add to the covenants of the Obligated Person, the Issuer or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person, the Issuer or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[remainder of page left intentionally blank]

Appendix F

The Disclosure Dissemination Agent, the Issuer, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION,
L.L.C.,**
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

FORDHAM UNIVERSITY,
Obligated Person

By: _____
Name: _____
Title: _____

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

By: _____
Authorized Officer

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Fordham University
Name of Bond Issue: Fordham University Revenue Bonds, Series 2016A
Date of Issuance: _____
Date of Official Statement: _____

Maturity

CUSIP No.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Fordham University
Name of Bond Issue: Fordham University Revenue Bonds, Series 2016A
Date of Issuance: _____

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of _____, by and among the Obligated Person, the Dormitory Authority of the State of New York, as Issuer, The Bank of New York Mellon, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Person

cc: Issuer
Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

Description of Notice Events (Check One):

- 1. _____ "Principal and interest payment delinquencies;"
- 2. _____ "Non-Payment related defaults, if material;"
- 3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
- 4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
- 5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
- 6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
- 7. _____ "Modifications to rights of securities holders, if material;"
- 8. _____ "Bond calls, if material;"
- 9. _____ "Defeasances;"
- 10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
- 11. _____ "Rating changes;"
- 12. _____ "Tender offers;"
- 13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
- 14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
- 15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of _____ by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of _____ by and among the Issuer, the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Issuer’s Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

- 1. _____ “quarterly/monthly financial information;”
- 2. _____ “change in fiscal year/timing of annual disclosure;”
- 3. _____ “change in accounting standard;”
- 4. _____ “interim/additional financial information/operating data;”
- 5. _____ “budget;”
- 6. _____ “investment/debt/financial policy;”
- 7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
- 8. _____ “consultant reports;” and
- 9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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