



DAC Bond

\$43,390,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
TEACHERS COLLEGE
REVENUE BONDS, SERIES 2017**

Dated: Date of Delivery

Due: July 1, as shown below

Payment and Security: The Teachers College Revenue Bonds, Series 2017 (the "Series 2017 Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY" or the "Authority") 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 February 8, 2017, between Teachers College (the "College") and DASNY, and (ii) all funds and accounts, except the Arbitrage Rebate Fund, established in connection with the Series 2017 Bonds. The Series 2017 Bonds are to be issued under DASNY's Teachers College Revenue Bond Resolution, adopted December 3, 2008 (the "Resolution") and a Series Resolution authorizing the Series 2017 Bonds, adopted February 8, 2017 (the "Series 2017 Resolution" and, together with the Resolution, the "Resolutions").

The Loan Agreement is a general, unsecured obligation of the College and requires the College to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal and Redemption Price of and interest on the Series 2017 Bonds.

The Series 2017 Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2017 Bonds. DASNY has no taxing power.

Description: The Series 2017 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due July 1, 2017 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2017 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 2017 Bonds, by wire transfer to the holder of such Series 2017 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2017 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, 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 2017 Bonds, by wire transfer to the holder of such Series 2017 Bonds as more fully described herein.

The Series 2017 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 2017 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2017 Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2017 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 2017 BONDS - Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2017 Bonds are subject to redemption or purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Nixon Peabody LLP, Co-Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by DASNY and the College described herein, interest on the Series 2017 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"). Nixon Peabody LLP is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. In addition, Nixon Peabody LLP and Drohan Lee LLP, as Co-Bond Counsel, are of the opinion that the interest on the Series 2017 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. See "PART 11 - TAX MATTERS" herein regarding certain other tax considerations.

Due July 1	Principal Amount	Interest Rate	Yield	CUSIP Number ¹	Due July 1	Principal Amount	Interest Rate	Yield	CUSIP Number ¹
2018	\$ 150,000	3.000%	0.900%	64990CQM6	2029	\$2,970,000	5.000%	3.030%*	64990CQY0
2019	155,000	5.000	1.130	64990CQN4	2030	3,120,000	5.000	3.100*	64990CQZ7
2020	2,020,000	4.000	1.380	64990CQP9	2031	3,265,000	4.000	3.500*	64990CRA1
2021	2,095,000	5.000	1.570	64990CQQ7	2032	3,395,000	5.000	3.250*	64990CRB9
2022	2,200,000	4.000	1.820	64990CQR5	2033	3,560,000	4.000	3.700*	64990CRC7
2023	2,285,000	5.000	2.070	64990CQS3	2034	795,000	3.750	3.810	64990CRD5
2024	2,395,000	3.000	2.370	64990CQT1	2035	820,000	3.750	3.890	64990CRE3
2025	2,460,000	5.000	2.570	64990CQU8	2036	845,000	4.000	3.930*	64990CRF0
2026	2,580,000	5.000	2.720	64990CQV6	2037	880,000	4.000	3.960*	64990CRG8
2027	2,705,000	5.000	2.830	64990CQW4	2038	915,000	4.000	3.970*	64990CRH6
2028	2,835,000	5.000	2.940*	64990CQX2	2039	945,000	4.000	3.980*	64990CRJ2

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriter. The offer of the Series 2017 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 Nixon Peabody LLP, New York, New York and Drohan Lee LLP, New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the College by its special counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its Counsel, Cozen O'Connor, New York, New York. DASNY expects to deliver the Series 2017 Bonds in definitive form in New York, New York, on or about March 30, 2017.

BofA Merrill Lynch

March 8, 2017

(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 2017 Bonds. Neither DASNY nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2017 Bonds.

* Priced at the stated yield to the first optional redemption date of July 1, 2027.

No dealer, broker, salesperson or other person has been authorized by DASNY, the College or the Underwriter to give any information or to make any representations with respect to the Series 2017 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 College or the Underwriter.

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 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

The College has reviewed the parts of this Official Statement describing the College, the principal and interest requirements, the refunding plan, the estimated sources and uses of funds and Appendix B. As a condition to delivery of the Series 2017 Bonds, the College will certify that as of the date of this Official Statement and of delivery of the Series 2017 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 College makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriter does not guarantee the accuracy or completeness of such information.

References in this Official Statement to the Act, the Resolution, the Series 2017 Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2017 Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2017 Resolution 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 College have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2017 BONDS, THE UNDERWRITER OF THE SERIES 2017 BONDS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2017 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2017 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITALS OF HISTORICAL FACT, CONSTITUTE "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE COLLEGE'S FINANCIAL RESULTS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN FORWARD-LOOKING STATEMENTS.

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

515 BROADWAY, ALBANY, N.Y. 12207
ALFONSO L. CARNEY, JR., ESQ. – CHAIR

OFFICIAL STATEMENT RELATING TO

\$43,390,000 **DORMITORY AUTHORITY OF THE STATE OF NEW YORK** **TEACHERS COLLEGE** **REVENUE BONDS, SERIES 2017**

PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about DASNY and the College in connection with the offering by DASNY of \$43,390,000 aggregate principal amount of its Teachers College Revenue Bonds, Series 2017 (the “Series 2017 Bonds”).

The following is a brief description of certain information concerning the Series 2017 Bonds, DASNY and the College. A more complete description of such information and additional information that may affect decisions to invest in the Series 2017 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 2017 Bonds are being issued for the purpose of providing funds which, together with other available money, will be used (i) to refund DASNY’s outstanding Teachers College Revenue Bonds, Series 2009 maturing after March 1, 2019 (the “Refunded Bonds”), and (ii) to pay the Costs of Issuance of the Series 2017 Bonds. See “PART 5 - THE REFUNDING PLAN” and “PART 6 - ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Series 2017 Bonds will be issued pursuant to the Act, DASNY’s Teachers College Revenue Bond Resolution, adopted December 3, 2008 (the “Resolution”) and the Series Resolution authorizing the issuance of up to \$50,000,000 Teachers College Revenue Bonds, adopted February 8, 2017 (the “Series 2017 Resolution,” and, together with the Resolution, the “Resolutions”). In addition to the Series 2017 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to 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 College and to refinance other indebtedness of the College. Each Series of Bonds will be separately secured from each other Series of Bonds. 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 2017 Bonds. The College’s obligations with respect to the Series 2017 Bonds issued under the Resolution will be a general unsecured obligation of the College. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS.”

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 College

The College is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Regents of the University of the State of New York. The College is located in New York City in Morningside Heights. See “PART 7 - THE COLLEGE” and “APPENDIX B - FINANCIAL STATEMENTS OF TEACHERS COLLEGE, AND INDEPENDENT AUDITORS’ REPORT.”

The Series 2017 Bonds

The Series 2017 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2017 and on each January 1 and July 1 thereafter) at the rates and will mature at the times set forth on the cover page of this Official Statement. See “PART 3 - THE SERIES 2017 BONDS - Description of the Series 2017 Bonds.”

Payment of the Series 2017 Bonds

The Series 2017 Bonds are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the College under the Loan Agreement. The Loan Agreement is a general, unsecured obligation of the College. Pursuant to the Resolution and the Series 2017 Resolution, the Revenues and DASNY’s right to receive the Revenues have been pledged to the Trustee. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS - Payment of the Series 2017 Bonds.”

Security for the Series 2017 Bonds

The Series 2017 Bonds will be secured by the pledge and assignment to the Trustee of the Revenues, the proceeds of the Series 2017 Bonds (until disbursed as provided by the Resolution) and all funds and accounts authorized by the Resolution and established by the Series 2017 Resolution (except the Arbitrage Rebate Fund). The Resolution authorizes the issuance by DASNY, from time to time, of Bonds in one or more Series, each such Series to be authorized by a separate Series Resolution. Each Series of Bonds issued under the Resolution will be separately secured. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS – Security for the Series 2017 Bonds.”

The Series 2017 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

The Series 2017 Bonds are payable solely from payments made by the College under the Loan Agreement, which payments are a general, unsecured obligation of the College. No interest in or pledge of any revenues or mortgage on any assets of the College is being granted by the College to DASNY under the Loan Agreement.

The College may in the future incur indebtedness secured by a pledge of or lien on revenues or assets of the College without granting to DASNY any such lien or pledge to secure the College’s obligations under the Loan Agreement.

The Refunding Plan

Substantially all of the proceeds of the Series 2017 Bonds, together with other available money, will be used to pay or provide for the payment of the Refunded Bonds. See “PART 5 - THE REFUNDING PLAN.”

PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2017 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2017 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 and the Series 2017 Resolution. Copies of the Loan Agreement, the Resolution and the Series 2017 Resolution 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 2017 Bonds

The Series 2017 Bonds will be special obligations of DASNY. The principal, Purchase Price and Redemption Price of and interest on the Series 2017 Bonds are payable solely from the Revenues, which consist of payments to be made by the College pursuant to the Loan Agreement on account of the principal, Purchase Price and Redemption Price of and interest on the Series 2017 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2017 Bonds.

The Loan Agreement is a general, unsecured obligation of the College and obligates the College to make payments to satisfy the principal, Purchase Price and Redemption Price of and interest on all Outstanding Series 2017 Bonds. Payments made by the College in respect of interest on the Series 2017 Bonds are to be made on the 10th day of each June and December immediately preceding the July 1 and January 1 on which interest is payable, in each case in an amount equal to the interest coming due on such July 1 or January 1. Payments by the College in respect of principal of the Series 2017 Bonds are to be made on the 10th day of each June immediately preceding the July 1 on which such principal becomes due. The Loan Agreement also obligates the College to pay, at least 15 days prior to a redemption date or purchase date of Series 2017 Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the Purchase Price or Redemption Price of such Series 2017 Bonds. See “PART 3 - THE SERIES 2017 BONDS - Redemption and Purchase in Lieu of Optional Redemption.”

DASNY has directed, and the College 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 and Redemption Price of and interest on the Series 2017 Bonds.

Security for the Series 2017 Bonds

The Series 2017 Bonds are secured by the pledge of the Revenues, the proceeds of the Series 2017 Bonds until disbursed in accordance with the Resolution and, except as otherwise provided in the Resolution, all funds and accounts established by the Series 2017 Resolution, other than the Arbitrage Rebate Fund. Each Series of Bonds issued pursuant to the Resolution will be separately secured from each other Series.

The Series 2017 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power.

The Series 2017 Bonds are payable solely from payments made by the College under the Loan Agreement, which payments are a general, unsecured obligation of the College. No interest in or pledge of any revenues or mortgage on any assets of the College is being granted by the College to DASNY under the Loan Agreement.

In connection with the issuance of (i) DASNY’s \$30,115,000 Teachers College Revenue Bonds, Series 2012A (the “Series 2012A Bonds”) and (ii) DASNY’s \$30,360,000 Teachers College Revenue Bonds, Series 2012B (the “Series 2012B Bonds”), the College granted to DASNY under the loan agreements relating to the Series 2012A Bonds and the Series 2012B Bonds, respectively, security interests in the College’s “Pledged Revenues” consisting of the tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof. See “PART 7 – THE COLLEGE – ANNUAL FINANCIAL STATEMENT INFORMATION – Outstanding Indebtedness.”

The College may in the future incur indebtedness secured by a pledge of or lien on revenues or assets of the College without granting to DASNY any such lien or pledge to secure the College’s obligations under the Loan Agreement.

No Debt Service Reserve Fund

No Debt Service Reserve Fund is being established for the benefit of the Series 2017 Bonds. DASNY, in its discretion, may establish a Debt Service Reserve Fund for the benefit of any future Series of Bonds issued pursuant to the Resolution. If so established, any such Debt Service Reserve Fund will not secure the Series 2017 Bonds.

Events of Default and Acceleration

The following are events of default under the Resolution with respect to the Series 2017 Bonds: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Bond; (ii) a default by DASNY in the payment of interest on any Series 2017 Bond; (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in the Resolution to comply with the provisions of the Code necessary to maintain the exclusion of interest on Series 2017 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 2017 Bonds or in the Resolution or the Series 2017 Resolution 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 has 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 College under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the College 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 2017 Bonds, must declare the principal of and interest on all the Outstanding Series 2017 Bonds to be due and payable. At any time after the principal of the Series 2017 Bonds have been 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 with the written consent of the Holders of not less than 25% in principal amount of Series 2017 Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, is to 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 College within five days, and to the Holders of the Series 2017 Bonds 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. However, except in the case of default in the payment of principal, Redemption Price of or interest on any of the Series 2017 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 2017 Bonds.

General

The Series 2017 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. See "PART 8 – DASNY."

Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2017 Bonds except for DASNY's responsibility to make payments from money received from the College pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2017 Resolution and pledged therefor.

PART 3 - THE SERIES 2017 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2017 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2017 Resolution 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 2017 Bonds.

Description of the Series 2017 Bonds

The Series 2017 Bonds will be issued pursuant to the Resolution and the Series 2017 Resolution and will be dated their date of delivery and bear interest from such date (payable July 1, 2017 and on each January 1 and July 1 thereafter) at the rates set forth on the cover page of this Official Statement.

The Series 2017 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2017 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 2017 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 2017 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2017 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.

The Series 2017 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 2017 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 2017 Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2017 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 2017 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 2017 Bonds, the Series 2017 Bonds will be exchangeable for fully registered Series 2017 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" below and "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

For a more complete description of the Series 2017 Bonds, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Redemption and Purchase in Lieu of Optional Redemption

The Series 2017 Bonds are subject to redemption and to purchase in lieu of optional redemption, as described below. For a more complete description of the redemption and other provisions relating to the Series 2017 Bonds, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Optional Redemption

The Series 2017 Bonds are subject to redemption prior to maturity at the option of DASNY on or after July 1, 2027, in any order, as a whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, plus accrued interest to the redemption date.

DASNY's obligation to optionally redeem a Series 2017 Bond called for redemption may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2017 Bonds to be redeemed on the Redemption Date. If sufficient money is available on the Redemption Date to pay the Redemption Price of the Series 2017 Bonds to be redeemed, the former registered owners of such Series 2017 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Redemption Price. If redemption has been conditioned upon the availability of sufficient money and sufficient money is not available on the Redemption Date for payment of the Redemption Price, the Series 2017 Bonds called for redemption will continue to be registered in the name of the registered owners on the Redemption Date, who will be entitled to the payment of the principal of and interest on such Series 2017 Bonds in accordance with their respective terms.

Purchase in Lieu of Optional Redemption

The Series 2017 Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the option of the College with the consent of DASNY, on or after July 1, 2027, in any order, as a whole or in part at any time, at a purchase price equal to 100% of the principal amount of the Series 2017 Bonds to be purchased, plus accrued interest (the "Purchase Price") to the date set for purchase (the "Purchase Date").

Special Redemption

The Series 2017 Bonds are subject to redemption prior to maturity at the option of DASNY in any order, as a whole or in part on any interest payment date, at a Redemption Price equal to 100% of the principal amount of Series 2017 Bonds to be redeemed, plus accrued interest to the redemption date, from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the portion of the Project to which such proceeds relate.

Selection of Bonds to be Redeemed

In the case of redemptions of less than all of the Series 2017 Bonds, DASNY will select the maturities of the Series 2017 Bonds to be redeemed and the Series 2017 Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2017 Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the redemption date to the registered owners of any Series 2017 Bonds which are to be redeemed, at their last known addresses appearing on the registration books of DASNY not more than ten Business Days prior to the date such notice is given. Each notice of an optional redemption will state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient money to pay the Redemption Price of the Series 2017 Bonds to be redeemed. The failure of any owner of a Series 2017 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2017 Bond.

If on the redemption date money for the redemption of the Series 2017 Bonds 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 such Series 2017 Bonds will cease to accrue from and after the redemption date and such Series 2017 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 2017 Bonds will be given in the name of the College to the registered owners of the Series 2017 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 2017 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2017 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2017 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 2017 Bonds.

Such Series 2017 Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The College's obligation to purchase a Series 2017 Bond to be purchased or cause it to be purchased may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2017 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 2017 Bonds to be purchased, the former registered owners of such Series 2017 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If purchase has been conditioned upon the availability of sufficient money and sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2017 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 2017 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2017 Bonds of a maturity are to be purchased, the Series 2017 Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2017 Bonds of a maturity to be optionally redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2017 Bonds, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." Also see "- Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2017 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 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered 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 2017 Bond certificate will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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, 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 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 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 2017 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 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 2017 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 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 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 will be sent to DTC. If less than all of the Series 2017 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 maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 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 2017 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 2017 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 Underwriter, the Trustee, the College 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.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2017 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2017 Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2017 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee have no responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2017 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2017 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2017 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 2017 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 that 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 2017 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 2017 BONDS.

So long as Cede & Co. is the registered owner of the Series 2017 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2017 Bonds (other than under the caption "PART 11 – TAX MATTERS" herein) means Cede & Co., as aforesaid, and does not mean the Beneficial Owners of the Series 2017 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 2017 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.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2017 Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2017 Bonds or (ii) a continuation of the requirement that all of the Outstanding Series 2017 Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2017 Bond certificates will be delivered as described in the Resolutions.

NEITHER DASNY, THE COLLEGE, THE UNDERWRITER NOR THE TRUSTEE 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 2017 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 2017 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 2017 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2017 BONDS; OR (VI) ANY OTHER MATTER.

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PART 4 - PRINCIPAL AND INTEREST REQUIREMENTS

The following table sets forth the amounts required to be paid by the College during each Fiscal Year ending August 31 for the payment of debt service on the currently outstanding indebtedness of the College, the principal of and interest on the Series 2017 Bonds and the total debt service on all indebtedness of the College, including the Series 2017 Bonds.

12 Month Period Ending on August 31	Total Debt Service on other Outstanding Indebtedness*	Principal Payments on the Series 2017 Bonds	Interest Payments on the Series 2017 Bonds	Total Debt Service on the Series 2017 Bonds	Total Debt Service*(1)
2017	\$8,198,163	-	\$ 493,451	\$ 493,451	\$ 8,691,613
2018	5,838,700	\$ 150,000	1,952,113	2,102,113	7,940,813
2019	5,835,450	155,000	1,947,613	2,102,613	7,938,063
2020	3,933,250	2,020,000	1,939,863	3,959,863	7,893,113
2021	3,936,000	2,095,000	1,859,063	3,954,063	7,890,063
2022	3,935,250	2,200,000	1,754,313	3,954,313	7,889,563
2023	3,931,000	2,285,000	1,666,313	3,951,313	7,882,313
2024	3,933,250	2,395,000	1,552,063	3,947,063	7,880,313
2025	3,931,500	2,460,000	1,480,213	3,940,213	7,871,713
2026	3,930,750	2,580,000	1,357,213	3,937,213	7,867,963
2027	3,935,750	2,705,000	1,228,213	3,933,213	7,868,963
2028	3,931,000	2,835,000	1,092,963	3,927,963	7,858,963
2029	5,481,750	2,970,000	951,213	3,921,213	9,402,963
2030	5,480,000	3,120,000	802,713	3,922,713	9,402,713
2031	5,484,250	3,265,000	646,713	3,911,713	9,395,963
2032	3,068,750	3,395,000	516,113	3,911,113	6,979,863
2033	3,064,000	3,560,000	346,363	3,906,363	6,970,363
2034	3,065,000	795,000	203,963	998,963	4,063,963
2035	3,066,250	820,000	174,150	994,150	4,060,400
2036	3,067,500	845,000	143,400	988,400	4,055,900
2037	3,068,500	880,000	109,600	989,600	4,058,100
2038	3,069,000	915,000	74,400	989,400	4,058,400
2039	3,068,750	945,000	37,800	982,800	4,051,550
2040	3,067,500	-	-	-	3,067,500
2041	3,065,000	-	-	-	3,065,000
2042	3,066,000	-	-	-	3,066,000

* Excludes debt service on the Refunded Bonds. Does not include lines of credit or letters of credit. See "PART 7 – THE COLLEGE – ANNUAL FINANCIAL STATEMENT INFORMATION – Outstanding Indebtedness."

(1) Totals may not add up due to rounding.

PART 5 - THE REFUNDING PLAN

Substantially all of the proceeds of the Series 2017 Bonds will be used to provide for the payment of the Refunded Bonds. Upon issuance of the Series 2017 Bonds, such proceeds are expected to be used to acquire Defeasance Securities, the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the principal and redemption price of the Refunded Bonds and the interest on the Refunded Bonds to March 1, 2019, the date fixed for redemption.

Upon the issuance and delivery of the Series 2017 Bonds, the Defeasance Securities will be deposited with the trustee for the Refunded Bonds and will be held in trust solely for the payment of the principal and redemption price of and interest on the Refunded Bonds. At the time of such deposit, DASNY will give irrevocable instructions to the trustee to give notice of the defeasance and redemption of the Refunded Bonds and to apply the proceeds from the Defeasance Securities together with any initial cash deposit to the payment of the principal and redemption price of and interest on the Refunded Bonds. In connection with the refunding, Nixon Peabody LLP 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

The estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2017 Bonds	\$43,390,000.00
Net Original Issue Premium	<u>4,925,903.70</u>
Total Sources	<u>\$48,315,903.70</u>

Uses of Funds

Deposit to Refunding Escrow	\$47,618,051.10
Costs of Issuance ¹	422,357.75
Underwriter's Discount	<u>275,494.85</u>
Total Uses	<u>\$48,315,903.70</u>

¹ Includes legal fees and associated costs relating to issuance of the Series 2017 Bonds.

PART 7 - THE COLLEGE

GENERAL INFORMATION

Introduction

Teachers College, commonly known as Teachers College, Columbia University, was founded in 1887 and chartered in 1889 by the Regents of the University of the State of New York as an independent corporation. Teachers College is an independent, coeducational, non-sectarian, graduate school of education.

Teachers College became affiliated with Columbia University in 1898; the affiliation was formalized by an agreement between the two Boards of Trustees in 1915, which has been amended from time to time thereafter, and was most recently amended and restated in October 2004. The agreement covers many subjects, such as the selection of instructional personnel, the procedures for achievement of certain degrees and the sharing of libraries and other academic facilities. Under the agreement, the College is the Graduate School of Education of Columbia University and degrees earned at the College are conferred in the name of Columbia University. The President of the College holds the rank of Dean of Columbia University, and the faculty of Teachers College are considered faculty of Columbia University. However, the two institutions are independent 501(c)(3) organizations, neither controlled by the other, and are not consolidated for financial reporting purposes. Neither institution is liable or responsible for the payment of the debts or other obligations of the other institution. In particular, Columbia University is not guaranteeing nor is in any way liable for the payments of the College pursuant to the Loan Agreement with respect to the Series 2017 Bonds.

Teachers College is accredited by the Middle States Commission on Higher Education. In addition, the College's educational programs are accredited by a number of accrediting bodies, including the Council for the Accreditation of Educator Preparation, the American Psychological Association, the American Speech-Language Hearing Association, and the American Dietetic Association, among many others.

Academic Programs

Degrees are awarded at both the masters and doctoral levels. Masters degrees include the Master of Education (Ed.M.), the Master of Arts (M.A.), and Master of Science (M.S.). Doctoral degrees include the Doctor of Education (Ed.D.), the Doctor of Education in the College Teaching of an Academic Subject (Ed.D.-CTAS), and the Doctor of Philosophy (Ph.D.). The following programs are currently offered by the College:

Arts and Humanities: Includes degree programs in Applied Linguistics; Art and Art Education; Arts Administration; Bilingual/Bicultural Education; Music and Music Education; History and Education; Philosophy and Education; Teaching English to Speakers of Other Languages (TESOL); Teaching of English; and Teaching of Social Studies.

Biobehavioral Sciences: Includes degree programs in Applied Physiology; Communication Sciences and Disorders/Speech and Language Pathology; Motor Learning and Control; Physical Education; Curriculum and Teaching in Physical Education; and Neuroscience and Education.

Counseling and Clinical Psychology: Includes degree programs in Clinical Psychology; Counseling Psychology; and Psychology in Education.

Curriculum and Teaching: Includes degree programs in Curriculum and Teaching; Early Childhood Education; Early Childhood Special Education; Elementary Education; Elementary Inclusive Education; Elementary Inclusive Education and Teaching Students with Disabilities; Elementary Professional Certification Program; Elementary Gifted Education; Leadership and Educational Change (Singapore); Literacy Specialist; and Secondary Education.

Education Policy and Social Analysis: Includes degree programs in Economics and Education; Education Policy; Politics in Education; and Sociology and Education.

Health and Behavior Studies: Includes degree programs in Applied Behavior Analysis; Community Health Education; Diabetes Education & Management; Education of Deaf and Hard of Hearing; Guidance and Rehabilitation; Health Education; Intellectual Disability – Autism (in Adolescence, Early Childhood, and Childhood); Teaching of Students with Multiple Severe Disabilities; Community Nutrition Education; Nutrition and Exercise Physiology; Nutrition and Public Health; Nutrition Education; Reading Specialist; and Applied Development Learning – School Psychology.

Human Development: Includes degree programs in Cognitive Studies in Education; Developmental Psychology; Learning Analytics; Applied Statistics; and Measurement and Evaluation.

International and Transcultural Studies: Includes degree programs in Anthropology and Education; Comparative and International Education; and International Educational Development.

Mathematics, Science and Technology: Includes degree programs in Mathematics Education; Science and Dental Education; Science Education (Biology 7-12, Chemistry 7-12, Earth Science 7-12, Physics 7-12, Supervisor/Teacher of Science Education, and Teacher Education in Science); Computing in Education (online and in person); Communication and Education; Design and Development of Digital Games; Instructional Technology and Media; and Technology Specialist.

Organization and Leadership: Includes degree programs in Adult Learning and Leadership; Adult Education Guided Intensive Study (AEGIS); Private School Leadership and Business (Dual Degree MA & MBA); Private School Leadership; Public School Leadership; Summer Principals Academy; Urban Education Leaders Program; Nursing Education; Higher and Postsecondary Education; Change Management; and Social-Organizational Psychology.

Governance

The College is governed by its Trustees, who elect their own members. The College's charter provides that the Trustees shall be composed of not less than 25 or more than 40 members. Currently, the Board of Trustees consists of 34 members, including the Presidents of Teachers College and Columbia University. Trustees may serve an unlimited number of consecutive three-year terms. The Trustees have regular meetings four times a year and have established several committees: standing Committees on Academic Affairs, Audit, Business and Finance, Compensation, Development and External Affairs, Investment, and Trustees, and special committees on Facilities, Library, and Student Affairs. The current Trustee membership and its officers are as follows:

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Andres Alonso
Harvard Graduate School of Education

Lee C. Bollinger
Columbia University

Reveta Bowers
The Center for Early Education

George Cigale
Tutor.com

Geoffrey J. Colvin ⁽¹⁾
CEW Partners

James P. Comer
Yale School of Medicine

Joyce B. Cowin
Joyce & Daniel Cowin Foundation

Nancy Rauch Douzinas
Rauch Foundation

Dawn Duques
First Data Corporation

Lisa Evans
(on leave)
Asia Society

Susan Fuhrman, ex officio
President
Teachers College, Columbia University

Ruth L. Gottesman ⁽¹⁾
Yeshiva University

Patricia Green ⁽¹⁾
Green Charitable Foundation

Diane Halvorsen

John W. Hyland, Jr. ⁽²⁾
Media Advisory Partners, LLC

Paul LeClerc ⁽¹⁾
National Book Foundation

Eduardo J. Marti ⁽¹⁾
Former Vice Chancellor for
Community Colleges (CUNY)

Kent McGuire ⁽¹⁾
Southern Education Foundation

Leslie Nelson ⁽¹⁾
Nelson-Giroux, Inc.

Dailey J. Pattee ⁽¹⁾
The Pattee Foundation, Inc.

Caroline Rosen
Your Child in Focus

E. John Rosenwald, Jr.
JP Morgan

William D. Rueckert ⁽²⁾
Oyster Management, LLC

Marla Schaefer ⁽¹⁾
MSW Capital, LLC

Edith Shih
Hutchison Whampoa Limited

Nancy Simpkins
Klingenstein Third Generation
Foundation

Camilla Smith ⁽¹⁾
Friends of the San Francisco Public
Library

Joshua Solomon
Business of Sports School

Missie Taylor ⁽¹⁾
Silvercrest Group

Valerie Wayne ⁽¹⁾
Rockefeller Brothers Fund

Steven R. Wechsler
Tishman Speyer Properties

Sue Ann Weinberg ⁽¹⁾
John L. and Sue Ann Weinberg
Foundation

Bruce Wilcox ⁽¹⁾
Cumberland Associates, LLC

Christopher Williams
(on leave)
The Williams Capital Group, LP

⁽¹⁾ Chair or Vice Chair of Committee of the Board

⁽²⁾ Co-Chair of the Board of Trustees

Administration

The current executive officers of the College are:

Susan Fuhrman, Ph.D. was appointed President of the College in August 2006. Dr. Fuhrman previously served as Dean of the University of Pennsylvania's Graduate School of Education, as well as that school's George and Diane Weiss Professor of Education. She also serves as Chair of the Management Committee of the Consortium for Policy Research in Education (CPRE), which was founded in 1985 as a joint venture among seven universities. CPRE was the first federally funded center established to evaluate state and local school reforms. Dr. Fuhrman received her Bachelor's and Master's degrees in history from Northwestern University in Chicago, Illinois, and a Ph.D. in political science and education from Teachers College. Her many professional involvements include past membership on the Board of Trustees of the Carnegie Foundation for the Advancement of Teaching and the National Coalition on Asia and International Studies in the Schools. She is also President of the American Educational Research Association, former President of the National Academy of Education, and a non-executive Director of Pearson plc, the international education and publishing company.

Thomas James, Ph.D. was appointed Provost and Dean of the College in July 2007; he also holds a tenured professorship in educational history. Provost James worked previously as Dean of the School of Education at the University of North Carolina at Chapel Hill from 2003 to 2007, and before that as Associate Dean for Academic Affairs and subsequently Vice Dean at the Steinhardt School of Education at New York University (1996 to 2003), simultaneously holding the rank of tenured Full Professor in those institutions. His earlier faculty roles were at Wesleyan University and Brown University. He earned his undergraduate degree from Harvard University (1970) and his M.A. and Ph.D. degrees in history and education from Stanford University in 1982 and 1984, respectively. He is a nationally recognized scholar and expert in the history of American education, public policy and education, and the role of experience in education.

Harvey W. Spector was appointed Vice President for Finance and Administration in June 2007. Mr. Spector has over 30 years of experience in the management of the financial and administrative activities of municipal and not-for-profit institutions, including serving as Vice President for Finance and Operations at the Fashion Institute of Technology from 1996 to 2007, Budget Director for the New York City Transit Authority from 1992 to 1996 and Deputy Budget Director for the City of New York from 1985 to 1990. Mr. Spector received a Bachelor's degree in Government from Ohio University in 1971, and his Master's degrees in both city and regional planning and in public administration from The Ohio State University.

Katie Conway, Ed.D. has been at Teachers College since 2009 and was appointed Secretary of the College and Chief of Staff to the President in 2015; she also holds a coterminous faculty appointment in the Higher & Postsecondary Education program at the College. Prior to joining the College in 2009, she worked at Columbia University for nearly a decade as Director of Academic Affairs for the Columbia University Medical Center and in institutional research and strategic planning for both the undergraduate college and the central administration. She earned her undergraduate degree from Columbia College, Columbia University and her M.A., Ed.M., and Ed.D. degrees from Teachers College. Her research focuses on the faculty career.

Suzanne M. Murphy was appointed Vice President for Development and External Relations of the College on February 1, 2008. Prior to her appointment at Teachers College, Ms. Murphy served as Vice President for College Resources at Sarah Lawrence College for nearly seven years, overseeing development, communications and alumni relations efforts. From 1987 to 2001, Ms. Murphy held the positions of Dean of Enrollment Management, and then Vice President for External Affairs and Enrollment Services at Marymount Manhattan College. Ms. Murphy received her undergraduate degree from Marymount Manhattan College in 1987, and her Master's and Ed.M. degrees from Teachers College in 1996 and 1999, respectively.

Facilities

The College is housed in six academic buildings and seven residential buildings (which house students as well as faculty and staff) situated in New York City's Morningside Heights neighborhood, occupying an entire square block and certain adjacent areas. The College's facilities total over one million square feet, all of which are owned by the College. The College also leases space at two locations in Manhattan to accommodate administrative and faculty offices.

OPERATING INFORMATION

Admissions

Teachers College receives applications substantially in excess of the number of students it accepts into its programs. The following table reflects application statistics for each of the last four and the current academic years starting in the fall of 2013 through the fall of 2017 (an academic year is the 12-month period of September 1 through August 31):

ADMISSIONS STATISTICS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Doctoral Applications	1,360	1,351	1,290	1,547	1,709
Doctoral Admitted	262	225	229	227	367
New Doctoral Enrolled	145	128	122	125	229
Doctoral Admit %	19%	17%	18%	15%	13%
Doctoral Enrolled % of Admits	55%	57%	53%	55%	62%
Master's Applications	5,481	5,716	5,208	5,606	5,261
Master's Admitted	3,045	3,173	2,849	3,363	3,535
Master's Enrolled	1,743	1,797	1,732	1,694	1,843
Master's Admit %	56%	56%	55%	60%	67%
Master's Enrolled % of Admits	57%	57%	61%	50%	52%

Enrollment

The College's student body is drawn from across the country and over 80 foreign nations. The students range from recent college graduates to experienced professionals, with the median age of students being the late 20s. Roughly one-third of the students pursue their studies on a full-time basis and are working toward the graduate master's or doctoral degrees. The remaining two-thirds of students are enrolled on a part-time basis, many of them already professionals in their fields. Each year, approximately 2,000 students complete the work for the master's degree and approximately 200 complete the work for the doctorate. The College is executing a strategic rebalancing between degree programs, intended to result in enrollment of more master's degree students and slightly fewer doctoral degree students. Additionally, the College intends to expand its current suite of digital learning courses, including credit, non-credit and certificate programs.

The following tables summarize the College's enrollment history for each of the last four and the current academic years starting in the fall of 2013 through the fall of 2017:

ENROLLMENT SUMMARY

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Full-Time	1,746	1,695	1,751	1,714	1,811
Part-Time	3,553	3,510	3,371	3,376	3,340
Headcount*	5,299	5,205	5,122	5,090	5,151
Full-Time Equivalents**	3,523	3,450	3,437	3,402	3,319

* Headcount enrollment represents the number of individual students attending the College during the fall semester.

** Full-time equivalents are calculated by taking the total number of full-time students and half the number of part-time students. Twelve credits is the normal full-time load at the College.

Tuition and Fees

Shown below are charges for academic years 2013 through 2017.

STUDENT CHARGES

<u>Academic Year</u>	<u>Tuition</u>	<u>Registration Fees</u>	<u>Total</u>
2013	\$30,864	\$796	\$31,660
2014	32,256	816	33,072
2015	33,552	836	34,388
2016	34,896	856	35,752
2017	36,288	876	37,164

The College evaluates its courses on a credit point basis. For the academic year 2017, the standard tuition fee was \$1,512 per credit point. The average tuition cost for a full-time student taking 12 credit points per semester was \$18,144 per semester, or \$36,288 per academic year. The average tuition cost for academic year 2017 for a part-time student taking an average five credit points per semester was \$7,560 per semester, or \$15,120 per academic year. In addition, all students pay a college registration fee of \$438 per semester.

Various other fees are charged depending upon the services provided (special courses taken, laboratory, library and research work, etc.).

Other Student Expenses

The College also provides residence facilities consisting of 698 single units and 89 family units. Monthly rates for single rooms for the academic year 2017 range from \$1,045 to \$2,619. Apartments for students with families are also available ranging from \$2,493 to \$2,872 per month. The College offers a variety of meal plans.

Sources of Financial Aid

The College has various scholarship and aid programs which helped approximately 2,500 students during academic year 2016. Students attending the College are eligible to participate in programs under Title IV of the Higher Education Act of 1965 (as amended), including the Perkins Loan Program and the Direct Loan Program (guaranteed student loans). The College also participates in various New York State student assistance programs. The availability and amount of the various State and federal programs depend on annual appropriations by the State legislature or Congress and the funding of such programs. Many students also obtain private bank loans.

A summary of the funds provided for financial aid and their source for the past five Fiscal Years ended August 31 of the years shown is as follows:

SOURCES OF FINANCIAL AID

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Federal Stafford Loans	\$47,613,645	\$44,152,601	\$41,705,759	\$40,075,096	\$38,811,442
Federal Perkins Loans	318,750	527,151	582,000	524,000	444,000
Federal Plus Loans	31,639,518	31,963,453	35,106,190	35,929,815	36,788,441
Federal Teach Loan	238,500	195,000	132,270	320,573	415,652
Private Bank Loans	535,425	221,000	1,173,199	1,044,130	972,399
Institutional Financial Aid*	<u>19,807,404</u>	<u>19,996,585</u>	<u>22,298,796</u>	<u>26,481,699</u>	<u>29,545,615</u>
Total	\$100,153,242	\$97,057,803	\$100,998,214	\$104,375,313	\$106,977,549

* Does not include Federal Work-Study or tuition remission.

Faculty

The College has 179 full-time faculty, of which 73% are tenured. In addition there are another 97 full-time equivalent (FTE) part-time and adjunct professors. The College’s faculty is appointed within one of three academic ranks: Assistant Professor, Associate Professor and Full Professor.

The following table sets forth the faculty profile for each of the last four and the current academic years.

	<u>FACULTY PROFILE</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Full-Time Faculty on Appointment	155	156	156	170	179
Part-Time & Adjunct Faculty FTE	<u>125</u>	<u>124</u>	<u>124</u>	<u>113</u>	<u>97</u>
Full-Time Equivalent Faculty	280	280	280	283	276
Percent of Faculty on Appointment Tenured	55%	55%	56%	60%	65%

Employee Relations

The College has a long-standing relationship with three bargaining units. The College’s in-house maintenance, custodial and security force currently consists of 94 employees that are represented by Local 707 of the Teamsters. The College’s 89 secretarial and clerical employees are represented by Local 2110 of the United Auto-Workers. In addition, the College employs six employees at a faculty apartment building who are represented by Local 32B-32J of the Service Employees Union.

The agreements with these bargaining units average three years in length and the current agreements expire in February, 2018 (Local 2110), December, 2019 (Local 707) and April, 2018 (Local 32B-32J). The College has not experienced a work stoppage or formal slowdown in the past decade.

ANNUAL FINANCIAL STATEMENT INFORMATION

Financial Statement Information

The College’s financial statements are prepared in accordance with U.S. generally accepted accounting principles. The following table summarizes the College’s unrestricted revenues and expenses and other changes in net assets for the last five Fiscal Years. This summary is derived from the audited financial statements of the College for such periods and should be read in conjunction with the College’s financial statements included in Appendix B of this Official Statement. There has been no material adverse change in the College’s financial position since August 31, 2016.

The following table presents a summary of the changes in the net assets of the College for the past five Fiscal Years.

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Summary of Changes in Net Assets
Fiscal Year Ended August 31,
(in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Changes in unrestricted net assets:					
Operating revenues:					
Gross Student tuition and fees	\$ 126,028	\$ 130,648	\$ 133,947	\$ 138,976	\$ 143,072
Financial aid	<u>(19,807)</u>	<u>(19,997)</u>	<u>(22,299)</u>	<u>(26,482)</u>	<u>(29,546)</u>
Student tuition and fees, net	106,221	110,651	111,648	112,494	113,526
Grants and contracts	44,286	43,100	41,122	50,072	50,838
Contributions	1,826	3,042	3,620	2,574	2,778
Investment return used in operations	8,496	10,371	11,397	12,182	12,870
Sales and service of auxiliary enterprises	21,067	20,042	19,623	19,659	22,762
Other sources	2,485	3,885	3,577	3,182	2,944
Net assets released from restrictions	<u>1,583</u>	<u>2,370</u>	<u>1,906</u>	<u>2,493</u>	<u>2,255</u>
Total operating revenues	185,964	193,461	192,893	202,656	207,973
Operating expenses:					
Instruction	62,475	64,928	65,920	67,955	72,161
Research, training, and public service	38,772	37,581	37,607	43,271	45,403
Academic support	13,437	14,332	15,622	16,944	17,546
Student services	9,285	9,503	9,851	10,362	9,794
Institutional support	30,448	32,963	34,597	34,708	37,446
Auxiliary services	<u>21,922</u>	<u>21,624</u>	<u>21,483</u>	<u>22,533</u>	<u>23,310</u>
Total operating expenses	176,339	180,931	185,080	195,773	205,660
Increase (decrease) in unrestricted net assets from operations	9,625	12,530	7,813	6,883	2,313
Nonoperating activities:					
Contributions			944	264	1,215
Total investment return net of amounts used in operations	(542)	5,681	11,020	(5,470)	(4,020)
Pension and postretirement changes other than net periodic benefit cost	(11,564)	10,459	(11,536)	3,262	(7,658)
Loss on refinancing of debt	(854)	-	-	-	-
Net assets released from restrictions	355	407	266	112	
Other (net)	<u>21</u>	<u>634</u>	<u>134</u>	<u>12</u>	<u>(82)</u>
Increase (decrease) in unrestricted net assets	<u>(2,959)</u>	<u>29,711</u>	<u>8,641</u>	<u>5,063</u>	<u>(8,232)</u>
Changes in temporarily restricted net assets:					
Contributions	3,266	7,119	5,962	6,945	8,792
Investment return, net of amounts appropriated	(1,123)	10,608	21,243	(10,537)	(6,278)
Net assets release from restrictions	(1,938)	(2,777)	(2,173)	(2,604)	(2,255)
Other (net)	<u>(689)</u>	<u>(117)</u>	<u>(7)</u>	<u>(70)</u>	<u>(137)</u>
Increase (decrease) in temporarily restricted net assets	<u>(484)</u>	<u>14,833</u>	<u>25,025</u>	<u>(6,266)</u>	<u>122</u>
Changes in permanently restricted net assets:					
Contributions	3,085	4,875	6,005	846	12,808
Other (net)	<u>655</u>	<u>(547)</u>	<u>15</u>	<u>(235)</u>	<u>178</u>
Increase in permanently restricted net assets	<u>3,740</u>	<u>4,328</u>	<u>6,020</u>	<u>611</u>	<u>12,986</u>
Increase (decrease) in net assets	\$297	\$48,872	\$39,686	\$(592)	\$4,876

In the Fiscal Year ended August 31, 2016, unrestricted operating revenues totaled approximately \$208 million. The College's principal sources of unrestricted operating revenues were student tuition and fees, net of student aid, representing 55% of such revenues; grants and contracts for research and training programs, representing 24% of unrestricted operating revenues; sales and services of auxiliary enterprises comprised 11%; investment return used in operations comprised 6%; and contributions received for unrestricted operating use, net assets released from restrictions and other sources comprised the remaining 4% of unrestricted operating revenues. Operating expenses totaled \$206 million; program services expenses, which consist of all expenses other than institutional support, represented 82% of total expenses, at \$168 million. The increase in unrestricted net assets from operations was approximately \$2.3 million.

Unrestricted net assets decreased by approximately \$8.2 million due to a \$10.5 million decrease from nonoperating activities in the Fiscal Year ended August 31, 2016. The decrease in unrestricted net assets from nonoperating activities was primarily driven by pension and postretirement changes other than net periodic benefit cost of -\$7.7 million and investment return net of amounts appropriated of -\$4 million. Temporarily restricted net assets increased by \$122,000 primarily due to contributions of \$8.8 million offset by investment return net of amounts appropriated of -\$6.2 million. Permanently restricted net assets increased by \$13 million principally from contributions. Overall, the College's net assets increased by \$4.9 million in the Fiscal Year ended August 31, 2016 as a result of the changes described herein.

Government Contracts and Grants

The College receives grants and contracts from federal, state, and local government sources. In the Fiscal Year ended August 31, 2016, the College received approximately \$31.5 million of government research and training grants. Included in the Fiscal Year ended August 31, 2016 amount was \$5.9 million of indirect cost recovery associated with administering these grants. In the Fiscal Year ended August 31, 2016, indirect cost revenue was calculated at a rate of 68.9% of the salary component of research grants and 8% of total direct costs on training grants. Indirect cost recovery rates for the future are subject to negotiation with the federal government. Government grants and current contracts revenue for the past five years are reflected in the table below.

Government Contracts and Grants Fiscal Year ended August 31 (in thousands)

<u>Fiscal Year</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
2016	\$16,072	\$427	\$16,048	\$32,547
2015	17,184	515	15,024	32,723
2014	12,783	254	11,345	24,382
2013	14,427	109	12,599	27,135
2012	15,432	14	11,038	26,484

The College received \$864,000 in the Fiscal Year ended August 31, 2016 in the form of Federal Work Study financial aid grants.

The College receives funding from New York State in the form of Bundy Aid, a program that allocates funds to not-for-profit institutions of higher education based on the number of academic degrees conferred in the preceding year. For the Fiscal Year ended August 31, 2016, the College received \$550,000 in Bundy Aid.

Fundraising

The table below summarizes annual support for the last five Fiscal Years, including private grants and contracts, contributions and pledges and is presented in accordance with generally accepted accounting principles.

Summary of Fundraising Fiscal Year Ended August 31 (in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Unrestricted	\$19,629	\$19,016	\$21,303	\$20,188	\$21,068
Temporarily Restricted	3,266	7,119	5,962	6,945	8,792
Permanently Restricted	<u>3,085</u>	<u>4,875</u>	<u>6,005</u>	<u>846</u>	<u>12,808</u>
Total	\$25,980	\$31,010	\$33,270	\$27,979	\$42,688

The College announced a \$300 million capital campaign in November 2013 titled "Where the Future Comes First" which consists of various initiatives. Through January 31, 2017, the College has raised approximately \$275 million (unaudited) in gifts and pledges.

Investments

At August 31, 2016, the fair market value of all investments, including money market funds, fixed income securities, domestic common stock, international equities, mutual funds, common trust funds, exchange traded funds, nonpublic equity funds and private equity and real estate funds amounted to \$293,689,770. At December 31, 2016, the fair market value of the College's investments totaled \$306,016,782* which reflected additional gifts received and changes in market valuation. The value of the College's investments may be negatively impacted by adverse events in the financial markets.

According to its endowment spending policy, the College allocates the income from certain long-term investments (i.e., endowment and similar funds) to operations under the total return method. In each Fiscal Year ended August 31, 2012 through August 31, 2016, under this method, 5% of a sixteen-quarter moving average of the fair value of these long-term investments was transferred to operations.

The College's Investment Policy for the Endowment Fund is to manage a balanced fund using external managers for domestic and international equity, fixed income and various partnerships for private equity and real estate. The assets are managed to maximize the total return. Endowment beneficiaries receive an annual distribution in accordance with the College's spending policy.

The Investment Committee of the Board of Trustees oversees the investment of the endowment and similar funds, including the selection of external managers, the allocation of investments among managers and any restrictions on the amounts of funds in any type of investment. As of December 31, 2016, 67%* of the endowment was invested in equity and equity-like securities, 27%* was invested in fixed income investments and cash, and 6%* was invested in non-traditional investments.

The College maintains a liquidity level that it believes is well in excess of short term cash needs. At August 31, 2016, approximately \$165 million or 50% of the investment and cash portfolio provided daily liquidity with an additional \$49 million or 15% providing at least quarterly liquidity.

The following table sets forth the fair value of investments for the past five Fiscal Years.

Fair Value of Investments
Fiscal Year Ended August 31
(in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Unrestricted	\$76,827	\$93,530	\$106,210	\$106,544	\$ 113,010
Temporarily Restricted	67,099	77,894	99,122	88,474	82,280
Permanently Restricted	<u>77,080</u>	<u>82,363</u>	<u>85,821</u>	<u>87,414</u>	<u>98,400</u>
Total	\$221,006	\$253,787	\$291,153	\$282,432	\$293,690

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* Unaudited figures.

Plant Assets

The following tabulation shows the net investment in plant assets as of the close of each of the last five Fiscal Years.

	Plant Assets				
	Fiscal Year Ended August 31				
	(in thousands)				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Land	\$ 692	\$ 692	\$ 692	\$ 692	\$ 692
Buildings, Improvements & Construction in Progress	212,665	223,390	244,991	267,887	280,820
Furniture & Equipment	44,405	46,159	48,561	51,113	54,961
Less: Accumulated Depreciation	<u>(138,049)</u>	<u>(146,989)</u>	<u>(156,235)</u>	<u>(166,620)</u>	<u>(177,924)</u>
Total	\$119,713	\$123,252	\$138,009	\$153,072	\$158,549

The College carries property insurance on its buildings and their contents, excluding land and building foundations, based on their replacement cost.

Outstanding Indebtedness

The College's outstanding short-term debt and long-term debt as of August 31, 2016 was as follows:

Outstanding Indebtedness **Fiscal Year Ended August 31** **(in thousands)**

Long-term debt issued by the Dormitory Authority of the State of New York on behalf of the College:

Revenue Bonds, Series 2009	48,846 ⁽¹⁾
Revenue Bonds, Series 2012A	28,445
Revenue Bonds, Series 2012B	<u>33,056</u>
Total debt outstanding	110,347
Less: unamortized bond issue costs	<u>(1,988)</u>
	\$108,359

⁽¹⁾ Proceeds of the Series 2017 Bonds will be applied to refund and defease \$44,160,000 principal amount of the Series 2009 Bonds.

The College also has a \$15 million line of credit which was not drawn upon in the Fiscal Year ended August 31, 2016. Currently, there is no outstanding unpaid balance on the line of credit. For a full description of the College's outstanding indebtedness, refer to the College's financial statements included as Appendix B to this Official Statement.

The loan agreements relating to the Series 2009 Bonds, Series 2012A Bonds and Series 2012B Bonds contain certain financial covenants. Failure to comply with such covenants does not constitute an event of default under such loan agreements; however, DASNY may require that the College engage a management consultant. Such loan agreements also contain certain limitations on the ability of the College to incur additional indebtedness.

Benefit Plans

The College has a non-contributory defined benefit plan covering nonacademic union employees. Benefits under this plan are based on years of service and the employee's regular remuneration averaged over the period of the highest five consecutive years during the last ten years of service.

In addition, the College provides health insurance coverage to eligible retired faculty and professional staff and their dependents. Faculty and professional staff hired before January 1, 2006 become eligible for these benefits if they are at least 55 years of age and have a minimum of 15 years of service. This plan was amended on June 16, 2010; under the revised plan eligible professional staff who retire after August 31, 2011 and eligible faculty who retire after August 31, 2013 have a reduced benefit and must contribute to the plan based upon their age and years of service. Faculty and professional staff hired on or after January 1, 2006 may obtain retiree health insurance only if they pay for it; the College is not contributing to this benefit.

The College also has a contributory defined contribution plan covering academic and professional employees.

Total operating expense for these plans for the past five Fiscal Years ended August 31 are as follows:

Pension and Postretirement Expenses			
Fiscal Year Ended August 31			
<u>(in thousands)</u>			
<u>Fiscal Year</u>	<u>Defined Benefit Plan</u>	<u>Post-retirement Health</u>	<u>Defined Contribution Plan</u>
2012	\$2,068	\$ 41	\$6,059
2013	2,316	960	6,403
2014	1,141	524	6,521
2015	1,338	1,415	6,748
2016	1,808	1,493	7,307

For further information, refer to the financial statements included as Appendix B to this Official Statement.

LITIGATION

The College, in the normal course of its operations, is a defendant in various lawsuits. While it is not possible for the College to predict the ultimate outcomes, management of the College does not expect the ultimate resolution of these actions to have a material adverse effect on the College's financial position or results of operations.

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, 2016, DASNY had approximately \$49 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 507 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 46 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 term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

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 expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

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 expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. 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. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

PAUL S. ELLIS, ESQ., New York.

Paul S. Ellis was appointed as a Member of DASNY by the Speaker of the State Assembly on September 19, 2016. Mr. Ellis is the Managing Member of Paul Ellis Law Group LLC, a law firm with a corporate/securities/capital markets practice with emphasis on private placements, mergers and acquisitions, venture capital/private equity transactions and joint ventures. He previously worked for Donovan Leisure Newton & Irvine and Winston & Strawn and served in staff positions in the U.S. Senate and the Massachusetts House of Representatives. He co-founded the New York Technology Council and serves on the Board of the NY Tech Alliance and as Chairman of the Housing Committee of Bronx Community Board 8. He holds a Bachelor of Arts degree from Harvard University and a Juris Doctor degree from Georgetown University Law Center.

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 Juris Doctor degree from Fordham University School of Law and a Master of Laws degree 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 Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

The principal staff of DASNY is as follows:

GERRARD P. BUSHHELL 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 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, insurance and information services, 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. In addition, he is responsible for the supervision of DASNY's environmental affairs unit. 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 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, real property, sustainability and engineering, as well as other technical 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.

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, 2016. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 - LEGALITY OF THE SERIES 2017 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2017 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 2017 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 2017 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 2017 Bonds.

PART 11 - TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. Pursuant to the Series 2017 Resolution, the Loan Agreement and the Tax Certificate executed in connection with the original authentication and delivery of the Series 2017 Bonds, DASNY and the College have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the College have made certain representations and certifications in the Series 2017 Resolution, the Loan Agreement and the Tax Certificate. Co-Bond Counsel will also rely on the opinion of Orrick, Herrington & Sutcliffe, LLP, counsel to the College, as to all matters concerning the status of the College as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Co-Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Co-Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by DASNY and the College described above, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Nixon Peabody LLP is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Nixon Peabody LLP expresses no opinion as to whether interest on any portion of the Series 2017 Bonds is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

State Taxes

Nixon Peabody LLP and Drohan Lee LLP, Co-Bond Counsel, are also of the opinion that interest on the Series 2017 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2017 Bonds nor as to the taxability of the Series 2017 Bonds or the income therefrom under the laws of any state other than New York.

Original Issue Discount

Nixon Peabody LLP is further of the opinion that the excess of the principal amount of a maturity of the Series 2017 Bonds over the price at which price a substantial amount of such maturity of the Series 2017 Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2017 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2017 Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the

sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2017 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits and individuals seeking to claim the earned income credit. Ownership of the Series 2017 Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2017 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2017 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Co-Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2017 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Tax Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2017 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2017 Bonds. This could result 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), repeal of the exclusion of the interest on the Series 2017 Bonds from gross income for federal or state income tax purposes, or otherwise. In this regard, there have been various proposals in recent years that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2017 Bonds may occur. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors regarding such matters.

Co-Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017 Bonds may affect the tax status of interest on the Series 2017 Bonds. Co-Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2017 Bonds, or the interest thereon, if any action is taken with respect to the Series 2017 Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 12 - STATE NOT LIABLE ON THE SERIES 2017 BONDS

The Act provides that notes and bonds of DASNY shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2017 Bonds shall not be a debt of the State nor shall the State be liable thereon.

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 2017 Bonds by DASNY are subject to the approval of Nixon Peabody LLP, New York, New York, and Drohan Lee LLP, New York, New York, Co-Bond Counsel to DASNY, whose approving opinions will be delivered with the Series 2017 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 College by its special counsel, Orrick, Herrington & Sutcliffe, LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Cozen O'Connor, New York, New York.

There is no pending litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or questioning or affecting the validity of the Series 2017 Bonds or the proceedings and authority under which they are to be issued.

PART 15 - UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2017 Bonds from DASNY at an aggregate purchase price of \$48,040,408.85 (reflecting a net original issue premium of \$4,925,903.70 and an Underwriter's discount of \$275,494.85) and to make a public offering of the Series 2017 Bonds at prices (or yields) that are not in excess of the public offering prices (or less than the yields) stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2017 Bonds if any are purchased.

The Series 2017 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, or in the case of obligations sold on a yield basis, at yields other than shown on the cover of this Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

Lisa L. Carnoy, a member of the Board of Trustees of Columbia University, is an employee of U.S. Trust, which is a subsidiary of Bank of America Corporation, the parent company of Merrill Lynch, Pierce, Fenner & Smith Incorporated, the Underwriter of the Series 2017 Bonds.

The Underwriter has provided the following paragraph: The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of DASNY and the College (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with DASNY and the College. The Underwriter and its 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 - CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the College will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2017 Bonds with Digital Assurance Certification LLC (“DAC”), as disclosure dissemination agent, the Trustee, and DASNY. The proposed form of the Continuing Disclosure Agreement is attached as Appendix F hereto.

PART 17 - VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C., a firm of independent certified public accountants, will deliver to DASNY its report verifying (a) the mathematical accuracy of the arithmetical computations which establish the adequacy of the cash, the maturing principal amounts and the interest on the Defeasance Securities deposited with the trustee for the Refunded Bonds to pay the principal and redemption price of and interest coming due on the Refunded Bonds on their redemption date as described in “PART 5 — THE REFUNDING PLAN” and (b) the mathematical computations of yield used by Nixon Peabody LLP, Co-Bond Counsel to DASNY, to support its opinion that interest on the Series 2017 Bonds will be excluded from gross income for federal income tax purposes. Causey Demgen & Moore P.C. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2017 Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2017 Bonds from gross income for federal income tax purposes.

PART 18 - RATINGS

The Series 2017 Bonds have been assigned a long-term rating of “A1” by Moody’s Investors Service, Inc. (“Moody’s”) and “A+” by S&P Global Ratings (“Standard & Poor’s”). Such ratings reflect only the view of Moody’s and Standard & Poor’s, respectively, and any desired explanation of the significance of such ratings should be obtained from Moody’s and Standard & Poor’s at the following addresses: Moody’s, 7 World Trade Center at 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 rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by any or both of the rating agencies if, in the judgment of any or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2017 Bonds.

PART 19 - MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2017 Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2017 Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2017 Resolution and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with Holders of the Series 2017 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2017 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2017 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 College was supplied by the College. 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

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution or the Loan Agreement and used in the 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 Health Care Financing Construction Act, being Title 4-B of Article 8 of the Public Authorities Law of the State.

“Annual Administrative Fee” means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority as more particularly described in 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 the Bond Series Certificate relating thereto 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, created and established 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 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 Series 2017 Bonds and the construction of the Project as more particularly described in 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 Management, the Managing Director of Construction, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, the General Counsel and the Deputy 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 College, when used with reference to any act or document, means the person or

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persons authorized by a resolution or the by-laws of the College to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, 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.

“Available Money” means:

(i) when used in connection with Bonds other than Letter of Credit Secured Bonds, any money unless the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to them otherwise provides; and

(ii) when used in connection with Letter of Credit Secured Bonds:

(A) the proceeds of such Bonds;

(B) money obtained by the Trustee pursuant to the Letter of Credit for such Bonds;

(C) money derived from the remarketing of such Bonds which is directly paid to and held by the Trustee for the payment of the Purchase Price of such Bonds;

(D) money which has been on deposit with the Trustee for at least one hundred twenty-four (124) days (or, if there are any affiliates of the College, three hundred sixty-six (366) days) prior to and during which no petition by or against the Authority or the College, under the United States Bankruptcy Code of 1978, as amended, 11 U.S.C. Sec. 101 et seq. (the **“Bankruptcy Code”**) shall have been filed or any bankruptcy or similar proceeding shall have been commenced, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal; or

(E) any other money the application of which to the payment of the principal, Redemption Price or purchase price of or interest on such Bond would not, in the opinion of Bond Counsel, constitute a voidable preference in the case of a filing for protection of the Authority or the College under the Bankruptcy Code; and

(F) the proceeds from the investment of money described in clauses (A) through (E) above.

“Bond” or *“Bonds”* means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution.

“Bond Counsel” means Nixon Peabody LLP, or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

“Bond Year” means, unless otherwise provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds, 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, means the registered owner of any Bond.

“*Book Entry Bond*” means a Bond 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*” means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

“*Capital Appreciation Bond*” means any Bond as to which interest 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.

“*Collateral Security*” means a security interest in or pledge or any personal property, tangible or intangible, or mortgage on any real property or interest therein, given or made by the College to secure the College’s obligations under a Loan Agreement.

“*College*” means Teachers College, 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.

“*Construction Fund*” means the fund so designated, created and established for a Project by or pursuant to a Series Resolution.

“*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 College 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 the Bonds, 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 or a Depository, legal fees and charges, professional consultants’ fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Letter of Credit, a financial guaranty insurance policy, a Liquidity Facility, a Hedge Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

“*Cost of Issuance Account*” means the account within the Construction Fund so designated, established and created pursuant to the Resolution.

“*Cost*” or “*Costs of the Project*” means when used in relation to a Project the costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the 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 the 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 the 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 the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the College shall be

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required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the College 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 the Project (including interest on money borrowed from parties other than the College), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreements, a Letter of Credit, a financial guaranty insurance policy in connection with Bonds, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

“*Counterparty*” means any person with which the Authority or the College has entered into a Hedge Agreement, provided that, at the time the Hedge Agreement is executed, the senior or uncollateralized long-term debt obligations of such person, or of any person that has guaranteed for the term of the Hedge Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service.

“*Debt Service Fund*” means, when used in connection with a Series of Bonds, the fund so designated, created and established by or pursuant to the Series Resolution authorizing the issuance of the Series 2017 Bonds.

“*Debt Service Reserve Fund*” means, when used in connection with a particular Series of Bonds, a reserve fund for the payment of the principal and Sinking Fund Installments of and interest on such Series of Bonds, as so designated, created and established by the Authority by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds.

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

“*Defeasance Security*” means:

(i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligation;

(ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligation;

(iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

provided, however, that for purposes of (i), (ii) and (iii) above, such term shall not include (1) any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof; and

- (iv) any other investments acceptable to the Rating Service(s) for defeasance.

“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 Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on September 1 and March 1 of each Bond Year (unless otherwise provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds).

“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.

“Determination of Taxability” means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Authority shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2017 Bonds, or any successor Depository for any Series 2017 Bonds.

“Event of Default” means:

- (i) College shall default in the timely payment of any amount payable pursuant to the Loan Agreement or the payment of any other amounts required to be delivered or paid by the College in accordance with the Loan Agreement, the Series Resolution or with the Resolution, and such default continues for a period in excess of seven (7) days;

- (ii) the College defaults in the due and punctual performance of any other covenant herein contained and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the College by the Authority or the Trustee, or, if such default is not capable of being cured within thirty (30) days, the College fails to commence to cure the same within such thirty (30) days or to diligently prosecute the cure thereof;

- (iii) as a result of any default in payment or performance required of the College under the Loan Agreement or any 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 or Holders of the Series 2017 Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

- (iv) the College 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 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;

- (v) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the College, a custodian, receiver, trustee or other officer with similar

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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 College, or any petition for any such relief shall be filed against the College and such petition shall not be dismissed or stayed within ninety (90) days;

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

(vii) a petition to dissolve the College shall be filed by the College 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 College;

(viii) an order of dissolution of the College 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 College, which order shall remain undismitted or unstayed for an aggregate of thirty (30) days;

(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 College which petition shall remain undismitted or unstayed for an aggregate of ninety (90) days;

(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 College, which order shall remain undismitted or unstayed for the earlier of (A) three Business Days prior to the date provided for in such order for 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 College, which in the judgment of the Authority will adversely affect the rights of the Holders of the Series 2017 Bonds shall be rendered against the College and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or (B) the College 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 for the enforcement thereof, to have been stayed pending determination of such appeal.

“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 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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the

Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“Fiscal Year” means a twelve month period beginning September 1st of a calendar year and ending on August 31st of the next subsequent calendar year, or such other twelve month period as the College may elect as its Fiscal Year.

“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) 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
- (v) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“Governmental Requirements” means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to the Project or any Mortgaged Property, of the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them, now existing or after created, and having or asserting jurisdiction over the Project or any Mortgaged Property or any part thereof.

“Hedge Agreement” means any financial arrangement entered into by the Authority or the College with a Counterparty that is or in the nature of an interest rate exchange agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or creating with respect to any Variable Interest Rate Bond the economic or financial equivalent of a fixed rate of interest on such Bond; *provided, however*, that no such agreement entered into by the College shall constitute a Hedge Agreement for purposes under the Loan Agreement unless consented to in writing by the Authority.

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

“Intercreditor Agreement” means an agreement by and among, *inter alia*, the Authority, the Trustee, creditors of the College, with respect to (i) the relative priorities of the liens upon the Shared Collateral, (ii) limitations or conditions upon their respective rights to enforce, foreclose or realize upon such liens, and (iii) the application of any money realized from the enforcement, foreclosure or other realization upon such liens.

“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 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, (unless otherwise provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds).

“Interest Rate Exchange Agreement” means (i) an agreement entered into by the Authority or the College in connection with the issuance of or which relates to Bonds of one or more Series which provides that during the term of such agreement the Authority or the College is to pay to the counterparty thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority or the College 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.

“Investment Agreement” means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

“Letter of Credit” means an irrevocable direct-pay letter of credit for the benefit of the Trustee pursuant to which the issuer thereof is obligated, upon a drawing made by the Trustee in accordance with the terms of such letter of credit, to advance to the Trustee amounts to pay the principal and Sinking Fund Installments of and interest on such Bonds, as the same becomes due whether or not the Authority is in default under the Resolution or the College is in default under a Loan Agreement that is issued by (i) a bank, savings bank, savings and loan association or trust company organized under the laws of any state of the United States of America and authorized to do business in the State, (ii) a trust company, (iii) a national banking association, (iv) 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, (v) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, or (vi) 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.

“Letter of Credit Secured Bond” means a Bond in connection with which a Letter of Credit has been issued.

“Lien” means, except as described in the Loan Agreement, any mortgage, pledge, lien, charge, security interest or assignment in the nature thereof (including any conditional sales agreement, equipment trust agreement, or other title retention agreement) or other encumbrance of whatsoever nature.

“Liquidity Facility” means a 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 by the Trustee upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

“Liquidity Facility Provider” means, when used in connection with any particular Bonds, the issuer or provider of a Liquidity Facility related to such Bond.

“Loan Agreement” means the Loan Agreement, dated as of February 8, 2017, by and between the Authority and the Institution, as the same may from time to time be amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement;

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

“Maximum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond as the maximum rate at which such Bond may bear interest at any time;

“Minimum Interest Rate” means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

“Moody’s” means Moody’s Investor Service, Inc. or its successors or assigns.

“Official Statement” means an official statement, offering memorandum or circular or other offering document relating to and in connection with the sale of the Series 2017 Bonds.

“Opinion of Bond Counsel” means an opinion of Bond Counsel to the effect that the action proposed to be taken will not cause interest on the Bonds to which such action relates to be includable in the gross income of the owners of such Bonds for purposes of federal income taxation and that such action is authorized or permitted by the Resolution and by the applicable Series Resolution and Bond Series Certificate.

“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 by the Authority prior to the stated maturity thereof or for 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, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any applicable 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) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond 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 Bond or the Bond Series Certificate relating to such Bond.

“Parity Indebtedness” means any indebtedness for borrowed money issued, incurred, assumed or guaranteed by the College, other than pursuant to a Loan Agreement, that is secured by Collateral Security that, pursuant to an Intercreditor Agreement or otherwise, is of equal priority with the lien of such Collateral Security securing the College’s obligations under one or more Loan Agreements.

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“Permitted Collateral” means:

(i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation:

(ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;

(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 Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category;

(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 Rating Service in the highest rating category: and

(v) bankers’ acceptances issued by a bank rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged.

“Permitted Investments” means any of the following:

(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, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;

(vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not long than two hundred seventy (270) days from the date of purchase;

(vii) bankers’ acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

(viii) Investment Agreements that are fully collateralized by Permitted Collateral;
and

(ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a – 7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service.

“*Project*” means a “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 Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Bond Series Certificate.

“*Qualified Financial Institution*” means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(ii) a bank, a trust company, a national banking association, a corporation 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, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; *provided, however*, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

Appendix A

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(v) a corporation whose obligations, including any investments of any money held under the Resolution purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

“Rating Service” means each of Moody’s Investors Service, Inc., Standard & Poor’s Rating Services, and Fitch, Inc., 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 the Series Resolution authorizing Variable Interest Rate Bonds or Option Bonds or the Bond Series Certificate relating thereto provides otherwise with respect to such Variable Rate Bonds or Option Bonds, 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, 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.

“Refunded Bonds” means all or a portion of the outstanding principal amount of the Authority’s Teachers College Revenue Bonds, Series 2009, issued on January 29, 2009 pursuant to the Authority’s Teachers College Revenue Bond Resolution, adopted December 3, 2008.

“Refunding Account” means the account within the Construction Fund so designated, established and created pursuant to the Series Resolution authorizing the issuance of the Series 2017 Bonds.

“Refunding Bonds” means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

“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 College and the Remarketing Agent, relating to the remarketing of such Bonds.

“Resolution” means the Teachers College Revenue Bond Resolution, adopted by the Authority December 3, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions under the Resolution.

“Restricted Gift” means any gift, grant or bequest of money or other property made or given by any person the use of which has been restricted by such person to paying any cost or expense that constitutes a Cost of the Project.

“Revenues” means, when used in connection with the Bonds of any particular Series:

(i) all payments received or receivable by the Authority that pursuant to the Loan Agreement entered into in connection with such Series of Bonds are required to be paid to the Trustee, other than payments to the Trustee for (A) the administrative costs and expenses or fees of the Trustee, (B) deposit to the Arbitrage Rebate Fund, or (C) deposit to any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of

Option Bonds tendered or deemed to have been tendered for purchase, and (D) deposit to any fund or account established by or pursuant to such Series Resolution for repayment of advances made by a Liquidity Facility Provider for payment of the purchase price of Option Bonds; and

(ii) all amounts received as a consequence of the enforcement of a Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon any lien upon property of the College given to secure the College's obligation under such Loan Agreement.

"Serial Bond" means any Bond so designated in a Series Resolution or a Bond Series Certificate.

"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 or a Bond Series Certificate, and any Bonds 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 or other provisions.

"Series 2017 Bonds" means the Bonds authorized by the Series 2017 Resolution.

"Series 2017 Resolution" means the resolution of the Authority adopted February 8, 2017 entitled "Series Resolution Authorizing Up To \$50,000,000 of Teachers College Revenue Bonds," which resolution authorized the issuance of the Series 2017 Bonds, together with the Bond Series Certificate, dated as of March 8, 2017, executed by the Authority in connection with issuance of the Series 2017 Bonds, in each case as the same may be amended, supplemented or otherwise modified.

"Series Resolution" means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

"Shared Collateral" means the lien of any Collateral Security securing the College's obligations under a Loan Agreement that, in accordance with an Intercreditor Agreement or otherwise, is of equal priority with the lien on such Collateral Security that secures the College's obligations under one or more other Loan Agreements or on Parity Indebtedness.

"Sinking Fund Installment" means, as of any date of calculation:

(i) when used with respect to any Bonds of a 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 Resolution or 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 (or such other date as provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds) 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

(ii) 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.

Appendix A

“*Standby Purchase Agreement*” means an agreement by and between the Authority and another person or by and among the Authority, the College and another person, pursuant to which such person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

“*State*” means the State of New York.

“*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 the Resolution.

“*Tax Certificate*” means a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Series 2017 Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, 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.

“*Tax Exempt Bond*” means any Bond as to which Bond Counsel has rendered an opinion to the effect that interest on it is excluded from gross income for purposes of federal income taxation.

“*Term Bond*” means any Bond 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 the Bonds pursuant to the Resolution and having the duties, responsibilities and rights provided for in the Resolution, 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.

“*Valuation Date*” means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

“*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:

- (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 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.

“Verification Report” means, when used in connection with any Bonds for the payment of which Defeasance Obligations and money has been deposited with the Trustee in accordance with the Resolution, a letter or other written report verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose.

“Winning Bid Rate” shall have the meaning given to such term in the Resolution.

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**APPENDIX B - FINANCIAL STATEMENTS OF TEACHERS COLLEGE,
AND INDEPENDENT AUDITORS' REPORT**

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TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Financial Statements

August 31, 2016 and 2015

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

The Trustees
Teachers College, Columbia University:

We have audited the accompanying financial statements of Teachers College, Columbia University, which comprise the balance sheets as of August 31, 2016 and 2015, 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 Teachers College, Columbia University as of August 31, 2016 and 2015, 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

December 7, 2016

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Balance Sheets

August 31, 2016 and 2015

Assets	2016	2015
Cash and cash equivalents	\$ 37,410,798	43,277,657
Student accounts and other receivables, net (note 4)	5,667,090	6,464,619
Grants and contracts receivable	9,618,118	8,216,720
Inventories and other assets	1,558,336	1,648,111
Contributions receivable, net (note 5)	13,265,934	12,051,817
Funds held by bond trustees (note 7)	1,294,879	3,623,676
Investments (note 3)	293,689,770	282,431,584
Student loans receivable, net (note 4)	2,949,150	3,111,664
Plant assets, net (note 6)	158,549,370	153,071,688
Total assets	<u>\$ 524,003,445</u>	<u>513,897,536</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 23,194,045	23,022,457
Deferred revenues (note 12)	20,352,793	20,166,596
Long-term debt, net (note 7)	108,359,392	111,309,484
Accrued pension and other benefit obligations (note 8)	49,017,048	41,194,727
Other liabilities	3,099,309	3,082,386
U.S. government grants refundable	2,766,554	2,783,410
Total liabilities	<u>206,789,141</u>	<u>201,559,060</u>
Commitments and contingencies (notes 3, 8, and 13)		
Net assets (note 9):		
Unrestricted:		
Endowment and other	150,351,394	150,760,891
Pension and postretirement obligations	<u>(49,017,048)</u>	<u>(41,194,727)</u>
Total unrestricted net assets	101,334,346	109,566,164
Temporarily restricted	111,311,114	111,189,213
Permanently restricted	<u>104,568,844</u>	<u>91,583,099</u>
Total net assets	<u>317,214,304</u>	<u>312,338,476</u>
Total liabilities and net assets	<u>\$ 524,003,445</u>	<u>513,897,536</u>

See accompanying notes to financial statements.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Activities

Years ended August 31, 2016 and 2015

	2016	2015
Changes in unrestricted net assets:		
Operating revenues:		
Student tuition and fees, net (note 10)	\$ 113,525,951	112,493,640
Grants and contracts	50,837,935	50,072,344
Contributions	2,777,694	2,574,190
Endowment return appropriated and other investment income (notes 3 and 9)	12,869,700	12,181,328
Sales and services of auxiliary enterprises	22,762,526	19,659,236
Other sources	2,944,129	3,181,880
Net assets released from restrictions	2,255,086	2,493,362
Total operating revenues	207,973,021	202,655,980
Operating expenses:		
Instruction	72,161,362	67,955,359
Research, training, and public service	45,403,063	43,270,884
Academic support	17,545,827	16,944,196
Student services	9,794,344	10,361,881
Institutional support (note 11)	37,446,246	34,708,071
Auxiliary enterprises	23,309,306	22,532,671
Total operating expenses	205,660,148	195,773,062
Increase in unrestricted net assets from operations, carried forward	2,312,873	6,882,918

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Activities

Years ended August 31, 2016 and 2015

	2016	2015
Increase in unrestricted net assets from operations, brought forward	\$ 2,312,873	6,882,918
Nonoperating activities:		
Contributions	1,215,140	264,492
Investment loss, net of amounts appropriated (note 3)	(4,019,572)	(5,470,367)
Pension and postretirement changes other than net periodic benefit cost (note 8)	(7,658,639)	3,262,424
Net assets released from restrictions for capital	—	111,160
Other, net	(81,620)	11,904
(Decrease) increase in unrestricted net assets	(8,231,818)	5,062,531
Changes in temporarily restricted net assets:		
Contributions	8,791,717	6,945,408
Investment loss, net of amounts appropriated (note 3)	(6,278,022)	(10,537,237)
Net assets released from restrictions	(2,255,086)	(2,604,522)
Other, net	(136,708)	(69,686)
Increase (decrease) in temporarily restricted net assets	121,901	(6,266,037)
Changes in permanently restricted net assets:		
Contributions	12,807,668	845,996
Other, net	178,077	(234,446)
Increase in permanently restricted net assets	12,985,745	611,550
Increase (decrease) in net assets	4,875,828	(591,956)
Net assets at beginning of year	312,338,476	312,930,432
Net assets at end of year	\$ 317,214,304	312,338,476
Certain amounts disaggregated above are presented below in the aggregate:		
Contributions	\$ 25,592,219	10,630,086
Endowment and other investment return	2,572,106	(3,826,276)

See accompanying notes to financial statements.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Statements of Cash Flows

Years ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 4,875,828	(591,956)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Net (appreciation) depreciation in fair value of investments	(3,922,820)	2,619,592
Depreciation	11,379,742	10,416,400
(Recoveries of) provision for uncollectible amounts	(130,921)	64,520
Amortization of bond issuance costs	95,914	95,914
Amortization of net bond premiums	(311,006)	(311,008)
Contributions restricted for permanent investment and plant assets	(17,946,972)	(5,391,314)
Change in value of split-interest agreements	40,882	302,777
Pension and postretirement changes other than net periodic benefit cost	7,658,639	(3,262,424)
Changes in operating assets and liabilities:		
Student accounts and other receivables	906,952	(2,382,060)
Grants and contracts receivable	(1,401,398)	(3,384,824)
Inventories and other assets	89,775	713,369
Contributions receivable, except for amounts restricted for permanent investment and plant assets	(1,002,895)	(388,286)
Accounts payable and accrued expenses and other liabilities	33,881	3,424,219
Deferred revenues	186,197	(1,324,168)
Accrued pension and other benefit obligations	163,682	(413,486)
U.S. government grants refundable	(16,856)	(23,961)
Net cash provided by operating activities	<u>698,624</u>	<u>163,304</u>
Cash flows from investing activities:		
Loans made to students	(446,501)	(498,824)
Repayments received on student loans	627,073	569,504
Purchase of plant assets	(16,857,424)	(25,479,426)
Change in amounts related to plant assets included in accounts payable and accrued expenses	227,825	(166,993)
Purchases of investments	(157,054,169)	(91,936,448)
Proceeds from sales of investments	<u>149,727,650</u>	<u>97,922,895</u>
Net cash used in investing activities	<u>(23,775,546)</u>	<u>(19,589,292)</u>
Cash flows from financing activities:		
Contributions restricted for permanent investment and plant assets	17,946,972	5,391,314
(Increase) decrease in contributions receivable restricted for permanent investment and plant assets	(179,600)	218,381
Repayment of indebtedness	(2,735,000)	(2,990,000)
Change in funds held by bond trustees	2,328,797	15,539,239
Investment income on split-interest agreements, net of payments to annuitants	<u>(151,106)</u>	<u>(218,600)</u>
Net cash provided by financing activities	<u>17,210,063</u>	<u>17,940,334</u>
Net decrease in cash and cash equivalents	(5,866,859)	(1,485,654)
Cash and cash equivalents at beginning of year	<u>43,277,657</u>	<u>44,763,311</u>
Cash and cash equivalents at end of year	\$ <u><u>37,410,798</u></u>	\$ <u><u>43,277,657</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 5,467,563	5,557,263

See accompanying notes to financial statements.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Notes to Financial Statements

August 31, 2016 and 2015

(1) Description of Business

(a) Discussion of Operations

Teachers College, Columbia University (the College) is a graduate and professional school of education. The College engages in five basic activities: (1) research on critical issues of education; (2) instruction of future leaders-practitioners, policymakers, and academicians; (3) education of current leaders-teachers, principals, superintendents, board members, legislators, presidents, members of the media, and representatives of foundations and corporations; (4) development of the public discourse and national agenda for education; and (5) improvement of the practice of educational institutions via laboratories, models, and demonstration projects. The College was founded in 1887 and became affiliated with Columbia University in 1898. Under an arrangement with Columbia University, the faculty of the College was designated as faculty of Columbia University, but the College retained its legal and financial independence. The College remains a separate corporation.

(b) Tax Status

The College is qualified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, as amended. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The College recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes was required for fiscal years 2016 or 2015.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). Net assets of the College and changes therein are classified and reported 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 by either actions of the College 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 College, but permit the College to expend part or all of the income derived therefrom for general or donor-specified purposes.

Revenues and gains and losses on investments and other assets are reported as changes in unrestricted net assets unless limited by explicit donor-imposed restrictions or by law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as increases in unrestricted net assets if the purpose or time restrictions are met in the same reporting period that such assets are received; otherwise, they are reported as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Notes to Financial Statements

August 31, 2016 and 2015

(b) Cash Equivalents

All highly liquid debt instruments with an original maturity of three months or less are considered to be cash equivalents, except for such assets that are part of the College's investment portfolio managed by external investment managers for long-term purposes.

(c) Contributions

Contributions, including unconditional promises to give, are reported initially at fair value as revenues in the period received or pledged. The College reports contributions of plant assets as increases in unrestricted net assets unless the donor places restrictions on their use. Contributions to be received after one year are discounted 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 contribution. An allowance is recorded for uncollectible contributions based on management's judgment, past collection experience, and other relevant factors.

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

(d) Grants and Contracts

Grants and contracts, other than fee for service agreements, are reported as unrestricted revenues when expenses are incurred in accordance with the terms of the agreement. Amounts received in advance are recorded as deferred revenues. Fee for service agreements are reported as unrestricted revenue when earned. Collections on outstanding grants and contracts receivables are expected within one year from the balance sheet date.

(e) Inventories

Inventories, including books published by the Teachers College Press, are valued at the lower of average cost or market (net realizable value).

(f) Plant Assets

Plant assets, including land, buildings, building improvements, and furniture and equipment, as well as assets under capital lease with the Dormitory Authority of the State of New York (DASNY) are stated at cost or fair value at the date of gift for assets contributed. All plant assets, other than land, are depreciated over the following useful lives using the straight-line method:

Buildings	50 years
Building improvements	20 years
Furniture and equipment	5 years

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Notes to Financial Statements

August 31, 2016 and 2015

(g) Fair Value Measurements

Investments and funds held by bond trustees are reported at fair value in the College's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an ordinary transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 Inputs that reflect unadjusted quoted prices or published net asset value (NAV) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

The College follows Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, which removes the requirements to categorize within the fair value hierarchy and to make certain disclosures for all investments where fair value is measured using the NAV per share practical expedient.

(h) Collections

Collections at the College include works of art, literary works, historical treasures, and artifacts that are maintained in the College's library and buildings. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service and, therefore, are not recognized as assets on the balance sheets. Costs associated with purchasing additions to and maintaining these collections are recorded as operating expenses in the period in which the items are acquired.

(i) U.S. Government Grants Refundable

Funds provided by the U.S. government under the Federal Perkins and Nursing Student Loan programs are loaned to qualified students and may be reloaded after collection. These funds are ultimately refundable to the U.S. government and are presented in the accompanying balance sheets as a liability.

(j) Split-Interest Agreements

In fiscal years 2016 and 2015, the College's split-interest agreements with donors consist of charitable gift annuities, irrevocable charitable remainder trusts, perpetual trusts, and pooled life income funds.

Assets of charitable gift annuities and pooled life income funds are reported in investments in the accompanying balance sheets. Assets from charitable remainder trusts and perpetual trusts are reflected as contributions receivable in the accompanying balance sheets. Contributions are recognized at the date the trusts or pooled life income funds are established at the present value of the estimated future cash flows expected to be received by the College. The College's interest in such split-interest gifts is adjusted annually for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

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In addition, the College has the irrevocable right to receive income earned on two perpetual trusts. The College's beneficial interest in the value of the trusts' assets is classified as permanently restricted net assets. Changes in the value of the College's interest are recorded as permanently restricted activities in the accompanying statements of activities.

(k) Operations

The accompanying statements of activities distinguish between operating and nonoperating activities. Nonoperating activities represent changes in unrestricted net assets other than unrestricted annual fund contributions, investment return on endowments in excess of or less than the amounts authorized for spending by the College's trustees (note 9) on those funds, pension and postretirement changes other than net periodic benefit cost (note 8), net assets released from restrictions for capital, and certain nonrecurring activities.

(l) Accounting Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Significant estimates made in the preparation of the financial statements include the valuation of investments and accrued postretirement pension and other benefit obligations, the estimated useful lives of plant assets, the allocation of functional expenses, and the net realizable value of receivables. Actual results could differ from those estimates.

(m) Reclassifications

Certain reclassifications have been made to the 2015 amounts to conform to the current year presentation.

(n) Recently Issued Accounting Pronouncements

In 2015, the Financial Accounting Standards Board issued ASU No. 2015-10, *Technical Corrections and Improvements*, which clarified the definition of an equity security to include an investment that is an investment in a mutual fund or in a structure similar to a mutual fund. The fair value of an equity security is considered to be readily determinable if the fair value per share is determined and published, and is the basis for current transactions. Certain investments that meet this definition aggregating approximately \$12 million were previously disclosed as Level 2 in the fair value hierarchy. In addition, certain investments including pension plan assets that meet this definition aggregating approximately \$54 million were previously reported at NAV and excluded from the fair value hierarchy table. The 2015 disclosure has been corrected to reflect these investments in Level 1 of the fair value hierarchy.

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(3) Investments

The following tables present the fair value of the College's investments by type and level within the fair value hierarchy at August 31, 2016 and 2015:

<u>Asset</u>	2016			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Cash and money market funds	\$ 48,352,075	—	—	48,352,075
Fixed income securities	7,357,226	—	—	7,357,226
Domestic common stock	21,970,359	—	—	21,970,359
International equities – publicly traded funds	12,316,362	—	—	12,316,362
Mutual funds:				
Bond mutual funds	21,584,195	—	—	21,584,195
Equity mutual funds	11,083,877	—	—	11,083,877
Exchange traded funds	216,917	—	—	216,917
Common trust funds	16,837,067	—	—	16,837,067
Nonpublic equity	8,358,652	—	—	8,358,652
	<u>\$ 148,076,730</u>	<u>—</u>	<u>—</u>	<u>148,076,730</u>
Investments measured at NAV (or its equivalent):				
Nonpublic equity				128,009,813
Private equity				15,529,599
Real estate				<u>2,073,628</u>
Total investments measured at NAV (or its equivalent)				<u>145,613,040</u>
Total investments				<u>\$ 293,689,770</u>

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Asset	2015			Total
	Level 1	Level 2	Level 3	
Cash and money market funds	\$ 18,734,157	—	—	18,734,157
Fixed income securities	7,406,464	—	—	7,406,464
Domestic common stock	28,692,237	—	—	28,692,237
International equities – publicly traded funds	14,752,894	—	—	14,752,894
Mutual funds:				
Bond mutual funds	10,334,966	—	—	10,334,966
Equity mutual funds	15,035,499	—	—	15,035,499
Exchange traded funds	8,779,836	—	—	8,779,836
Common trust funds	12,039,291	—	—	12,039,291
Nonpublic equity	12,674,031	—	—	12,674,031
	<u>\$ 128,449,375</u>	<u>—</u>	<u>—</u>	<u>128,449,375</u>
Investments measured at NAV (or its equivalent):				
Nonpublic equity				131,222,416
Private equity				19,030,713
Real estate				<u>3,729,080</u>
Total investments measured at NAV (or its equivalent)				<u>153,982,209</u>
Total investments				<u>\$ 282,431,584</u>

Money market funds, fixed income securities, domestic common stock, international equities, mutual funds, exchange traded funds, and nonpublic equities are reported at fair value based upon quoted market prices or published NAV for investments in funds with characteristics similar to a mutual fund.

Common trust funds represent a pool of collective investment funds with underlying investments held in publicly traded stocks, bonds, or other securities. These funds are redeemable with two days' notice.

Investments measured at NAV or its equivalent includes nonpublic equity, private equity, and real estate funds:

Nonpublic equities include funds whose underlying investments are publicly traded domestic and international equities and interests in limited partnerships and limited liability corporations that may employ both long and short strategies and invest in public equities, internationally developed and emerging markets, and other marketable securities. These interests have varying degrees of liquidity, generally ranging from monthly to annually with up to 60 days' notice, except for three funds with an approximate value of \$10 million, which remain subject to lockup as well as two funds with an approximate value of \$18 million with limited quarterly redemptions permitted over a two-year period.

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Private equity and real estate funds include interests in limited partnerships and limited liability corporations that invest in private equity buyouts, distressed credit opportunities, real estate, and other private equity strategies. Under the terms of certain limited partnership agreements, the College is obligated to periodically advance additional funding for these limited partnership investments. At August 31, 2016, the College had outstanding commitments of approximately \$25 million. The College maintains sufficient liquidity in its investment portfolio to cover such calls. Such commitments, generally, have fixed expiration dates or other termination clauses through November 2025. These funds offer no redemptions.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in their values will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

Investments include approximately \$1.7 million and \$2.4 million of assets relating to split-interest agreements at August 31, 2016 and 2015, respectively.

The following summarizes the College's total return on investments and its classification in the financial statements for the years ended August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Dividends and interest	\$ 1,706,966	3,183,646
Net appreciation (depreciation) in fair value of investments	3,922,820	(2,619,592)
Investment fees and expenses	<u>(3,057,680)</u>	<u>(4,390,330)</u>
Net investment return (loss)	2,572,106	(3,826,276)
Investment return appropriated as operating – unrestricted	<u>12,869,700</u>	<u>12,181,328</u>
Investment loss reported as nonoperating and temporarily restricted	\$ <u><u>(10,297,594)</u></u>	<u><u>(16,007,604)</u></u>

(4) Allowances for Uncollectible Accounts and Loans Receivable

Student accounts and other receivables are reported net of an allowance for uncollectible amounts and a reserve for returned sales of approximately \$360,000 and \$470,000 at August 31, 2016 and 2015, respectively.

Student loans receivable are reported net of an allowance for uncollectible amounts of approximately \$353,000 and \$371,000 at August 31, 2016 and 2015, respectively.

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(5) Contributions Receivable, Net

Contributions receivable consist of the following at August 31, 2016 and 2015:

	2016	2015
Unconditional promises expected to be collected in:		
Less than one year	\$ 3,926,768	5,069,130
One to five years	7,965,287	5,886,849
More than five years	375,000	67,500
	12,267,055	11,023,479
Less:		
Allowance for uncollectible amounts	(43,060)	(46,500)
Discount to present value (at discount rates ranging from 0.59% to 6.00%)	(233,256)	(172,175)
	11,990,739	10,804,804
Interest in perpetual and other trusts, net	1,275,195	1,247,013
	\$ 13,265,934	12,051,817

At August 31, 2016 and 2015, the five largest outstanding donor pledge balances represented approximately 61% and 65% of the College's gross contributions receivable, respectively.

Contributions from three different donors represent 41% of contribution revenue in 2016 and contributions from two different donors represent 38% of contribution revenue in 2015.

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(6) Plant Assets, Net

Plant assets consist of the following at August 31, 2016 and 2015:

	2016	2015
Land	\$ 642,443	642,443
Buildings and improvements	122,718,688	114,347,041
Furniture and equipment	42,904,636	38,880,472
Under capital lease with DASNY and other lenders:		
Land	50,000	50,000
Buildings and improvements	147,170,019	146,623,030
Furniture and equipment	12,056,022	12,232,143
	325,541,808	312,775,129
Less accumulated depreciation	(177,924,366)	(166,620,332)
Construction in progress	10,931,928	6,916,891
	\$ 158,549,370	153,071,688

(7) Long-Term Debt, Net

Long-term debt at August 31, 2016 and 2015 consists of the following:

	2016	2015
DASNY:		
Series 2009 Insured Revenue Bonds, net of unamortized bond discount of \$569,316 and \$594,716, respectively (a)	\$ 48,845,684	50,435,284
Series 2012A Insured Revenue Bonds, including unamortized bond premium of \$3,379,662 and \$3,611,015, respectively (b)	28,444,662	29,796,015
Series 2012B Insured Revenue Bonds, including unamortized bond premium of \$2,696,572 and \$2,801,625, respectively (c)	33,056,572	33,161,625
Total debt outstanding	110,346,918	113,392,924
Less unamortized bond issuance costs	(1,987,526)	(2,083,440)
	\$ 108,359,392	111,309,484

(a) In January 2009, DASNY issued Insured Revenue Bonds, Series 2009 (Series 2009 Bonds) in the amount of \$52,595,000 on behalf of the College at a discount of \$762,010. The College used the proceeds from the Series 2009 Bonds to redeem the Insured Revenue Bonds, Series 2007 and to

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finance various capital improvements and renovations. The Series 2009 Bonds are due through 2039 with interest rates ranging from 3.0% to 5.5%. Payments toward principal began on March 1, 2015. Interest is payable semiannually on March 1 and September 1. In issuing the Series 2009 Bonds, the College incurred costs of \$1,257,990, which have been deferred and are being amortized over the life of the related debt. At August 31, 2016 and 2015, the College had unamortized bond issuance costs of \$914,242 and \$953,935, respectively. The Series 2009 Bonds are secured by the pledge of revenues, the proceeds of the Series 2009 Bonds, and certain funds and accounts established by the Series 2009 Bonds.

- (b) In April 2012, DASNY issued Insured Revenue Bonds, Series 2012A (Series 2012A Bonds) in the amount of \$30,115,000 on behalf of the College at a premium of \$4,395,715. The College used the proceeds from the Series 2012A Bonds to refinance the DASNY Insured Revenue Bonds, Series 2002. The Series 2012A Bonds are due through 2039 with interest rates ranging from 3.0% to 5.0%. Payments toward principal began on July 1, 2013. Interest is payable semiannually on January 1 and July 1. In issuing the Series 2012A Bonds, the College incurred costs of \$695,582, which have been deferred and are being amortized over the life of the related debt. At August 31, 2016 and 2015, the College had unamortized bond issuance costs of \$531,054 and \$566,425, respectively. The Series 2012A Bonds are secured by the pledge of revenues, the proceeds of the Series 2012A Bonds, and certain funds and accounts established by the Series 2012A Bond Resolution.
- (c) In May 2012, DASNY issued Insured Revenue Bonds, Series 2012B (Series 2012B Bonds) in the amount of \$30,360,000 on behalf of the College at a premium of \$3,151,613. The Series 2012B Bonds are being used to finance certain capital improvements including the renovation, alteration, upgrading, and rehabilitation of Bancroft Hall, an eight story, 108 unit residence hall on the College's campus. The Series 2012B Bonds are due through 2042 at a fixed rate of 5.0%. Principal amounts are payable annually beginning on July 1, 2029. Interest is payable semiannually on January 1 and July 1. In issuing the Series 2012B Bonds, the College incurred costs of \$637,256, which have been deferred and are being amortized over the life of the related debt. At August 31, 2016 and 2015, the College had unamortized bond issuance costs of \$542,230 and \$563,080, respectively. The Series 2012B Bonds are secured by the pledge of revenues, the proceeds of the Series 2012B Bonds, and certain funds and accounts established by the Series 2012B Bond Resolution.

The DASNY bonds require compliance with certain financial and nonfinancial debt covenants. The College is in compliance with such covenants as of August 31, 2016 and 2015.

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The minimum annual payments for principal are as follows:

Year ending August 31:		
2017	\$	2,840,000
2018		2,965,000
2019		3,110,000
2020		3,250,000
2021		3,415,000
Thereafter		<u>89,260,000</u>
Total principal payments		104,840,000
Net unamortized bond premium		5,506,918
Less unamortized bond issuance costs		<u>(1,987,526)</u>
Total debt outstanding	\$	<u><u>108,359,392</u></u>

Interest expense totaled approximately \$5.1 million in 2016 and \$4.2 million in 2015, net of capitalized interest of approximately \$1.1 million.

(8) Pension and Postretirement Benefit Plans

The College has a contributory defined contribution plan covering academic and professional employees. Total expense recognized under this plan for the years ended August 31, 2016 and 2015 was approximately \$7,307,000 and \$6,748,000, respectively.

The College also has a noncontributory defined benefit pension plan covering nonacademic union employees. Benefits under this plan are based on years of service and the employee's regular remuneration averaged over the period of the highest five consecutive years during the last ten years of service.

In addition, the College provides health insurance coverage to retired faculty and professional staff and their dependents. Faculty and professional staff hired before January 1, 2006 become eligible for these benefits if they are at least 55 years of age and have a minimum of 15 years of service. This plan was amended on June 16, 2010 whereby eligible professional staff who retire after August 31, 2011 and eligible faculty who retire after August 31, 2013 may participate in the plan, but will contribute to the plan based upon their age and years of service.

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The following table provides information with respect to the defined benefit pension and postretirement benefit plans as of and for the years ended August 31, 2016 and 2015:

	Pension benefits		Postretirement benefits	
	2016	2015	2016	2015
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 52,599,952	55,181,917	29,495,482	31,896,360
Service cost	1,672,456	1,845,971	506,958	600,155
Interest cost	2,403,583	2,329,836	1,485,556	1,342,500
Actuarial loss (gain)	4,574,191	(4,283,136)	5,361,386	(2,952,158)
Benefits paid	<u>(2,561,773)</u>	<u>(2,474,636)</u>	<u>(1,388,297)</u>	<u>(1,391,375)</u>
Benefit obligation at end of year	<u>58,688,409</u>	<u>52,599,952</u>	<u>35,461,085</u>	<u>29,495,482</u>
Change in plan assets:				
Fair value of plan assets at beginning of year	40,900,707	42,207,640	—	—
Actual return on plan assets	5,043,512	(607,297)	—	—
Employer contribution	1,750,000	1,775,000	1,458,477	1,416,388
Benefits paid	<u>(2,561,773)</u>	<u>(2,474,636)</u>	<u>(1,458,477)</u>	<u>(1,416,388)</u>
Fair value of plan assets at end of year	<u>45,132,446</u>	<u>40,900,707</u>	<u>—</u>	<u>—</u>
Funded status, recognized in the balance sheets	\$ <u><u>(13,555,963)</u></u>	<u><u>(11,699,245)</u></u>	<u><u>(35,461,085)</u></u>	<u><u>(29,495,482)</u></u>

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The following table provides the components of net periodic benefit cost recognized in the accompanying statements of activities:

	Pension benefits		Postretirement benefits	
	2016	2015	2016	2015
Service cost	\$ 1,672,456	1,845,971	506,958	600,155
Interest cost	2,403,583	2,329,836	1,485,556	1,342,500
Expected return on plan assets	(2,849,118)	(3,388,907)	—	—
Amortization of prior service cost (credit)	8,403	8,403	(1,195,139)	(1,195,138)
Loss recognized	<u>573,282</u>	<u>542,508</u>	<u>695,998</u>	<u>667,561</u>
Net periodic benefit cost	\$ <u>1,808,606</u>	<u>1,337,811</u>	<u>1,493,373</u>	<u>1,415,078</u>

Accumulated amounts recorded in unrestricted net assets other than through net periodic benefit cost at August 31, 2016 and 2015 consist of the following:

	Pension benefits		Postretirement benefits	
	2016	2015	2016	2015
Prior service (cost) credit	\$ (41,369)	(49,772)	1,397,830	2,592,969
Net actuarial loss	<u>(12,443,477)</u>	<u>(10,636,962)</u>	<u>(11,248,941)</u>	<u>(6,583,553)</u>
	\$ <u>(12,484,846)</u>	<u>(10,686,734)</u>	<u>(9,851,111)</u>	<u>(3,990,584)</u>

The estimated net loss and prior service cost for the pension plan that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2017 is \$701,070 and \$8,403, respectively. The estimated net loss and prior service credit for the postretirement plan that will be amortized from unrestricted net assets into net periodic benefit cost in fiscal year 2017 are \$864,515 and \$1,195,139, respectively.

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The following table provides the actuarial assumptions:

	Pension benefits		Postretirement benefits	
	2016	2015	2016	2015
Weighted average assumptions used to determine benefit obligations:				
Discount rate	4.01%	4.69%	3.98%	4.69%
Rate of compensation increase	4.00	4.00	—	—
Weighted average assumptions used to determine net periodic benefit cost:				
Discount rate	4.69	4.39	4.69	4.39
Expected return on plan assets	7.00	8.00	—	—
Rate of compensation increase	4.00	4.50	—	—

For measurement purposes, the annual rate of increase in the per capita cost of covered healthcare benefits is as follows:

	2016	2015
Assumed healthcare cost trend rates:		
Healthcare cost trend rate assumed for next year	6.60%	6.90%
Healthcare cost trend assumed to decline	4.50	4.50
Ultimate trend rate achieved	2037	2037

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Other changes in plan assets and benefit obligations recognized in unrestricted net assets at August 31, 2016 and 2015 are as follows:

	Pension benefits		Postretirement benefits	
	2016	2015	2016	2015
Pension and postretirement changes other than net periodic benefit cost:				
Net loss (gain)	\$ 2,379,797	(286,932)	5,361,386	(2,952,158)
Amortization of prior service (cost) credit	(8,403)	(8,403)	1,195,139	1,195,138
Amortization of net loss	<u>(573,282)</u>	<u>(542,508)</u>	<u>(695,998)</u>	<u>(667,561)</u>
Total amount recognized in unrestricted net assets	\$ <u>1,798,112</u>	<u>(837,843)</u>	<u>5,860,527</u>	<u>(2,424,581)</u>

The accumulated benefit obligation for the pension plan at August 31, 2016 and 2015 was \$52,192,493 and \$46,864,365, respectively.

Pension plan assets consist of an interest in a diversified fund, which is reported at NAV as determined and published by the fund manager and is reviewed by management for reasonableness. The fund is classified as Level 1 within the fair value hierarchy (note 2(n)). The College's overall investment strategy is to provide liquidity to fund current benefit payments as well as to provide for long-term growth through appreciation. The target allocations for plan assets are 56% equity securities, 37% fixed income, and 7% other investment types.

As of August 31, 2016 and 2015, the diversified fund's composition was as follows:

	2016	2015
Cash	4%	1%
Domestic equities	34	40
International equities/emerging markets equities	18	19
Fixed income – domestic and international	31	33
Alternative	7	—
Real estate	<u>6</u>	<u>7</u>
	<u>100%</u>	<u>100%</u>

The expected long-term rate of return on assets assumption is 7%. The assumption has been determined by developing expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid under the pension plan for the year(s) ending August 31:

2017	\$	2,628,358
2018		2,743,578
2019		2,835,297
2020		2,928,614
2021		3,027,255
2022–2026		16,619,804

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 has been reflected, assuming that the College will continue to provide a prescription drug benefit to plan participants that is at least actuarially equivalent to Medicare Part D and that the College will receive the federal subsidy.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid under the postretirement plan for the year(s) ending August 31:

		Expected benefits reflecting medicare subsidy
2017	\$	1,425,140
2018		1,497,744
2019		1,596,632
2020		1,746,888
2021		1,920,714
2022–2026		10,910,642

Assumed healthcare cost trend rates have a significant effect on the amounts reported for healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

		<u>One- percentage- point increase</u>	<u>One- percentage- point decrease</u>
Impact of 1% change in healthcare cost trend rates:			
Effect on total service and interest cost components	\$	341,985	(276,021)
Effect on postretirement benefit obligation		5,651,588	(4,619,633)

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(9) Net Assets

(a) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at August 31, 2016 and 2015 primarily comprise unappropriated income on donor-restricted endowment funds and nonendowment contributions restricted for specific purposes or future periods.

Temporarily restricted net assets are restricted for the following purposes:

	2016	2015
Endowment earnings restricted for:		
Scholarships and financial aid	\$ 12,656,896	14,509,432
Professorships and lectureships	18,463,555	20,060,004
Research and experimentation	32,393,127	34,171,239
Other	18,232,889	19,283,815
Other restrictions:		
Scholarships, fellowships, professorships, and lectureships	10,989,226	9,601,441
Capital projects	17,972,703	12,833,399
Future periods	602,718	729,883
Total	\$ 111,311,114	111,189,213

Permanently restricted net assets at August 31, 2016 and 2015 are restricted to investment in perpetuity, and the associated investment return is restricted for the following:

	2016	2015
Scholarships and financial aid	\$ 58,328,050	48,604,239
Professorships and lectureships	24,349,743	21,391,621
Research and experimentation	10,360,625	10,357,849
Other	11,530,426	11,229,390
Total	\$ 104,568,844	91,583,099

(b) Endowment Funds

The College's endowment consists of both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value.

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The investment objectives for the College's endowment are to preserve the principal value of those funds, in both absolute as well as real terms, provide a stable source of perpetual financial support to endowment beneficiaries, and maximize over the long term, the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the board of trustees has adopted a spending policy. The amount available for spending is determined annually by applying a rate of 5% to the 16-quarter moving average of the fair value of the endowment.

The College has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund, as is deemed prudent for uses, benefits, purposes, and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument, absent donor stipulations to the contrary. As a result of this interpretation, the College has not changed the way permanently restricted net assets are classified.

The remaining portion of the donor-restricted endowment fund that is not classified in 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.

The tables that follow present information with respect to the College's endowment as of and for the years ended August 31, 2016 and 2015. Endowment net assets consist of the following at August 31, 2016 and 2015:

August 31, 2016				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	\$ (14,135)	81,746,467	97,630,518	179,362,850
Board-designated	95,967,277	—	—	95,967,277
Total	<u>\$ 95,953,142</u>	<u>81,746,467</u>	<u>97,630,518</u>	<u>275,330,127</u>
August 31, 2015				
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	\$ (36,185)	88,024,490	85,853,687	173,841,992
Board-designated	89,244,315	—	—	89,244,315
Total	<u>\$ 89,208,130</u>	<u>88,024,490</u>	<u>85,853,687</u>	<u>263,086,307</u>

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Notes to Financial Statements

August 31, 2016 and 2015

Changes in endowment net assets during the fiscal years ended August 31, 2016 and 2015 are as follows:

		2016			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, August 31, 2015	\$	89,208,130	88,024,490	85,853,687	263,086,307
Dividends and interest		496,934	928,980	—	1,425,914
Contributions		11,125	—	11,776,831	11,787,956
Transfers to quasi, net		10,670,400	—	—	10,670,400
Appropriation for expenditure		(4,713,484)	(7,875,162)	—	(12,588,646)
Investment return, net		280,037	668,159	—	948,196
Net assets, August 31, 2016	\$	<u>95,953,142</u>	<u>81,746,467</u>	<u>97,630,518</u>	<u>275,330,127</u>

		2015			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, August 31, 2014	\$	94,055,360	98,561,492	84,048,325	276,665,177
Dividends and interest		1,006,919	1,962,616	—	2,969,535
Contributions		26,500	—	1,805,362	1,831,862
Transfers to quasi, net		609,094	—	—	609,094
Appropriation for expenditure		(4,072,403)	(7,895,725)	—	(11,968,128)
Investment loss, net		(2,417,340)	(4,603,893)	—	(7,021,233)
Net assets, August 31, 2015	\$	<u>89,208,130</u>	<u>88,024,490</u>	<u>85,853,687</u>	<u>263,086,307</u>

(10) Student Tuition and Fees

Student tuition and fees are presented net of amounts awarded to students to defray their cost of attending the College. Student aid totaled \$29,545,615 and \$26,481,699 in fiscal years 2016 and 2015, respectively.

(11) Fund-Raising Expenses

Fund-raising expenses are included in institutional support in the accompanying statements of activities. For the years ended August 31, 2016 and 2015, fund-raising costs incurred by the College's development office for contributions and certain private grants and contracts amounted to approximately \$6.5 million and \$6.3 million, respectively.

TEACHERS COLLEGE, COLUMBIA UNIVERSITY

Notes to Financial Statements

August 31, 2016 and 2015

(12) Deferred Revenues

Deferred revenues consist of the following at August 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Federal and private grants	\$ 10,648,846	8,304,059
Student tuition	9,352,705	11,495,891
Other	<u>351,242</u>	<u>366,646</u>
	<u>\$ 20,352,793</u>	<u>20,166,596</u>

(13) Commitments and Contingencies

(a) Construction Commitments

In the normal course of business, the College engages the services of contractors for construction and related work. Outstanding commitments associated with these contracts approximate \$4.3 million at August 31, 2016.

(b) Government Funding

Amounts received and expended by the College under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, would not have a significant effect on the financial position of the College.

(c) Line of Credit

The College has a revolving credit arrangement with a bank that provides for a line of credit, up to \$15 million, which was not drawn upon during the years ended August 31, 2016 and 2015. Borrowings under the line of credit will bear interest at the following options: (1) the bank's prime rate or (2) the one-month LIBOR plus 1.15% or (3) a negotiated rate with the bank. Additionally, the College entered an agreement with a bank for an annual letter of credit up to \$300,000, which automatically renews unless the issuing bank provides termination notification.

(d) Litigation

The College, in the normal course of its operations, is a defendant in various lawsuits. While it is not feasible to predict the ultimate outcomes, management of the College does not expect the resolution of these actions to have a material adverse effect on the College's financial position.

(14) Subsequent Events

Retrospective to November 2015, a Memorandum of Agreement was executed between the College and the Local 707 Teamsters Union in October 2016 extending the Collective Bargaining Agreement through December 2019.

The College evaluated other events subsequent to August 31, 2016 and through December 7, 2016, the date on which the financial statements were issued, and has determined there are no additional disclosures.

**APPENDIX C - SUMMARY OF CERTAIN PROVISIONS
OF THE LOAN AGREEMENT**

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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. Such 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. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Construction of the Project

The College agrees that, whether or not there is sufficient money available to it under the provisions of the Resolution, the Series Resolution and the Loan Agreement, the College shall complete the acquisition, design, construction, reconstruction, rehabilitation 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 money available in the Construction Fund, cause the College to be reimbursed for, or pay, any costs and expenses incurred by the College 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.

(Section 5)

Project Amendment

The Project may be amended with the prior written consent of the Authority, which consent will not be unreasonably withheld, 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.

(Section 6)

Financial Obligations; Nature of Obligations.

(a) Except to the extent that money is available therefor under the Resolution or under the Loan Agreement, including money in the Debt Service Fund (other than money required to pay the Redemption Price or purchase price of Outstanding Series 2017 Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the College by the Loan Agreement unconditionally agrees to pay, or cause to be paid, to or upon the order of the Authority, from its general funds or any other money legally available to it:

(i) On or before the date of delivery of the Series 2017 Bonds, the Authority Fee agreed to by the Authority and the College in connection with issuance of the Series 2017 Bonds;

(ii) On or before the date of delivery of the Series 2017 Bonds, such amount, if any, as is required, in addition to the proceeds of the Series 2017 Bonds available therefor, to pay the Costs of Issuance of the Series 2017 Bonds, and other costs in connection with the issuance of the Series 2017 Bonds;

(iii) On June 10, 2017, and each June 10th and December 10th thereafter, the interest coming due on the Series 2017 Bonds on the next succeeding interest payment therefor;

(iv) On June 10, 2018, and on each June 10th thereafter, the principal and the Sinking Fund Installments coming due on the next succeeding July 1st;

(v) Unless the redemption of Series 2017 Bonds at the option of the Authority or any purchase thereof in lieu of optional redemption is subject to the condition that sufficient money is

Appendix C

available on the redemption date or the purchase date, on or prior to the date any notice of optional redemption or purchase in lieu of optional redemption is given, the Redemption Price or purchase price of the Series 2017 Bonds previously called for redemption or to be purchased;

(vi) On December 10 of each Bond Year, one-half (1/2) of the Annual Administrative Fee payable during such Bond Year, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year;

(vii) 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 (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to paragraph (e) of this section and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of the Series 2017 Bonds or the financing or construction of the Project, including, but not limited to, costs and expenses of insurance and auditing, (iv) for the costs and expenses incurred by the Authority to compel full and punctual performance by the College of all the provisions of the Loan Agreement, in accordance with the terms of the Loan Agreement and thereof, and (v) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution and the Series Resolution;

(viii) Promptly upon demand by the Authority (a copy of which demand shall be furnished to the Trustee), all amounts required to be paid by the College as a result of an acceleration pursuant to the Loan Agreement; and

(ix) Promptly upon demand by the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund or otherwise available therefor for the payment of any rebate required by the Code to be made 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 Series 2017 Bonds.

Subject to the provisions of the Loan Agreement and of the Resolution or the Series Resolution, the College shall receive a credit against the amount required to be paid by the College during a Bond Year pursuant to paragraph (iv) of this subsection (a) on account of a Sinking Fund Installment if, prior to the date notice of redemption is given for the redemption of the Series 2017 Bonds to be redeemed through such Sinking Fund Installment prior to the succeeding July 1, the College delivers to the Trustee for cancellation one or more Series 2017 Bonds to be so redeemed on such July 1. The amount of the credit shall be equal to the principal amount of the Series 2017 Bonds so delivered.

The Authority by the Loan Agreement directs the College, and the College by the Loan Agreement agrees to make: (1) the payments required by subparagraphs (iii) and (viii) of this paragraph (a), directly to the Trustee for deposit in the Debt Service Fund and application in accordance with the Resolution or the Series Resolution; (2) the payments required by subparagraph (v) of this paragraph (a), directly to the Trustee for payment of the Redemption Price or purchase price of Series 2017 Bonds called for optional redemption or purchase in lieu of optional redemption; (3) the payments required by subparagraph (ii) of this paragraph (a), directly to the Trustee for deposit in the Construction Fund or other fund or account established under the Resolution or the Series Resolution, as directed by the Authority; (4) the payments required by subparagraph (vii) of this paragraph (a), directly to the Trustee for application in accordance with the Resolution; (5) the payments required by subparagraph (xi) of this paragraph (a), directly to the Trustee for deposit in the Arbitrage Rebate Fund, and (6) the payments required by subparagraphs (i) and (vi) of this paragraph (a), directly to the Authority.

(b) Notwithstanding any provision in the Loan Agreement or in the Resolution or the Series Resolution to the contrary (except as otherwise specifically provided for in this paragraph), (1) all money paid by the College to the Trustee pursuant to subparagraphs (iii), (iv) and (viii) of paragraph (a) of this subsection (other than money received by the Trustee pursuant to the Resolution which shall be retained and applied by the Trustee for its own account) shall be received by the Trustee as agent for the Authority in satisfaction of the College's indebtedness to the Authority with respect to the interest on and principal or

Redemption Price of the Series 2017 Bonds to the extent of such payment is applied to the payment of the principal or Redemption Price of or interest on the Series 2017 Bonds, and (2) the transfer by the Trustee of any money (other than money described in clause (1) of this paragraph (b)) held by it in the Construction Fund to the Debt Service Fund in accordance with the applicable provisions of the Loan Agreement or of the Resolution shall be deemed, upon such transfer, receipt by the Authority from the College of a payment in satisfaction of the College's indebtedness to the Authority with respect to the Redemption Price of the Series 2017 Bonds to the extent of the amount of money transferred. Immediately after receipt or transfer of such money, as the case may be, by the Trustee, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution and the Series Resolution for the sole and exclusive benefit of the Bondholders, regardless of the actual due date or applicable payment date of any payment to the Holders of the Series 2017 Bonds, except in respect to the payment to the College by the Trustee as provided for in the Resolution.

(c) The obligations of the College 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 College may otherwise have against the Authority, the Trustee or any Holder of a Series 2017 Bond for any cause whatsoever including, without limiting the generality of the foregoing, failure of the College to complete the Project or the completion thereof with defects, failure of the College to occupy or use the Project, any declaration or finding that the Series 2017 Bonds are or the Resolution or the Series 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 College may take 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 College for, or to pay, the Costs of the Project beyond the extent of money in the Construction Fund.

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

(d) The Authority, for the convenience of the College, shall furnish to the College 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 College shall notify the Authority as to the amount and date of each payment made to the Trustee by the College.

(e) The Authority shall have the right in its sole discretion to make on behalf of the College any payment required pursuant to this section which has not been made by the College when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under the Loan Agreement arising out of the College'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 College to make such payment.

(f) The College, 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 accordance with the directions of the Authority in the Debt Service Fund or held by the Trustee for the payment of Series 2017 Bonds in accordance with the Resolution. Upon any voluntary payment by the College or any deposit in the Debt Service Fund made pursuant to paragraph (b) of this section, the Authority agrees to direct the Trustee to purchase or redeem Series 2017 Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with the Resolution; 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 or the Series Resolution, and to purchase or redemption all Series 2017 Bonds then Outstanding, or to pay or

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provide for the payment of all Series 2017 Bonds then Outstanding in accordance with the Resolution, the Authority agrees, in accordance with the instructions of the College, to direct the Trustee to purchase or redeem all Series 2017 Bonds Outstanding, or to cause all Series 2017 Bonds Outstanding to be paid or to be deemed paid in accordance with the Resolution.

(g) As soon as practicable after the Project is deemed to be complete in accordance with the Loan Agreement, the Authority shall determine, and notify the College of, the actual Authority Fee incurred by the College in connection with the Project to the date of such notice. The balance, if any, of such Authority Fee then unpaid, to the extent not paid from the Construction Fund, shall be paid by the College pursuant to paragraph (a) of this section. If upon such determination the actual amount of the Authority Fee incurred by the College in connection with the Project to the date of such notice is less than the amount paid theretofore, the Authority shall promptly refund to the College the amount paid in excess of such actual amount.

(Section 9)

Management Consultant

If at any time while the Series 2017 Bonds are Outstanding the College has no long term unsecured, unenhanced debt obligations (including the Series 2017 Bonds) 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 College to engage, at the College's expense, a Management Consultant, which the College hereby agrees to engage within sixty (60) days after such request is made.

(a) The Management Consultant shall review the fees and tuition, operations and management of the College 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 College and an Authorized Officer of the College no later than one hundred twenty (120) days following the date of engagement of such Management Consultant.

(b) The College shall deliver to the Authority:

- (i) Within sixty (60) days of receipt of such Management Consultant's report, a written report of the College (the "College's Response") setting forth the College'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 College proposes to take to implement the recommendations of such Management Consultant (the "Action Plan"), and (y) a certified copy of a resolution adopted by the Board of Trustees of the College accepting the College's Response and authorizing the implementation of the Action Plan; 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 College in implementing the Action Plan.

(c) Notwithstanding the foregoing provisions described in this heading, the College 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 College's obligations under the Loan Agreement.

(d) The provisions of this heading may be amended by written agreement of the Authority and the College without the consent of the Trustee or the Holders of the Series 2017 Bonds.

(Section 10)

Consent to Pledge and Assignment

The College consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee of (i) the Authority's rights to receive the payments required to be made pursuant to section above titled "Financial Obligations", and (ii) all funds and accounts established by the Series Resolution pledged under the Resolution, in each case to the extent pledged and assigned pursuant to or in accordance with the Resolution and the Series Resolution, to secure any payment or the performance of any obligation of the College under the Loan Agreement or arising out of the transactions contemplated by the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The College further agrees that the Authority may pledge and assign to the Trustee any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by this section, the Trustee shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to securing the College's obligation to make all payments required by the Loan Agreement and to performing all other obligations required to be performed by the College under the Loan Agreement.

(a) The College warrants and represents that:

(i) it has the requisite power and authority to enter into the Loan Agreement and to incur the indebtedness contemplated thereby in the manner and to the extent provided in the Loan Agreement, therein and in the Resolution and the Series Resolution;

(ii) the Loan Agreement is a valid, binding and legally enforceable obligations of the College in accordance with its terms; provided that such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium of similar laws affecting or relating to the rights of creditors generally and general principles of equity;

(iii) the execution and delivery of the Loan Agreement, the consummation of the transactions contemplated thereby and compliance with the provisions of the Loan Agreement and thereof do not violate, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the College or any indenture or mortgage, or any trusts, endowments or other commitments or agreements to which the College is 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 College or any of its properties.

(Section 14)

Tax-Exempt Status

The College 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 unrelated business income subject to the taxation under Section 511 of the Code.

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The College covenants that: (a) it shall not perform any act or enter into any agreement which will 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 College 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 any Project to be used in a manner, or for any trade or business unrelated to the purposes of the College, which could adversely affect the exclusion of interest on the Series 2017 Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 15)

Securities Acts Status

The College represents that it is an organization organized and operated: (i) exclusively for educational, benevolent or charitable purposes; (ii) not for pecuniary profit; and (iii) 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 College agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in the Loan Agreement.

(Section 16)

Maintenance of Corporate Existence

The College covenants that it will maintain its corporate existence, will continue to operate as a non-profit educational organization, will obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for it to continue to operate, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The College, with the Insurer's Consent and the prior written consent of the Authority may (i) 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 (ii) permit one or more corporations or any other organization to consolidate with or merge into it, or (iii) acquire all or substantially all of the assets of one or more corporations or other organizations.

(Section 17)

Environmental 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 or (ii) the New York State Historic Preservation Act of 1980 and the regulations promulgated thereunder, the College agrees to abide by the requirements relating thereto set forth in the Loan Agreement.

(Section 18)

Use, Control and Sale of the Project; Restrictions on Religious Use

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the College shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project.

The College agrees that with respect to the Project or portion thereof, so long as the Project or portion thereof exists and unless and until the Project or a portion thereof is sold for the fair market value thereof, such Project or any portion thereof will 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 will not prohibit the free exercise of any religion; and provided, further, that if at any time after the effective date of the Loan Agreement, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the Project and each portion thereof.

(Sections 19 and 20)

Maintenance, Repair and Replacement

The College 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 appurtenances and every part and parcel thereof, in good repair, working order and condition, reasonable wear and tear expected and will from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly and advantageously conducted.

The College further agrees that it will 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 21)

Covenant as to Insurance

The College 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 College, 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 College shall at all times also maintain worker's compensation coverage and disability benefits insurance coverage as required by the laws of the State.

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

(Section 22)

Damage or Condemnation

In the event of a taking of the Project or any portion thereof by eminent domain or of condemnation, damage or destruction affecting all or part of the Project, then and in such event proceeds of any insurance, condemnation or eminent domain award shall, if in excess of \$250,000, be paid upon receipt thereof by the College or the Authority to the Trustee for deposit in the Construction Fund established in connection with the Project, and (i) if within one hundred twenty (120) days by the Authority of actual notice or knowledge of the occurrence, the College and the Authority agree in writing that the Project or the affected portion thereof shall be repaired, replaced or restored, the College shall proceed to repair, replace or restore the Project, or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as commercially possible with such changes and additions as shall be appropriate to the needs of the College and approved in writing by the Authority, such approval not to be unreasonably withheld or delayed. The funds required for such repair, replacement or restoration shall be paid from time to time as the work progresses, subject to such conditions and limitations as the Authority may impose,

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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 College; (ii) if no agreement for the repair, restoration or replacement the Project or the affected portion thereof shall be reached by the Authority and the College within such one hundred twenty (120) day period, the proceeds then held by the College shall be paid to the Trustee for deposit to the Debt Service Fund and the 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 Series 2017 Bonds.

(Section 23)

Taxes and Assessments

The College shall pay when due without penalty 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, renovating, repairing and replacing the Project and its equipment. The College shall file exemption certificates as required by law. The College agrees to exhibit to an Authorized Officer of 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, that the good faith contest of such impositions will be deemed to be in complete compliance with the requirements set forth in the Loan Agreement if the College sets aside such reserves as may be required by good accounting practices. Notwithstanding the foregoing, the Authority in its sole discretion, after notice in writing to the College, may pay (such payment shall be made under protest if so requested by the College) any such charges, taxes and assessments if, in the reasonable judgment of the Authority, a Project or any part thereof, would be in substantial danger by reason of the College'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 (i) the interests or security of the Authority under the Loan Agreement or the Resolution; (ii) the ability of the Authority to enforce its rights thereunder; (iii) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement, under the Series Resolution or the Resolution; or (iv) the ability of the College to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement and the College 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 24)

Defaults and Remedies

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

(a) the College shall default in the timely payment of any amount payable pursuant to the Loan Agreement or the payment of any other amounts required to be delivered or paid by the College in accordance with the Loan Agreement, the Series Resolution or with the Resolution, and such default continues for a period in excess of seven (7) days;

(b) the College defaults in the due and punctual performance of any other covenant in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the College by the Authority or Trustee or, if such default is not capable of being cured within thirty (30) days, the College fails to commence to cure the same within such thirty (30) days or to diligently prosecute the cure thereof;

(c) as a result of any default in payment or performance required of the College pursuant to 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 or Holders of the Series 2017 Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

(d) the College (i) is not generally paying its debts as they become due, (ii) files, or consents 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, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (v) is adjudicated insolvent or liquidated or (vi) takes corporate action for the purpose of any of the foregoing;

(e) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the College, 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 is 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 College, or any petition for any such relief is filed against the College and such petition is not dismissed or stayed within ninety (90) days;

(f) the charter of the College is suspended or revoked;

(g) a petition to dissolve the College shall be filed by the College 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 College;

(h) an order of dissolution of the College 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 College, which order shall remain undismitted or unstayed for an aggregate of thirty (30) days;

(i) 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 College, which petition shall remain undismitted or unstayed for an aggregate of ninety (90) days;

(j) 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 College, which order shall remain undismitted or unstayed for the earlier of (x) three Business Days prior to the date provided for in such order for sale, disposition or distribution or (y) an aggregate of thirty (30) days from the date such order shall have been entered;

(k) 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 College, which in the judgment of the Authority will adversely affect the rights of the Holders of the Series 2017 Bonds shall be rendered against the College and at any time after forty-five (45) days from the entry thereof, (i) such judgment has not been discharged, or (ii) the College 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.

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

(a) declare all sums payable by the College under the Loan Agreement immediately due and payable;

(b) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of the Series 2017 Bonds or the Construction Fund or otherwise to which the College may

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otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or money for such purposes as are authorized by the Resolution and the Series Resolution;

(c) withhold any or all further performance under the Loan Agreement;

(d) maintain an action against the College under the Loan Agreement to recover any sums payable by the College or to require its compliance with the terms of the Loan Agreement; and

(e) to the extent permitted by law, (i) enter upon the Project and complete the construction of the Project 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 College, consent to such entry being given by the College under the Loan Agreement, (ii) at any time discontinue any work commenced in respect of the construction of a Project or change any course of action undertaken by the College and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (iii) assume any construction contract made by the College 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 College, whether or not previously incorporated into the construction of such Project, and (iv) in connection with the construction of the Project undertaken by the Authority pursuant to the provisions of the Loan Agreement (x) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of such Project, (y) pay, settle or compromise all bills or claims which may become liens against the Project or against any money of the Authority applicable to the construction of the 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 or defects in the title to the Project or against any money of the Authority applicable to the construction of the Project, and (z) take or refrain from taking such action under the Loan Agreement as the Authority may from time to time determine. The College will be liable to the Authority for all sums paid or incurred for construction of the Project whether the same is paid or incurred pursuant to the Loan Agreement 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 College to the Authority upon demand. The College 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 College for the purpose of exercising the rights granted to the Authority by the Loan Agreement during the term of the Loan Agreement; and

(f) All rights and remedies given or granted to the Authority in the Loan Agreement are to the extent permitted by law, cumulative, nonexclusive 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.

(g) 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 subparagraph (i) of paragraph (a) of this section and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 28)

Investment of Money

The Authority may in its sole discretion direct the investment of certain moneys held under the Resolution as provided therein.

(Section 31)

Limitation on Agreements

The College shall not enter into any contract or agreement or perform any act which may materially adversely affect any of the rights of the Authority under the Loan Agreement or of the Holders of any Series 2017 Bonds.

(Section 33)

Arbitrage; Tax Exemption

Each of the College 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 Series 2017 Bonds, which would cause the Series 2017 Bonds or any Series of 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 Series 2017 Bonds at the time of such action, investment or use or otherwise cause interest on the Series 2017 Bonds to be included in the gross income of the owners thereof for purposes of federal income taxation. Neither the College nor any "related person" (as such term is defined in Section 147(a)(2) of the Code) shall purchase any Series 2017 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 College or by a related person of Series 2017 Bonds will not cause interest on the Series 2017 Bonds to be included in the gross income of the owners of the Series 2017 Bonds for purposes of federal income taxation.

The College covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the College contained in a Tax Certificate then to be untrue and shall comply with all covenants and agreements of the College contained in each Tax Certificate, unless, in the opinion of Bond Counsel, taking or failing to take such action or failing to comply with its obligations under a Tax Certificate would not adversely affect the exclusion of interest on any Series 2017 Bonds from gross income for federal income tax purposes.

In the event that the Authority is notified in writing that the Series 2017 Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the College. In the event that the College is notified in writing that the Series 2017 Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the Authority. Upon the occurrence of such an event, the College and the Authority shall fully cooperate with one another and participate in all aspects of the conduct of the response thereto.

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 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 College and its agents and representatives, any of whom may make copies thereof. Upon written request therefor from the College the Authority shall as soon as practicable provide the College with a copy of any such document, report or computation. The Authority shall also provide the College with a copy of all documents or reports filed with the Department of Treasury of the United States of America relating to the rebate of earnings.

(Section 34)

Certificate as to Representations and Warranties

The obligations of the Authority under the Loan Agreement and the delivery of the Series 2017 Bonds are conditioned upon the receipt by the Authority at or prior to delivery of the Series 2017 Bonds of a certificate of an Authorized Officer of the College acceptable to and Authorized Officer of the Authority to the effect that the representations and warranties contained in the Loan Agreement are true and correct and

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in full force and effect on and as of the date of delivery of the Series 2017 Bonds as if made on the date of delivery of the Series 2017 Bonds.

(Section 35)

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with the Resolution and each amendment must be made by an instrument in writing signed by the College and the Authority, an executed counterpart of which must be filed with the Trustee.

(Section 39)

Termination

The Loan Agreement will 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 College shall have been made or provision made for the payment thereof; provided, however, that the liabilities and the obligations of the College to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred under the Loan Agreement shall nevertheless survive any such termination.

(Section 40)

**APPENDIX D - SUMMARY OF CERTAIN PROVISIONS
OF THE RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2017 Bonds. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. 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

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment to the Trustee 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 such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds over any other Bonds except as expressly provided in or permitted by the Resolution.

(Section 1.03)

Provisions for Issuance of Bonds and Additional Obligations

The issuance of Bonds shall be authorized by a Series Resolution or Series Resolutions. The Authority shall, in addition to other requirements, upon receipt of the consideration therefor and upon delivery to the Trustee of a certificate of an Authorized Officer of the College stating that the College is not in default under the Loan Agreement, an opinion of Bond Counsel concerning the validity of the Resolution and the Bonds, and, if there is Collateral Security given to secure the Loan Agreement related to such Series of Bonds, which Collateral Security related to such Bonds constitutes Shared Collateral, an Intercreditor Agreement or an amendment to or modification of an existing Intercreditor Agreement, executed in connection with issuance of such Bonds.

(Section 2.02)

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, or prior or equal to the rights of the Authority and Holders of Bonds as provided by the Resolution.

(Section 2.05)

Pledge of Resolution

The proceeds from the sale of the Bonds of a Series, the Revenues derived from the Loan Agreement entered into in connection with the Bonds of such Series or from any realization upon any Collateral Security given in connection with such Loan Agreement, and, except as otherwise provided in the Resolution, all funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds of such Series and as security for the performance of any other obligation of the Authority under the Resolution and under the Series Resolution authorizing the issuance of such Series of Bonds, all in accordance with the provisions thereof.

The pledges made are valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, all funds and accounts established by or pursuant to any Series Resolution which are pledged by the Resolution and the Authority's security interests in the

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Collateral Security 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 the Bonds of such Series, the Revenues, all the funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series which are pledged by the Resolution as provided in the Resolution and the Authority's security interest in the Collateral Security.

(Section 5.01)

Establishment of Funds and Accounts

The following funds are established by the Resolution and shall be held and maintained by the Trustee:

Construction Fund, consisting of the Project Account, the Capitalized Interest Account and the Cost of Issuance Account;
Refunding Account;
Debt Service Fund; and
Arbitrage Rebate Fund.

(Section 5.02)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series of Bonds or by the Bond Series Certificate relating to such Series. Moneys deposited in the Construction Fund shall be used only to pay Costs of Issuance of the applicable Series of Bonds and the Costs of the Project. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the College which by the terms of the Loan Agreement are required to be deposited therein.

Upon receipt by the Trustee of a certificate relating to the completion of the Project, the money, if any, then remaining in the Construction Fund, 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 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; and

Second: To the Debt Service Fund, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

The Revenues and any other money, 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 first six months of each Bond Year, the amount, if any, necessary to make the amount on deposit in the Debt Service Fund equal to (a) the interest on the Outstanding Bonds of the Series for which such Debt Service Fund was established payable subsequent to the first day of such Bond Year and on and prior to the first day of the

second half of the Bond Year, 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) one half of the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds of such Series payable during the next succeeding Bond Year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series theretofore contracted to be purchased or called for redemption pursuant to the provisions of the Resolution summarized herein under the heading "Debt Service Fund" on or prior to the first day of the second half of the Bond Year, plus accrued 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 the Outstanding Bonds of such Series payable subsequent to the first day of the second half of the Bond Year and on and prior to the first day of the next succeeding Bond Year, 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) one-half of the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds of such Series payable during the next succeeding Bond year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series theretofore contracted to be purchased or called for redemption pursuant to the provisions of the Resolution summarized herein under the heading "Debt Service Fund" on or prior to the first day of the next succeeding Bond Year, plus accrued interest thereon to the date of purchase or redemption;

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

Third: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Loan Agreements 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 Third.

The Trustee shall, promptly after making the above required payments, notify the Authority and the College of any balance of Revenues remaining on the first day of the next succeeding Bond Year. 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 College, in the respective amounts set forth in such direction. Any amounts paid to the College shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Series Resolution or the applicable Loan Agreement.

(Section 5.05)

Debt Service Fund

(a) The Trustee shall pay out of the Debt Service Fund established in connection with Bonds of a Series other than Letter of Credit Secured Bonds, when due:

- (i) the interest due and payable on all Outstanding Bonds of such Series;
- (ii) the principal due and payable on the Outstanding Bonds of such Series; and

(iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series.

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The amounts paid out pursuant to the preceding clauses shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of this paragraph (a), 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 money on deposit in the Debt Service Fund established in connection with the Bonds of a Series, other than Letter of Credit Secured Bonds, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of such Series to be redeemed from such Sinking Fund Installment. In addition, the College pursuant to a Loan Agreement may deliver, at any time subsequent to July 1 (or such other date as provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds) 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, to the Trustee for cancellation one or more Term Bonds of such Series to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee 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.

(Section 5.06)

Arbitrage Rebate Fund

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

Money on deposit an 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. Money 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 each 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 applicable 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 money to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (ii) if and to the extent required by the Code, pay out of such Arbitrage 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 the Available Money held in the Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the Available Money held in the Debt Service Reserve Fund established for such Bonds, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of such 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, or to make provision pursuant to the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the College. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Transfer of Investments

Whenever money in any fund or account established under the Resolution is 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 money, 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

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 the 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 to give security for the deposit of any money with them pursuant to the provisions of the Resolution summarized herein under the headings “Debt Service Fund” and “Defeasance” and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any 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 authorized in paragraph (a) of this Section, 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 a Construction Fund or Debt Service Reserve 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

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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 this Section. 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 College 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 of paragraphs (a), (b) and (c) of this Section. 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 any 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 to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 6.02)

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 the Bonds according to the true intent and meaning thereof.

(Section 7.01)

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, including but not limited to the objects and purposes for which proceeds of the Bonds were expended and the respective amounts expended for such objects and purposes. Such 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 College, 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, each Liquidity Facility Provider and the College. 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 with respect to the Shared Collateral or the Revenues, 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 on the proceeds from the sale of the Bonds, the Revenues, the Collateral Security and the funds and accounts established by the Resolution or pursuant to any Series Resolution; ***provided, however,*** that nothing contained in the Resolution shall prevent the Authority from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created pursuant to the Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the College

The Authority shall take all legally available action to cause the College to perform fully all duties and acts and comply fully with the covenants of the College required by a Loan Agreement in the manner and at the times provided in such Loan Agreement; ***provided, however,*** that the Authority may (i) delay or defer enforcement of one or more provisions of the Loan Agreement (other than provisions requiring the payment of money 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 and (ii) at any time prior to the occurrence of an event of default under the Resolution, annul any declaration that the indebtedness under the 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 the Loan Agreement, discontinue such action or proceeding if the College shall have cured each event of default under the Loan Agreement.

(Section 7.07)

Deposit of Certain Money in the Construction Fund

In addition to the proceeds of Bonds to be deposited in the Construction Fund, any money paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of any Project, including the proceeds of any insurance of 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 may be presented for payment, registration, transfer or exchange and the Trustee is by the Resolution appointed the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds. The provisions of this Section shall be subject to the provisions of the Resolution.

(Section 7.09)

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Amendment of Loan Agreement

Each Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more purposes: (i) to add an additional covenant or agreement for the purpose of further securing the payment of the College's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the College contained in the Loan Agreement; (ii) to prescribe further limitations and restrictions upon the College's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; (iii) to surrender any right, power or privilege reserved to or conferred upon the College, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the College contained in the Loan Agreement; (iv) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Project, to amend the description of any Project or to add an additional Project; (v) to establish, amend or modify the Authority Fee or the Annual Administrative Fee payable by the College in connection with the Bonds of a Series; or (vi) with the prior written 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 or to amend, modify or waive any other provision of the Loan Agreement, provided that the same does not adversely affect the interests of the Bondholders in any material respect.

Notwithstanding the provisions of paragraph (a) of this Section, the Loan Agreement relating to a Series of Bonds may not be amended, changed, modified, altered or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds of such Series as hereinafter provided if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Revenues payable by the College under the Loan Agreement on any date or delays the date on which payment is to be made, (ii) modifies the events which constitute Events of Default under the Loan Agreement, (iii) diminishes, limits or conditions the rights or remedies of the Authority under the Loan Agreement upon the occurrence of an Event of Default thereunder, or (iv) adversely affects the rights of the Bondholders in any material respect.

No such amendment, change, modification, alteration, termination or waiver shall take effect unless the prior written consent of the Holders of at least a majority in principal amount of the Bonds then Outstanding of the affected Series; *provided, however*, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified maturity of such Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

No amendment, change, modification or termination of a Loan Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification, alteration or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel. A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee and a copy thereof shall be sent to the affected Bank.

Bonds owned or held by or for the account of the Authority or the College shall not be deemed Outstanding for the purpose of consent provided for in this Section, and neither the Authority nor the College shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

For the purposes of this Section, the purchasers of Bonds, 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 this Section 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, Remarketing Agent or otherwise 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 shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X 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. As used in this paragraph the following terms shall have the respective meanings: “**Auction Rate Bond**” means a Variable Interest Rate Bond 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 any particular 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 this Section, a Series 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, which determination shall be made without regard to the existence of any financial guaranty insurance policy issued in connection with such Bonds or a Letter of Credit for such Bonds. 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 College, the Authority and all Holders of Bonds.

For all purposes of this Section, 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 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 of any “Event of Default” under a Loan Agreement, as such term is defined in such Loan Agreement, that 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)

Modification and Amendment without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions: (a) to provide for the issuance of a Series of Bonds pursuant to the provisions of the

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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, 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 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 and the subjection to any lien, claim or pledge created or to be created by the provisions of the 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 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 any 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 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 in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the 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 Insurers and the Bondholders 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 College and the Rating Service upon its becoming effective.

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Resolutions 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 or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere provided in the Resolution or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, must 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 College and to each Liquidity 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 will 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 shall become effective without the written consent of the Trustee.

(Section 9.03)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in the provisions of the Resolution summarized herein under the heading “Consent of Holders of Bonds”, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) 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 particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond 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 the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, 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.

(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 herein under the heading “Powers of Amendment” to take effect when and as provided in this paragraph. 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 Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the 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 specified in the provisions of the Resolution summarized herein under the heading “Powers of Amendment” 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 hereinafter in this Section provided. 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 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 described in the

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certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for 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 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 such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive 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 and will be effective as provided in this Section, shall be given to the Bondholders by the Authority by mailing such notice to the 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 Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section provided). 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.

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 therein, 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, reoffering or resale of the Bonds of such Series by the Authority.

(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 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 and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the provisions of the Resolution summarized herein under the heading "Consent of Holders of Bonds", except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.03)

Events of Default

Events of default under the Resolution and each Series Resolution include: failure to pay the principal, Sinking Fund Installments or Redemption Price of, or an installment of interest on, any Bond when the same shall become due and payable; default in the due and punctual performance of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolutions or any Series Resolution on the part of the Authority to be performed and such default continues for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds 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; the Authority defaults in the due and punctual performance of any covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds for a Series is no longer excludable from gross income under Section 103 of the Code (a “Taxability Default”); or an “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the College 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 provisions of the Resolution summarized herein under the heading “Events of Default”, other than a Taxability Default, 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 each Series, shall, by a notice in writing to the Authority and each Rating Service, declare the principal of and interest on all of the Outstanding Bonds to be immediately 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. If all defaults shall have been remedied to the satisfaction of the Trustee, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds not then due by their terms and Outstanding, by written notice to the Authority the Trustee may, provided certain conditions are satisfied, annul such declaration and its consequences.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default specified in the provisions of the Resolution summarized herein under the heading “Events of Default”, 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 each Series or, in the case of a happening and continuance of an Taxability Default, of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under any 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 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.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds 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 each Series or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, 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

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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.

(Section 11.08)

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 money and securities pledged to such Bonds and all other rights granted by the Resolution to such 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 money or 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 the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(b) Bonds for the payment or redemption of which Available Money shall have been set aside and shall be held in trust by the Trustee (through deposit of Available Money 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 subdivision 1 of this Section. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a 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 paragraph (a) of this Section 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 Available Money in an amount which shall be sufficient, or Defeasance Securities purchased with Available Money the principal of and interest on which when due will provide money which, together with the Available Money, 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 on and prior to the redemption date or maturity date thereof, as the case may be, (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 appearing on the registration books, and, if directed by the 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 this Section and stating such maturity or redemption date upon which money is 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, (iv) the Trustee shall have received an opinion of Bond Counsel to the effect that making provision pursuant to this Section 12.01(b) for payment of any Bond that is a Tax Exempt Bond will not cause said Bond to be considered to have been "reissued" for purposes of Section 1001 of the Code; and (v) the Trustee shall have received a Verification Report. The Authority shall give written notice to the Trustee and each Rating Service of its selection of the Series and maturity the payment of which is to be made in accordance with this Section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section 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 money 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 thereof, 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 money 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 the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(c) For the purpose 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, in accordance with paragraph (b) of this Section, 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 money 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 clause (ii) of the second sentence of paragraph (b) of this Section, the Trustee shall 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 the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(d) Option Bonds will be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) above only if there shall be deposited with the Trustee Available Money 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 paragraph (b) of this Section, 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 money 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 the Authority the amount certified by an Authorized

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Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee 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 money were held by the Trustee at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee after said date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee 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 may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that such money remains 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 money then unclaimed shall be returned to the Authority.

(Section 12.01)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an “event of default”, as provided in the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority, the College or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the Resolution, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the provisions of the Resolution summarized herein under the heading “Acceleration of Maturity”, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

**APPENDIX E - FORM OF APPROVING OPINION
OF CO-BOND COUNSEL**

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FORM OF OPINION OF CO-BOND COUNSEL

[Date of Delivery]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$43,390,000 aggregate principal amount of Teachers College Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) by the Dormitory Authority of the State of New York (the “Authority”), a body corporate and politic constituting a public benefit corporation of the State of New York, including 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, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2017 Bonds are issued under and pursuant to the Act, the Teachers College Revenue Bond Resolution of the Authority, adopted on December 3, 2008 (the “Resolution”), the Series Resolution Authorizing Up To \$50,000,000 Teachers College Revenue Bonds, adopted on February 8, 2017 (the “Series 2017 Resolution”) and the Bond Series Certificate, dated as of March 8, 2017, relating to the Series 2017 Bonds (the “Bond Series Certificate”). Said resolutions and the Bond Series Certificate are herein collectively referred to as the “Resolutions.” Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

The Series 2017 Bonds are part of an issue of bonds of the Authority (the “Bonds”), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2017 Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2017 Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with all other Bonds which have been or may be issued, be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2017 Bonds are dated and bear interest from their date of delivery and mature on July 1 in each of the years in the respective principal amounts, and bear interest, payable July 1, 2017 and semiannually thereafter on each January 1 and July 1, at the respective rates per annum set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	\$ 150,000	3.000%	2029	\$2,970,000	5.000%
2019	155,000	5.000	2030	3,120,000	5.000
2020	2,020,000	4.000	2031	3,265,000	4.000
2021	2,095,000	5.000	2032	3,395,000	5.000
2022	2,200,000	4.000	2033	3,560,000	4.000
2023	2,285,000	5.000	2034	795,000	3.750
2024	2,395,000	3.000	2035	820,000	3.750
2025	2,460,000	5.000	2036	845,000	4.000
2026	2,580,000	5.000	2037	880,000	4.000
2027	2,705,000	5.000	2038	915,000	4.000
2028	2,835,000	5.000	2039	945,000	4.000

The Series 2017 Bonds are issuable in the form of fully registered Bonds in denominations of \$5,000 or integral multiples thereof. The Series 2017 Bonds are numbered consecutively from one upward in order of issuance.

The Series 2017 Bonds are subject to redemption and purchase-in-lieu-of optional redemption prior to maturity as provided in the Resolutions.

The Series 2017 Bonds are being issued to finance a loan by the Authority to Teachers College (the “College”). The Authority and the College have entered into a Loan Agreement, dated as of February 8, 2017 (the “Loan Agreement”), by which the College is required to make payments sufficient to pay the principal, Redemption Price, purchase price of and interest on Outstanding Bonds, including the Series 2017 Bonds, as well as the Authority’s annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal or Redemption Price, purchase price of or interest on the Series 2017 Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Series 2017 Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2017 Bonds thereunder.

2. The Series 2017 Resolution has been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Series 2017 Resolution and the Resolution have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2017 Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in

accordance with the Resolutions. The Series 2017 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Loan Agreement and the Loan Agreement has been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

5.* The Internal Revenue Code of 1986, as amended (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2017 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. Pursuant to the Series 2017 Resolution, the Loan Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141–150 of the Internal Revenue Code of 1986 (the “Tax Certificate”) executed in connection with the original authentication and delivery of the Series 2017 Bonds, the Authority and the College have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the College have made certain representations and certifications in the Series 2017 Resolution, the Loan Agreement and the Tax Certificate. We are also relying on the opinion of counsel to the College as to all matters concerning the status of the College as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described above, and the accuracy of certain representations and certifications made by the Authority and the College described above, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. We express no opinion as to whether interest on any portion of the Series 2017 Bonds is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

We are further of the opinion that the excess of the principal amount of a maturity of the Series 2017 Bonds over the price at which price a substantial amount of such maturity of the Series 2017 Bonds was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2017 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate

* The information set forth in paragraph number 5 related to the federal tax laws is solely given by Co-Bond Counsel Nixon Peabody LLP and is not attributable to Co-Bond Counsel Drohan Lee LLP.

basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

6. Interest on the Series 2017 Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

We have examined an executed Series 2017 Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2017 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series 2017 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2017 Bonds, or the interest thereon, if any action is taken with respect to the Series 2017 Bonds or the proceeds thereof upon the advice or approval of other counsel.

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

Very truly yours,

APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT

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AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

DORMITORY AUTHORITY OF THE STATE OF NEW YORK TEACHERS COLLEGE REVENUE BONDS, SERIES 2017

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of March 30, 2017, is executed and delivered by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”), Teachers College (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 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.

“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 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 150 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 August 31, 2017, 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 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 as described in “PART 7-THE COLLEGE” under the headings “OPERATING INFORMATION” and “ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions*, similar to that set forth under the heading “ADMISSION STATISTICS;” (2) *student enrollment*, similar to that set forth under the heading “ENROLLMENT SUMMARY;” (3) *tuition and other student charges*, similar to that set forth under the heading “STUDENT CHARGES;” (4) *financial aid*, similar to that set forth under the heading “SOURCES OF FINANCIAL AID;” (5) *faculty*, similar to that set forth under the heading “FACULTY PROFILE;” (6) *employee relations*, including material information about union

contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (7) *restricted and designated net assets*, unless such information is included in the Audited Financial Statements; (8) *college investment in plant*, unless such information is included in the Audited Financial Statements; and (9) *outstanding long-term indebtedness*, 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 Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the 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 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]

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: _____

TEACHERS COLLEGE,
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): Teachers College
Name of Bond Issue: Teachers College Revenue Bonds, Series 2017
Date of Issuance: March 30, 2017
Date of Official Statement: March 8, 2017

<u>Maturity</u>	<u>CUSIP No.</u>
July 1, 2018	64990CQM6
July 1, 2019	64990CQN4
July 1, 2020	64990CQP9
July 1, 2021	64990CQQ7
July 1, 2022	64990CQR5
July 1, 2023	64990CQS3
July 1, 2024	64990CQT1
July 1, 2025	64990CQU8
July 1, 2026	64990CQV6
July 1, 2027	64990CQW4
July 1, 2028	64990CQX2
July 1, 2029	64990CQY0
July 1, 2030	64990CQZ7
July 1, 2031	64990CRA1
July 1, 2032	64990CRB9
July 1, 2033	64990CRC7
July 1, 2034	64990CRD5
July 1, 2035	64990CRE3
July 1, 2036	64990CRF0
July 1, 2037	64990CRG8
July 1, 2038	64990CRH6
July 1, 2039	64990CRJ2

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): Teachers College
Name of Bond Issue: Teachers College Revenue Bonds, Series 2017
Date of Issuance: March 30, 2017

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 March 30, 2017, 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 March 30, 2017 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 March 30, 2017 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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