


\$109,035,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BARNARD COLLEGE
REVENUE BONDS, SERIES 2015A**

Dated: Date of Delivery**Due: July 1, as shown on the inside cover**

Payment and Security: The Barnard College Revenue Bonds, Series 2015A (the "Series 2015A Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of March 11, 2015, between Barnard College (the "College" or "Barnard") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the Series 2015A Bonds. The Series 2015A Bonds are to be issued under DASNY's Barnard College Revenue Bond Resolution, adopted March 11, 2015 (the "Resolution") and the Series Resolution Authorizing Up To \$170,000,000 Barnard College Revenue Bonds, Series 2015A Bonds, adopted March 11, 2015 (the "Series 2015A Resolution" and together with the Resolution, the "Resolutions").

The Loan Agreement is a general 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, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2015A Bonds. The obligations of the College under the Loan Agreement to make such payments are secured by a pledge of certain revenues of the College.

The Series 2015A Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2015A Bonds. DASNY has no taxing power.

Description: The Series 2015A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2015A Bonds will mature on the dates and bear interest at the rates shown on the inside cover. Interest (due July 1, 2015 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2015A 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 2015A Bonds, by wire transfer to the holder of such Series 2015A Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal, Sinking Fund Installments, if any, or Redemption Price of the Series 2015A Bonds will be payable at the principal corporate trust office of U.S. Bank National Association, 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 2015A Bonds, by wire transfer to the holder of such Series 2015A Bonds as more fully described herein.

The Series 2015A 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 2015A Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2015A Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price and Purchase Price of and interest on such Series 2015A 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 2015A BONDS – Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2015A Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, Co-Bond Counsel, (i) under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Series 2015A Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "PART 11 – TAX MATTERS" herein.

The Series 2015A Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2015A Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the College by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, McKenna Long & Aldridge LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York. DASNY expects to deliver the Series 2015A Bonds in definitive form in New York, New York, on or about April 24, 2015.

Ramirez & Co., Inc.**RBC Capital Markets****Roosevelt & Cross Incorporated**

\$109,035,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BARNARD COLLEGE
REVENUE BONDS, SERIES 2015A

Maturity Schedule

\$79,675,000 Serial Bonds

Due July 1	Amount	Interest Rate	Yield	CUSIP Number*	Due July 1	Amount	Interest Rate	Yield	CUSIP Number*
2016	\$ 675,000	2.00%	0.37%	6499076E7	2027	\$3,415,000	5.00%	2.57% [†]	6499076R8
2017	690,000	2.00	0.70	6499076F4	2028	3,585,000	5.00	2.69 [†]	6499076S6
2018	2,160,000	3.00	0.97	6499076G2	2029	3,760,000	5.00	2.76 [†]	6499076T4
2019	3,325,000	4.00	1.22	6499076H0	2030	3,955,000	5.00	2.83 [†]	6499076U1
2020	3,460,000	5.00	1.45	6499076J6	2031	4,155,000	4.00	3.30 [†]	6499076V9
2021	3,635,000	5.00	1.65	6499076K3	2032	4,310,000	4.00	3.34 [†]	6499076W7
2022	3,825,000	5.00	1.87	6499076L1	2033	4,490,000	5.00	3.00 [†]	6499076X5
2023	4,000,000	5.00	2.04	6499076M9	2034	4,710,000	5.00	3.04 [†]	6499076Y3
2024	4,205,000	5.00	2.23	6499076N7	2035	4,950,000	5.00	3.07 [†]	6499076Z0
2025	4,415,000	5.00	2.34	6499076P2	2036	3,590,000	4.00	3.53 [†]	6499077E6
2026	4,635,000	5.00	2.49 [†]	6499076Q0	2037	3,730,000	4.00	3.55 [†]	6499077F3

\$29,360,000 Term Bonds

\$18,195,000 5.00% Term Bonds Due July 1, 2043, Priced to Yield 3.10%[†], CUSIP Number 6499077A4*
 \$11,165,000 3.75% Term Bonds Due July 1, 2046, Priced to Yield 3.81%, CUSIP Number 6499077B2*

* 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 2015A Bonds. Neither DASNY nor the Underwriters are responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2015A Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2015A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2015A Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2015A Bonds.

† Priced to Optional Redemption Date of July 1, 2025.

No dealer, broker, salesperson or other person has been authorized by DASNY, the College or the Underwriters to give any information or to make any representations with respect to the Series 2015A 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 Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2015A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain information in this Official Statement has been supplied by the College and other sources that DASNY believes are reliable. Neither DASNY nor the Underwriters guarantee 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 Project, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2015A Bonds, the College will certify that as of the date of this Official Statement and of delivery of the Series 2015A 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.

References in this Official Statement to the Act, the Resolution, the Series 2015A Resolution, the Bond Series Certificate and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2015A Resolution, the Bond Series Certificate and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2015A Resolution, the Bond Series Certificate and the Loan Agreement are on file with DASNY and the Trustee.

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

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

The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2015A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY - STATE OF NEW YORK
PAUL T. WILLIAMS, JR. – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO
\$109,035,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BARNARD COLLEGE
REVENUE BONDS, SERIES 2015A

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about DASNY and the College, in connection with the offering by DASNY of \$109,035,000 principal amount of its Barnard College Revenue Bonds, Series 2015A (the “Series 2015A Bonds”).

The following is a brief description of certain information concerning the Series 2015A Bonds, DASNY and the College. A more complete description of such information and additional information that may affect decisions to invest in the Series 2015A 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 2015A Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used by Barnard College (the “College”) to (i) finance a portion of the Costs of the Project (described herein), (ii) (A) refund all of the \$23,890,000 outstanding principal amount of DASNY’s Barnard College Insured Revenue Bonds, Series 2004 (the “Series 2004 Bonds”) and (B) refund a portion of the \$39,295,000 outstanding principal amount of DASNY’s Barnard College Insured Revenue Bonds, Series 2007A (the “Series 2007A Bonds”) and, together with the Series 2004 Bonds, the “Refunded Bonds”), and (iii) pay the Costs of Issuance of the Series 2015A Bonds. See “PART 4 — THE PROJECT,” “PART 5 — THE REFUNDING PLAN” and “PART 6 — ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Series 2015A Bonds will be issued pursuant to the Resolutions and the Act. The Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to, among other things, pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the College, and to refinance other indebtedness of the College. Except as otherwise provided in the applicable Series Resolutions, each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution.

DASNY

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

The College

The College is an independent, 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 Barnard College and Independent Auditors’ Report.”

The Series 2015A Bonds

The Series 2015A Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2015 and on each January 1 and July 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 — THE SERIES 2015A BONDS - Description of the Series 2015A Bonds.”

Payment of the Series 2015A Bonds

The Series 2015A 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, which payments are pledged and assigned to the Trustee. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS - Payment of the Series 2015A Bonds.”

The Series 2015A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2015A Bonds except for DASNY’s responsibility to make payments from money received from the College pursuant to the Loan Agreement, from money realized upon a foreclosure or other realization upon the security interest in the Pledged Revenues, and from amounts held in the funds and accounts established pursuant to the Series 2015A Resolution and pledged therefor.

Security for the Series 2015A Bonds

The Series 2015A Bonds are secured by the pledge and assignment to the Trustee by DASNY of the Revenues and, except as otherwise provided in the Resolutions, of all funds and accounts established by the Resolutions in connection with the Series 2015A Bonds, other than the Arbitrage Rebate Fund. The Series 2015A Bonds also will be secured by the assignment by DASNY to the Trustee of the security interest in tuition and fees charged to students for academic instruction (the “Pledged Revenues”) given by the College to DASNY to secure its obligations under the Loan Agreement.

The College’s obligation to make the payments under the Loan Agreement is a general obligation of the College and such payments are required to be made by the College out of any money legally available to it. As security for its obligations under the Loan Agreement, the College will grant to DASNY a security interest in the Pledged Revenues. In addition, as described in more detail below, the Loan Agreement permits the College to incur additional indebtedness secured by the Pledged Revenues on a parity with DASNY’s lien on the Pledged Revenues securing the College’s obligations to DASNY under the Loan Agreement (“Parity Indebtedness”).

Financial Covenants

The College has entered into certain financial covenants in the Loan Agreement, including a provision for the maintenance of expendable resources to debt and a covenant related to incurrence of additional debt. For a description of such covenants, see “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS – Financial Covenants” and “Appendix C — Summary of Certain Provisions of the Loan Agreement.”

The Project

The Project consists of the demolition of an existing facility and the construction of a new approximately 133,000 gross square foot multi-purpose facility at the College, as well as other campus-wide renovations and maintenance projects. See “PART 4 — THE PROJECT.”

The Refunding Plan

A portion of the proceeds of the Series 2015A bonds will be used to refund the Refunded Bonds. Such proceeds and other available moneys will be used to purchase certain investment securities, the principal of and interest on which, when due, will be sufficient to pay the redemption price of and interest on the Refunded Bonds. See “PART 5 – THE REFUNDING PLAN.”

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2015A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution, the Series 2015A Resolution and the Bond Series Certificate executed in connection with the issuance of the Series 2015A Bonds.

Copies of the Loan Agreement, the Resolution, the Series 2015A Resolution and the Bond Series Certificate are on file with DASNY and the Trustee. See also “Appendix C — Summary of Certain Provisions of the Loan Agreement” and “Appendix D — Summary of Certain Provisions of the Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2015A Bonds

The Series 2015A Bonds will be special obligations of DASNY. The principal of and interest on the Series 2015A Bonds are payable solely from the Revenues. The Revenues include the payments required to be made by the College under the Loan Agreement on account of the principal and Sinking Fund Installments of and interest on the Outstanding Series 2015A Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2015A Bonds.

The Loan Agreement is a general obligation of the College and obligates the College to make payments to satisfy the principal and Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2015A Bonds. Generally, payments to satisfy principal and Sinking Fund Installments and interest on the Series 2015A Bonds are to be made monthly on the 10th day of each month. Each payment is to be equal to a proportionate share of the interest on the Series 2015A Bonds coming due on the next succeeding interest payment date and of the principal and Sinking Fund Installments coming due on the next succeeding July 1. The Loan Agreement also obligates the College to make payments sufficient to pay, at least 45 days prior to a redemption date or purchase date of Series 2015A Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the Redemption Price or Purchase Price of such Bonds. See “PART 3 — THE SERIES 2015A BONDS — Redemption and Purchase in Lieu of Redemption Provisions.”

DASNY has directed the College, 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 of and interest on the Series 2015A Bonds.

Security for the Series 2015A Bonds

The Series 2015A Bonds will be secured by the pledge and assignment by DASNY of the Revenues, the right to receive such Revenues, the security interest in the Pledged Revenues (defined below) granted by the College to DASNY under the Loan Agreement and, except as otherwise provided in the Resolution, all of the funds and accounts established pursuant to the Resolutions in connection with the Series 2015A Bonds, other than the Arbitrage Rebate Fund. As security for its general obligations under the Loan Agreement, the College has granted DASNY a security interest in tuition and fees charged to students for academic instruction, the right to receive same and proceeds thereof (“Pledged Revenues”). 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. Except as otherwise provided by the applicable Series Resolutions, each Series of Bonds issued under the Resolution will be separately secured.

Pursuant to the Loan Agreement, the College has covenanted not to incur additional debt secured by a security interest prior to DASNY’s lien on the Pledged Revenues securing the College’s obligations under the Loan Agreement. However, as described in more detail below, the Loan Agreement permits the College to incur additional Parity Indebtedness that is secured by the Pledged Revenues on a parity with DASNY’s lien on the Pledged Revenues securing the College’s obligations to DASNY under the Loan Agreement. The College is planning to finance additional Project costs in an estimated amount of \$36,200,000 through a private placement of variable rate tax-exempt bonds (the “Series 2015B Bonds”) that are expected to be issued after the Series 2015A Bonds. The Series 2015B Bonds are expected to be issued as additional Parity Indebtedness. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2015A BONDS – Financial Covenants” and “– Issuance of Additional Indebtedness.”

Financial Covenants

The Loan Agreement contains certain covenants of the College wherein the College agrees to the following:

Maintenance Covenants

Expendable Resources to Debt Ratio Requirement. The College covenants to maintain a ratio of Expendable Resources to Long-Term Indebtedness (the “Expendable Resources to Debt Ratio”) as of the end of each Fiscal Year at least equal to 0.40:1. As of June 30, 2014, the College’s ratio of Expendable Resources to Long-Term Debt was reported at 2.07:1.

If on any Testing Date, the College does not satisfy the Expendable Resources to Debt Ratio requirement, DASNY may require the College to retain a Management Consultant to make recommendations that will enable the College to comply with the Expendable Resources to Debt Ratio requirement. Failure to maintain the required Expendable Resources to Debt Ratio, however, is not an event of default under the Loan Agreement.

Additional Indebtedness

The College may issue, incur, assume or guarantee Long-Term Indebtedness without the consent of DASNY provided that (i) the College maintains a long-term debt rating not lower than investment grade (BBB-/Baa3) from at least one Nationally Recognized Statistical Rating Organization (NRSRO), and that rating must be maintained from at least one NRSRO after the issuance of the additional Long-Term Indebtedness **and** (ii) (a) such Long-Term Indebtedness issued in any Fiscal Year is in an amount less than or equal to 10% of the amount of its unrestricted net assets as reported on its most recent audited financial statements **or** (b) the College provides to DASNY a certificate of an Authorized Officer of the College containing pro forma calculations demonstrating that the Expendable Resources to Debt Ratio would be met based on most recent audited financial statements, taking into account the additional Long-Term Indebtedness proposed to be issued.

In addition, the College may incur indebtedness of up to \$40,000,000 of privately placed Bonds (“Privately Placed Indebtedness”) without the consent of DASNY.

The College may also issue, incur, assume or guarantee Refunding Debt without the consent of DASNY or compliance with the requirements for incurring Long-Term Indebtedness as described above, if, after giving effect to such Refunding Debt, the Annual Debt Service on the College’s Long-Term Indebtedness will not be greater in any Fiscal Year as established by a certificate or report to that effect of an Authorized Officer of the College delivered to DASNY on or prior to the date such Refunding Debt is issued, incurred, assumed or guaranteed.

To the extent the College is entitled to issue, incur, assume or guaranty Long-Term Indebtedness, Privately Placed Indebtedness or Refunding Debt in accordance with the Loan Agreement and as described in the three preceding paragraphs, such Long-Term Indebtedness, Privately Placed Indebtedness or Refunding Debt may be incurred as Parity Indebtedness. Incurrence of any such Parity Indebtedness shall be subject to the prior execution of an intercreditor agreement by DASNY and any other parties with an interest in Pledged Revenues that is to be shared on a parity basis. As described above, the College currently expects to incur Privately Placed Indebtedness in the amount of approximately \$36,200,000, such Indebtedness to be issued as Parity Indebtedness.

In addition, the College may also incur Non-Recourse Indebtedness without DASNY’s consent and short-term Indebtedness (Indebtedness with an original maturity of one year or less, including any options to renew), provided that during any 12-month period, there shall be no outstanding balance on such short-term Indebtedness for a period of not less than 30 days or such shorter period as acceptable to DASNY.

For a more complete description of the financial covenants of the College, see “Appendix C – Summary of Certain Provisions of the Loan Agreement.”

Events of Default and Acceleration

The following are events of default under the Resolution with respect to the Series 2015A 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 Bond; (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in the Series 2015A Resolution to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Bonds from gross income for purposes of federal income taxation, and, as a result thereof, the interest on the Series 2015A Bonds is no longer excludable from gross income under Section 103 of the Code; (iv) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Series 2015A Bonds or in the Resolutions which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee’s discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if the Authority fails to commence within 30 days to cure the same and to diligently prosecute the cure thereof; or (v) DASNY shall have notified the Trustee that an “Event of Default,” as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the College under the Loan Agreement have been declared immediately due and payable (unless such declaration shall have 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 2015A Bonds, shall declare the principal of and interest on all the Outstanding Series 2015A Bonds to be due and payable. At any time after the principal of the Series 2015A Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than 25% in principal amount of Series 2015A Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the College within five days, and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2015A 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 2015A Bonds.

Issuance of Additional Indebtedness

In addition to the Series 2015A Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other indebtedness of the College. Except as otherwise provided in the applicable Series Resolutions, each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Series Resolution. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2015A Bonds.

The Loan Agreement also permits the College, under certain conditions, to incur Parity Indebtedness, which is secured by the Pledged Revenues on a parity with the pledge securing the Series 2015A Bonds. See “ – Financial Covenants” above and “Appendix C – Summary of Certain Provisions of the Loan Agreement.”

General

The Series 2015A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2015A Bonds except for DASNY’s responsibility to make payments from money received from the College pursuant to the Loan Agreement, from money realized upon a foreclosure or other realization upon the security interest in the Pledged Revenues, and from amounts held in the funds and accounts established pursuant to the Series 2015A Resolution and pledged therefor.

PART 3 — THE SERIES 2015A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2015A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2015A Resolution, the Bond Series Certificate and the Loan Agreement, copies of which are on file with DASNY and the Trustee. See also “Appendix C — Summary of Certain Provisions of the Loan Agreement” and “Appendix D — Summary of Certain Provisions of the Resolution” for a more complete description of certain provisions of the Series 2015A Bonds.

General

The Series 2015A Bonds will be issued pursuant to the Resolutions. The Series 2015A 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 2015A 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 2015A Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2015A 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 2015A 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

2015A Bonds, the Series 2015A Bonds will be exchangeable for fully registered Series 2015A Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “ — Book-Entry Only System” and “Appendix D — Summary of Certain Provisions of the Resolution.”

Description of the Series 2015A Bonds

The Series 2015A Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2015 and on each January 1 and July 1 thereafter) at the rates set forth on the inside cover page of this Official Statement. The Series 2015A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2015A 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 2015A 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 2015A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2015A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, New York, New York, the Trustee and Paying Agent.

Redemption and Purchase in Lieu of Redemption Provisions

The Series 2015A Bonds are subject to optional, special and mandatory redemption, and purchase in lieu of optional redemption as described below. For a more complete description of the redemption and other provisions relating to the Series 2015A Bonds, see “Appendix D — Summary of Certain Provisions of the Resolution.”

Optional Redemption

The Series 2015A Bonds maturing on or before July 1, 2025 are not subject to optional redemption prior to maturity. The Series 2015A Bonds maturing after July 1, 2025 are subject to redemption prior to maturity at the option of DASNY on any Business Day on or after July 1, 2025, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2015A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

Purchase in Lieu of Optional Redemption

The Series 2015A Bonds maturing after July 1, 2025 are also subject to purchase in lieu of optional redemption prior to maturity at the election of the College, with the prior written consent of DASNY, on any Business Day on which the Series 2015A Bonds are subject to optional redemption, in any order, in whole or in part, at a Purchase Price equal to 100% of the principal amount of the Series 2015A Bonds or portions thereof to be purchased, plus accrued interest to the date set for purchase (the “Purchase Date”).

Mandatory Redemption

The Series 2015A Bonds are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolutions and the Bond Series Certificate, at a Redemption Price equal to 100% of the principal amount of Series 2015A Bonds to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2015A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolutions permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2015A Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

Series 2015A Bonds Maturing July 1, 2043		Series 2015A Bonds Maturing July 1, 2046	
<u>Year</u>	<u>Sinking Fund Installment</u>	<u>Year</u>	<u>Sinking Fund Installment</u>
2038	\$2,675,000	2044	\$3,585,000
2039	2,810,000	2045	3,720,000
2040	2,950,000	2046	3,860,000 [†]
2041	3,095,000		
2042	3,250,000		
2043	3,415,000 [†]		

[†] Stated maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2015A Bonds entitled to such Sinking Fund Installment (A) purchased with moneys in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the College or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2015A Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2015A Bonds so purchased payable on the next succeeding July 1. Series 2015A Bonds redeemed at the option of DASNY, purchased by DASNY or the College (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2015A Bonds of the maturity so purchased will be reduced for such year.

Special Redemption

The Series 2015A Bonds are subject to redemption prior to maturity at the option of DASNY in any order, in whole or in part on any interest payment date, at a Redemption Price equal to 100% of the principal amount of Series 2015A Bonds to be redeemed, plus accrued interest to the redemption date (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project and (ii) from unexpended proceeds of the Series 2015A Bonds upon the abandonment of all or a portion the Project due to a legal or regulatory impediment.

Selection of Bonds to be Redeemed or Purchased

In the case of redemption or purchase in lieu of redemption of less than all of the Series 2015A Bonds, DASNY will select the maturities of the Series 2015A Bonds to be redeemed or purchased. If less than all of the Series 2015A Bonds of maturity are to be redeemed or purchased, the Series 2015A Bonds of such maturity to be redeemed or purchased will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2015A Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2015A Bonds to be redeemed, at their last known addresses appearing on the registration books of DASNY not more than 10 Business Days prior to the date such notice is given. Each notice of redemption, other than a notice of "Special Redemption," will state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient moneys to pay the Redemption Price of the Series 2015A Bonds to be redeemed. The failure of any owner of a Series 2015A Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2015A Bond.

If on the redemption date, moneys for the redemption of the Series 2015A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2015A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2015A 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 2015A Bonds will be given in the name of the College to the registered owners of the Series 2015A 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 2015A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2015A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2015A 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 2015A Bonds. Such Series 2015A 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 2015A Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2015A 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 2015A Bonds to be purchased, the former registered owners of such Series 2015A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2015A 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 2015A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2015A Bonds are to be purchased, the Series 2015A Bonds to be purchased will be selected by lot in the same manner as Series 2015A Bonds to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2015A 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 2015A 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 2015A Bonds. The Series 2015A Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015A Bond certificate will be issued for each maturity of the Series 2015A Bonds, each in the aggregate principal amount of such maturity of such Series, 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, and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC

Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015A 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 2015A 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 2015A Bonds, except in the event that use of the book-entry system for the Series 2015A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015A 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 2015A 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 2015A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2015A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015A 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 2015A 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 2015A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015A Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2015A 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 2015A Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2015A 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 2015A BONDS.

So long as Cede & Co. is the registered owner of the Series 2015A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2015A Bonds (other than under the caption "PART 11 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2015A 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 2015A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2015A 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 2015A 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 2015A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2015A BONDS; OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the College during each twelve month period ending June 30 of the Bond Years shown for the payment of debt service on the currently outstanding indebtedness of the College, the principal of and interest on the Series 2015A Bonds and the total debt service on all indebtedness of the College, including the Series 2015A Bonds, after giving effect to the refunding of the Refunded Bonds.

12 Month Period Ending June 30	Series 2015A Bonds				
	Principal Payments	Interest Payments	Total Debt Service on the Series 2015A Bonds	Debt Service on Other Indebtedness ⁽¹⁾	Total Debt Service
2015	\$ ---	\$ 937,430.04	937,430.04	\$ 5,337,436.85	\$ 6,274,866.89
2016	675,000.00	5,036,937.50	5,711,937.50	2,977,486.00	8,689,423.50
2017	690,000.00	5,023,437.50	5,713,437.50	2,990,112.96	8,703,550.46
2018	2,160,000.00	5,009,637.50	7,169,637.50	1,558,098.04	8,727,735.54
2019	3,325,000.00	4,944,837.50	8,269,837.50	1,573,583.96	9,843,421.46
2020	3,460,000.00	4,811,837.50	8,271,837.50	1,597,428.00	9,869,265.50
2021	3,635,000.00	4,638,837.50	8,273,837.50	1,619,415.96	9,893,253.46
2022	3,825,000.00	4,457,087.50	8,282,087.50	1,549,547.96	9,831,635.46
2023	4,000,000.00	4,265,837.50	8,265,837.50	709,750.00	8,975,587.50
2024	4,205,000.00	4,065,837.50	8,270,837.50	711,500.00	8,982,337.50
2025	4,415,000.00	3,855,587.50	8,270,587.50	712,000.00	8,982,587.50
2026	4,635,000.00	3,634,837.50	8,269,837.50	711,250.00	8,981,087.50
2027	3,415,000.00	3,403,087.50	6,818,087.50	349,250.00	7,167,337.50
2028	3,585,000.00	3,232,337.50	6,817,337.50	349,000.00	7,166,337.50
2029	3,760,000.00	3,053,087.50	6,813,087.50	348,250.00	7,161,337.50
2030	3,955,000.00	2,865,087.50	6,820,087.50	347,000.00	7,167,087.50
2031	4,155,000.00	2,667,337.50	6,822,337.50	345,250.00	7,167,587.50
2032	4,310,000.00	2,501,137.50	6,811,137.50	348,000.00	7,159,137.50
2033	4,490,000.00	2,328,737.50	6,818,737.50	345,000.00	7,163,737.50
2034	4,710,000.00	2,104,237.50	6,814,237.50	346,500.00	7,160,737.50
2035	4,950,000.00	1,868,737.50	6,818,737.50	347,250.00	7,165,987.50
2036	3,590,000.00	1,621,237.50	5,211,237.50	347,250.00	5,558,487.50
2037	3,730,000.00	1,477,637.50	5,207,637.50	346,500.00	5,554,137.50
2038	2,675,000.00	1,328,437.50	4,003,437.50	---	4,003,437.50
2039	2,810,000.00	1,194,687.50	4,004,687.50	---	4,004,687.50
2040	2,950,000.00	1,054,187.50	4,004,187.50	---	4,004,187.50
2041	3,095,000.00	906,687.50	4,001,687.50	---	4,001,687.50
2042	3,250,000.00	751,937.50	4,001,937.50	---	4,001,937.50
2043	3,415,000.00	589,437.50	4,004,437.50	---	4,004,437.50
2044	3,585,000.00	418,687.50	4,003,687.50	---	4,003,687.50
2045	3,720,000.00	284,250.00	4,004,250.00	---	4,004,250.00
2046	<u>3,860,000.00</u>	<u>144,750.00</u>	<u>4,004,750.00</u>	<u>---</u>	<u>4,004,750.00</u>
Total	<u>\$109,035,000.00</u>	<u>\$84,477,867.54</u>	<u>\$193,512,867.54</u>	<u>\$25,866,859.73</u>	<u>\$219,379,727.27</u>

⁽¹⁾ Interest on the variable rate Series 2008 Bonds assumed to be 2.14%. See "PART 7 — THE COLLEGE — Outstanding Obligations of the College." Column excludes debt service on the Refunded Bonds.

PART 4 — THE PROJECT

The Project consists of (i) the demolition of an existing facility (Lehman Hall) and construction of a new, approximately 133,000 gross square foot (“gsf”) multi-purpose facility to be located at 40 Claremont Avenue, to include a library, faculty and staff offices, classrooms and other academic facilities; (ii) reconstruction of approximately 22,000 gsf within Barnard Hall located at 3009 Broadway to provide temporary library facilities and faculty and staff offices; and (iii) campus-wide renovation and maintenance projects at various buildings including Sulzberger (3007 Broadway), Brooks (607 West 116th St.), Hewitt (3005 Broadway), Reid (2961 Broadway), Barnard (3009 Broadway), Milbank (606 West 120th St.) and Altschul (3019 Broadway) Halls; 600, 616 and 620 West 116th St.; Elliott Hall (49 Claremont Avenue), Plimpton Hall (1235 Amsterdam Avenue), Cathedral Gardens (217 Manhattan Avenue), The Diana Center (3015 Broadway) and the 119th St. right of way traversing the campus.

PART 5 — THE REFUNDING PLAN

A portion of the proceeds of the Series 2015A Bonds will be used to refund the Refunded Bonds. Upon issuance of the Series 2015A Bonds, such proceeds are expected to be used, together with other available moneys, to acquire defeasance securities under the resolution pursuant to which the Refunded Bonds were issued (the “Investment Securities”), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the redemption price of the Refunded Bonds and the interest on such Refunded Bonds to the date fixed for redemption.

The Investment Securities will be deposited with the trustee for the Refunded Bonds, upon the issuance and delivery of the Series 2015A Bonds, and will be held in trust solely for the payment of the redemption price of and interest on the Refunded Bonds. At the time of such deposit, DASNY will give such irrevocable instructions to the applicable trustee to give notice of the refunding and redemption of the Refunded Bonds and to apply the proceeds from the Investment Securities together with any initial cash deposit to the payment of the redemption price of and interest on the Refunded Bonds. In connection with the refunding, Bond Counsel will render its opinion that, upon making such deposits with the applicable trustee and the issuance of certain irrevocable instructions to the trustee, the Refunded Bonds will, under the terms of the resolution under which they were issued, be deemed to have been paid and will no longer be outstanding.

PART 6 — ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2015A Bonds.....	\$109,035,000.00
Plus: Net Original Issue Premium	15,664,724.50
Other Available Moneys.....	<u>1,158,086.22</u>
Total Sources	<u>\$125,857,810.72</u>

Uses of Funds

Deposit to the Construction Fund.....	\$ 70,000,000.00
Refunding Escrow Deposit.....	54,700,736.99
Costs of Issuance ¹	464,327.79
Underwriters’ Discount	<u>692,745.94</u>
Total Uses	<u>\$125,857,810.72</u>

¹ Includes legal fees and associated costs relating to the Series 2015A Bonds.

PART 7 — THE COLLEGE

GENERAL INFORMATION

History of the College

Founded in 1889 in New York City, Barnard College is an independent, undergraduate, liberal arts college for women affiliated with Columbia University. The College was among the pioneers in the late 19th-century crusade to make higher education available to young women. The College grew out of the idea, first proposed by Columbia University's tenth president, Frederick A. P. Barnard, that women have an opportunity for higher education at Columbia. The idea, initially ignored, led to the creation of a "Collegiate Course for Women." Although highly qualified women were authorized to follow a prescribed course of study leading ultimately to Columbia University degrees, no provision was made for where and how they were to pursue their studies. It was six years before Columbia's trustees agreed to the establishment of an affiliated college for women. A provisional charter was secured and Barnard College was named in honor of its most persistent advocate. In October 1889, the College's first class met in a rented brownstone house at 343 Madison Avenue. Fourteen students enrolled in the School of Arts and 22 "specials," lacking the entrance requirements in Greek, enrolled in Science. There was a faculty of six.

Nine years later, Barnard moved to its present site in Morningside Heights. In 1900, Barnard was included in the educational system of Columbia University with provisions unique among women's colleges; it was governed by its own Trustees, Faculty, and Dean, and was responsible for its own endowment and facilities, while sharing instruction, the library, and the degree of the University.

From its original 14 students, enrollment has grown to over 2,500, with over 40,000 Barnard students awarded degrees since 1893. Barnard's faculty of 338 are teacher-scholars whose paramount concern is the education of undergraduate students and whose professional achievements bring added vitality to the classroom. Barnard's liberal arts curriculum includes a series of general education requirements. Classes vary in size. Those in which student participation is important are small. There are opportunities for independent work and students may be invited to work on research projects with faculty members.

The College and Columbia University have had a continuing affiliation for over one hundred and twenty-five years. The current affiliation agreement between the College and Columbia University was executed in 2007 and is up for renewal in 2023. The agreement may be terminated by either party as of any June 30 on or after June 30, 2018, on one-year's prior written notice which may be given prior to June 30, 2018. Barnard stands as an independent college for women with its own curriculum, faculty, admissions standards, graduation requirements, trustees, endowment, and physical plant. Under the terms of the affiliation agreement, Barnard and Columbia University share resources, thereby giving students open access to the courses, facilities, and libraries of both schools. Barnard students may participate in intercollegiate athletics on any of Columbia's women's teams. Barnard and Columbia students also share in a variety of extracurricular and social activities.

From its inception, Barnard has had as its primary commitment the academic, personal, and professional success of women. 62% of the full-time faculty are women, and women are well represented in the administration. Barnard's unique relationship with Columbia – as well as its ties to several of Columbia's graduate schools and its programs with premier New York City institutions, including the Juilliard School, the Manhattan School of Music, the Jewish Theological Seminary of America, and Teachers College – gives students a unique range of educational options. Academic organizations within and beyond the University offer opportunities for research, study, studio experience, career internships, and community service. Barnard students also enjoy leaves for study, travel, and internships.

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Governance

Barnard is governed by a self-perpetuating Board of Trustees of no less than 15 members but not more than 40 members. The officers and current members of the Board of Trustees are as follows:

Maria Baibakova '07	Emily Tow Jackson '88	Mary Louise Reid '46 (Trustee Emerita)
Lee C. Bollinger (<i>Ex-Officio</i>) President, Columbia University	Helene L. Kaplan '53 (Chair Emerita and Trustee Emerita)	Gayle F. Robinson '75 (Trustee Emerita)
Binta Niambi Brown '95	Judith S. Kaye '58 (Trustee Emerita)	Eric R. Rosenfeld
Jolyne Caruso-FitzGerald '81 (Chair)	Camille M. Kelleher '70	Frances L. Sadler '72
Lois G. Champy '67	Constance A. Krueger '53 (Trustee Emerita)	Allen B. Salmasi
Nina Rennert Davidson '95	Linda Fayne Levinson '62	Ravi M. Singh
James M. Dow	Mary Ann LoFrumento '77	Steven L. Solnick
Ina R. Drew	Dylan McDermott	Debora L. Spar (<i>Ex-Officio</i>) President, Barnard College
John L. Furth (Trustee Emeritus)	Eugene R. McGrath (Trustee Emeritus)	Carolina C. Steinbruch
Nancy Garvey '71	Jyoti Menon '01	Cyndi Stivers '78
Sibyl R. Golden	Cheryl Glicker Milstein '82	Nina Sun
Miriam Goldman Cedarbaum '50 (Trustee Emerita)	Patricia H. Nadosy '68 (Trustee Emerita)	Twyla Tharp '63
Patricia F. Green '62 (Trustee Emerita)	Terry Newman	Diana T. Vagelos '55
Gedale B. Horowitz (Trustee Emeritus)	Anna Quindlen '74 (Chair Emerita and Trustee Emerita)	Virginia B. Wright '51 (Trustee Emerita)
		Daniel Zwirn

Officers of the College

Debora L. Spar President of the College	Gail Beltrone VP for Campus Services	Joanne Kwong VP for Communication & Special Counsel to the President
Linda A. Bell Provost & Dean of the Faculty	Eileen DiBenedetto VP for Finance	Bret Silver VP for Development
Robert Goldberg Chief Operating Officer	Catherine Geddis VP for Human Resources	Jomysha Stephen Chief of Staff to the President & General Counsel
Avis Hinkson Dean of the College	Carol Katzman VP for Information Technology	

Faculty Representatives to the Board of Trustees

Alexander Cooley
Janna Levin

Student Representatives to the Board of Trustees

Alejandra Figueroa '16
Ashiana Jivraj '15

Administration

The President of the College is appointed by the Board of Trustees and, as chief executive officer, is principally responsible for the administration of the College. All other principal executive officers of the College are nominated by the President and appointed by the Board of Trustees. The principal executive officers of the College are as follows:

Debora L. Spar, President. Debora Spar became the seventh president of Barnard College on July 1, 2008. Since her arrival at the College, Spar has been a vocal proponent of women's education and leadership, spearheading initiatives that include the Athena Center for Leadership Studies, an interdisciplinary center devoted to the theory and practice of women's leadership, and Barnard's Global Symposium series, an annual gathering of high-profile and accomplished female leaders held each year in a different region of the world. A political scientist by training, Spar's scholarly research focuses on issues of international political economy. She is the author of numerous books, including *Ruling the Waves: Cycles of Invention, Chaos, and Wealth from the Compass to the Internet* (2001); *The Baby Business: How Money, Science, and Politics Drive the Commerce of Conception* (2006); and most recently *Wonder Women: Sex, Power, and the Quest for Perfection*. Spar is a graduate of Georgetown University's School of Foreign Service, and received her doctorate in government from Harvard. She is a member of the Academy of Arts and Sciences and currently serves as a director of Goldman Sachs; a director of Value Retail, LLC; and a trustee of the Markle Foundation. Prior to coming to Barnard, Spar was the Spangler Family Professor of Business Administration at Harvard Business School.

Linda A. Bell, Provost & Dean of the Faculty. Linda Bell is also a Professor of Economics. Previous to joining the College, Professor Bell was the Provost and John B. Hurford Professor of Economics at Haverford College. An empirical economist specializing in labor markets and public policy, Provost Bell received her Ph.D. from Harvard University in 1986 and her bachelor's degree from the University of Pennsylvania in 1981 where she was a University Scholar.

Robert Goldberg, Chief Operating Officer. Robert Goldberg previously served as the Director of the Office of U.S. Foreign Assistance Resources at the Department of State until January of 2010. At the Department of State, Rob was responsible for managing all aspects of the \$32 billion foreign assistance budget for the State Department and the United States Agency for International Development, including planning, budget formulation and execution, and program performance. He also oversaw the State Department's budget formulation information technology system and the foreignassistance.gov website. Prior to his position at the State Department, Rob served for five years as the Deputy Associate Director for International Affairs at the Office of Management and Budget, the senior career official responsible for budget and policy matters related to the U.S. government's international affairs program. In addition to the State Department and USAID, he worked with and oversaw programs managed by other international agencies including the Peace Corps. He received his education at The George Washington University, earning both his bachelor's degree in International Relations in 1988 and a master's in International Affairs in 1990.

Avis Hinkson, Dean of the College. Avis Hinkson is a Barnard College alumna and was appointed in February of 2011. As Dean of the College, she is responsible for Admissions, Financial Aid, the Registrar, Conduct and Title IX, Residential Life, Health and Wellness, Student Life, Disability Services, International Programs, and Career Services. Prior to her career at the College, Dean Hinkson served as the Director of the Office of Undergraduate Advising at the University of California - Berkeley and the Dean of Admissions and Enrollment Planning at Mills College. She holds a B.A. in psychology from Barnard College, a M.A. from Teachers College, Columbia University, and an Ed.D. from the University of Pennsylvania.

Gail Beltrone, Vice President for Campus Services. Gail Beltrone has been the VP for Campus Services at Barnard College since January 2012. In this role, she oversees the Facilities Department, Public Safety, Events Management, Major Events, Risk Management as well as all capital projects for the physical plant and external property licensing and management and serves as the main contact on the Aramark food services agreement. She came to the College from Jazz at Lincoln Center where she was the Vice President for Frederick P. Rose Hall, with oversight of all facility, safety, front and back of house operations as well as all client bookings. Prior to that, she was Director of Theater Operations/Media Projects at the 92nd Street Y for eight years and worked at Carnegie Hall in a variety of special event and facility positions. She received her B.A. in American History from the University of Chicago.

Eileen DiBenedetto, Vice President for Finance. Eileen Di Benedetto started with Barnard College as the Controller in April 2003 and has been promoted several times during her tenure at the College with her most recent promotion on January 1, 2015. Previous to joining the College, Eileen worked as an auditor for KPMG for seven

years and as an Assistant Controller for Wasserstein Perella for seven years. Ms. Di Benedetto received a bachelor's degree in public accounting from Pace University and is a Certified Public Accountant in New York State.

Catherine Geddis, Vice President for Human Resources. Catherine Geddis was hired by the College as the Assistant Vice President for Human Resources in November 2012 and most recently was promoted to Vice President for Human Resources on January 1, 2015. Prior to joining the College, for twelve years, she held varying positions in Human Resources at Princeton University, including Sr. HR Manager, Director – HR Services and Sr HR Advisor to the Vice President of Development; she also worked as the Staff HR Officer at Rutgers University for five years. Ms. Geddis holds a master's degree in Library and Information Studies from Rutgers University, and a bachelor's degree in Classics from Montclair State.

Carol Katzman, Vice President for Information Technology. Carol Katzman has been at Barnard College for the past 5½ years providing strategic IT leadership and building a team filled with extensive skills and experience. She has been an IT leader in higher education, with 17 years of progressive responsibility at the University of Pennsylvania, fundraising for Public Broadcasting and at Hunter College. She has a Masters degree from the Annenberg School of Communications and a B.A. from Brown University.

Joanne Kwong, Vice President for Communications & Special Counsel to the President. Joanne Kwong serves as the College's chief spokesperson and oversees all of Barnard's communications efforts, including strategic communications, media relations, marketing and events, electronic communications, and printed publications. Ms. Kwong is also a member of the Office of the General Counsel, providing legal advice to Barnard's trustees, senior leadership, faculty and staff, and a senior strategic advisor to the President. Prior to joining Barnard in 2007, Ms. Kwong was a litigator in private practice at the firms of Patterson Belknap Webb & Tyler and Simpson Thacher & Bartlett, and served as a federal clerk in the Southern District of New York for the Honorable Richard M. Berman. She is a graduate of Columbia University, Duke Graduate School, and Duke Law School, and has taught as an adjunct associate professor at Fordham Law School.

Bret Silver, Vice President for Development. Bret Silver joined Barnard in June 2011. He is responsible for directing all of Barnard's fundraising efforts and extending the reach of the College worldwide. He came to Barnard from Jazz at Lincoln Center, where he served as Chief External Relations Officer and was responsible for all fundraising, communications, and marketing/branding efforts. Prior to joining Jazz, Bret was part of the lead development team at the Whitney Museum of American Art. After earning a B.A. in history from Colgate University, Bret began his career at Carnegie Hall, where, over the course of eleven years, he held a wide variety of marketing and development positions.

Jomysha Stephen, Chief of Staff to the President & General Counsel. Jomysha Stephen is a Barnard alumna from the class of 1996 and a Columbia Law School graduate. Jomysha returned to Barnard as Associate General Counsel in 2003 after working at Paul, Hastings, Janofsky & Walker (formerly Battle Fowler LLP) and Sonnenschein, Nath & Rosenthal as a Commercial Real Estate Associate. She was promoted to General Counsel in 2011 and has since been the College's chief legal officer. On July 1, 2014, Jomysha was promoted to the position of Chief of Staff to the President and General Counsel.

Employee Relations

In addition to its 338 faculty members, the College has approximately 270 administrative employees, and approximately 275 facilities and clerical employees covered by collective bargaining agreements. The relationships between the College and the various unions have been good.

OPERATING INFORMATION

Admissions and Student Enrollment

Identified in the table below are the number of first year applications received for admission to the College over the past five academic years. Also included are the number of applications accepted and the number of first year fall enrollments.

ADMISSION STATISTICS

First Year Fall Applications and Enrollment

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Undergraduate Applications	4,618	5,153	5,440	5,606	5,676
Acceptances	1,285	1,282	1,226	1,151	1,328
Acceptance Ratio	27.8%	24.9%	22.5%	20.5%	23.4%
Matriculants	580	612	599	580	619
Matriculations Ratio	45.1%	47.7%	48.9%	50.4%	46.6%

Demand for Barnard is very strong and admission to the College is highly competitive. The College attracts the majority of its students from the pool of college-bound high school graduates in the top 10% of their graduating classes. Barnard competes successfully for these talented students against other highly selective colleges and universities. The following table presents the mean SAT scores for the College's entering first year students for the last five academic years:

Median SAT Scores

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Math	670	670	660	660	660
Reading	<u>680</u>	<u>680</u>	<u>680</u>	<u>680</u>	<u>680</u>
Total	<u>1,350</u>	<u>1,350</u>	<u>1,340</u>	<u>1,340</u>	<u>1,340</u>

Barnard has sustained an average enrollment of 2,472 students for the past 5 years. The following table presents the fall enrollment for the past five academic years.

ENROLLMENT SUMMARY

Fall Enrollment by Academic Year

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Full Time Equivalent (FTE)	2,417	2,416	2,484	2,485	2,560

The College attracts students from all over the United States as well as from abroad. The table below presents the geographic profile of the College's entering first year class for the past five academic years:

Geographic Profile of Entering First Year Students by Percentage of Class*

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
New York State	33%	28%	25%	29%	24%
Other United States	59%	63%	64%	62%	65%
International	<u>8%</u>	<u>9%</u>	<u>11%</u>	<u>9%</u>	<u>10%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Percentages are rounded to the nearest full percentage.

Tuition and Fees

For the 2014-15 fiscal year, full-time tuition and fees at the College is \$46,040, and full room and board charges are \$14,660. Tuition and fees, net of financial aid, accounts for approximately 54% of the College's operating income. Tuition, room and board charges and activity fees for the last five fiscal years are listed below:

STUDENT CHARGES

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Tuition & Fees	\$ 40,546	\$ 42,184	\$ 43,502	\$ 44,790	\$ 46,040
Room and Board	<u>12,950</u>	<u>13,382</u>	<u>13,810</u>	<u>14,210</u>	<u>14,660</u>
Total	<u>\$ 53,496</u>	<u>\$ 55,566</u>	<u>\$ 57,312</u>	<u>\$ 59,000</u>	<u>\$ 60,700</u>

Student Financial Aid

The College administers a student aid program through which approximately 50% of the student body receives need-based aid in the form of grants, loans or campus employment. In fiscal year 2013-14, the College provided approximately \$31.4 million in institutional grant aid to students. In addition, Federal and New York State grants were awarded to students from the Pell Program, the Supplemental Educational Opportunity Grants Program, the State’s Tuition Assistance Plan and the State’s Higher Education Opportunity Grant Program in 2013-14 amounted to approximately \$3.8 million. A summary of the funds provided for scholarships for the Fiscal Years 2010 to 2014 is as follows:

SOURCES OF UNDERGRADUATE FINANCIAL AID

(In Thousands)

<u>Fiscal Year</u>	<u>Barnard</u>	<u>Federal & State</u> <u>Grants</u>	<u>Total</u>
2009-10	\$ 25,189	\$ 3,910	\$ 29,099
2010-11	\$ 27,215	\$ 4,566	\$ 31,781
2011-12	\$ 28,717	\$ 4,030	\$ 32,747
2012-13	\$ 29,788	\$ 3,974	\$ 33,762
2013-14	\$ 31,367	\$ 3,824	\$ 35,191

In addition to grant aid, students financed their educational costs with jobs and loans. In 2013-14, students earned approximately \$1.3 million from College-sponsored employment opportunities and borrowed approximately \$58,000 through the Perkins Student Loan Program. In 2013-14, students and parents borrowed an aggregate of \$8.4 million under the Federal Direct Student Loan Programs.

Faculty

The teaching faculty includes 214 full-time and 124 part-time members for the 2014-15 academic year. Of the full time tenure-track faculty, 48% are tenured and 93% hold Ph.D., professional or other terminal degrees. The College maintains a student to faculty ratio of approximately 10 to 1. The following table sets forth the faculty profile for the past five academic years.

FACULTY PROFILE

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Full-Time	208	206	208	207	214
Part-Time & Adjuncts	<u>153</u>	<u>129</u>	<u>124</u>	<u>135</u>	<u>124</u>
Total	<u>361</u>	<u>335</u>	<u>332</u>	<u>342</u>	<u>338</u>
FTE	<u>259</u>	<u>249</u>	<u>249</u>	<u>252</u>	<u>255</u>

ANNUAL FINANCIAL STATEMENT INFORMATION

The College’s financial statements are prepared on the accrual basis of accounting. The following table summarizes (aggregating unrestricted, temporarily restricted and permanently restricted activities) the College’s statement of activities for the fiscal years ended June 30, 2010, 2011, 2012, 2013 and 2014. The summary is derived from the audited financial statements of the College for such periods, and should be read in conjunction with the College’s audited financial statements as of and for the year ended June 30, 2014, included in Appendix B to this Official Statement.

Statement of Activities
Fiscal Year Ended June 30,
(In Thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
OPERATING REVENUE:					
Tuition & Fees	\$ 87,864	\$ 93,033	\$ 96,643	\$ 103,671	\$ 106,467
Financial Aid Allowance	<u>(26,315)</u>	<u>(28,436)</u>	<u>(29,463)</u>	<u>(30,558)</u>	<u>(31,746)</u>
Net Tuition & Fees	61,549	64,597	67,180	73,113	74,721
State appropriations	227	210	182	171	186
Investment return appropriated for operations	8,882	8,882	9,148	9,951	10,584
Other investment income	136	216	278	210	269
Federal grants and contracts	3,806	4,246	4,158	3,167	3,310
State Grants	875	810	663	782	639
Private Gifts and Grants	14,688	11,158	15,159	14,298	13,607
Auxiliary Enterprises	27,144	29,514	30,901	33,442	34,032
Other Sources	<u>775</u>	<u>770</u>	<u>673</u>	<u>1,158</u>	<u>1,911</u>
Total operating revenue	<u>118,082</u>	<u>120,403</u>	<u>128,342</u>	<u>136,292</u>	<u>139,259</u>
OPERATING EXPENSES:					
Instruction	45,521	49,882	51,513	51,775	53,093
Research	4,522	4,779	4,698	3,994	4,398
Public Service	1,175	1,170	1,290	1,011	436
Academic Administration	7,811	8,079	8,240	8,474	10,997
Student Services	8,895	9,406	9,730	9,513	9,868
Institutional Support	20,944	22,733	25,280	26,172	29,713
Auxiliary Enterprises	<u>28,808</u>	<u>30,195</u>	<u>31,629</u>	<u>31,744</u>	<u>32,179</u>
Total operating expenses	<u>117,676</u>	<u>126,244</u>	<u>132,380</u>	<u>132,683</u>	<u>140,684</u>
Excess (Deficiency) of Operating Revenue over Operating Expenses	406	(5,841)	(4,038)	3,609	(1,425)
NON OPERATING ACTIVITIES:					
Investment return in excess of amount appropriated for operations	16,146	27,837	(5,744)	20,339	27,606
Contributions for long term purposes and split interest agreements	1,505	5,119	3,190	11,471	13,338
Contributions and grants for plant improvements	1,011	3,598	386	2,662	3,696
Change in value of split interest	296	914	(237)	717	838
Change in value of obligation under derivative instrument	(158)	410	374	310	164
Postretirement (cost) benefit other than net periodic benefit cost	<u>(1,181)</u>	<u>208</u>	<u>(1,482)</u>	<u>642</u>	<u>(1,285)</u>
Total non operating activities	<u>17,619</u>	<u>38,086</u>	<u>(3,513)</u>	<u>36,141</u>	<u>44,357</u>
Change in net assets	18,025	32,245	(7,551)	39,750	42,932
Net Assets - Beginning of Year	<u>253,508</u>	<u>271,533</u>	<u>303,778</u>	<u>296,227</u>	<u>335,977</u>
Net Assets - End of Year	<u>\$ 271,533</u>	<u>\$ 303,778</u>	<u>\$ 296,227</u>	<u>\$ 335,977</u>	<u>\$ 378,909</u>

Statement of Financial Position

The table below outlines the College's Statement of Financial Position as of June 30, 2014. This table is derived from, and should be read in conjunction with, the audited financial statements of the College as of and for the year ended June 30, 2014, included in Appendix B to this Official Statement.

Statement of Financial Position June 30, 2014 (In Thousands)

ASSETS

Cash and cash equivalents	\$ 36,236
Student accounts receivable (net of allowance of \$20)	131
Student notes receivable (net of allowance of \$372)	2,674
Grants, bequests, and other receivables	2,474
Pledges receivables, net	13,932
Other assets	5,140
Investments	292,993
Funds held by bond trustee	4,404
Property, plant and equipment, net	<u>142,781</u>

TOTAL ASSETS

\$ 500,765

LIABILITIES

Accounts payable and accrued expenses	\$ 13,269
Deferred revenues	4,266
Liability under split-interest agreements	4,573
Refundable government loan program	2,262
Postretirement benefit obligation	18,045
Asset retirement obligations	2,429
Obligation under derivative instrument	13
Long-term obligations	<u>76,999</u>

TOTAL LIABILITIES

\$ 121,856

NET ASSETS

Unrestricted	\$ 86,499
Temporarily restricted	145,718
Permanently restricted	<u>146,692</u>

TOTAL NET ASSETS

\$ 378,909

TOTAL LIABILITIES AND NET ASSETS

\$ 500,765

Net Assets

Unrestricted net assets were approximately \$86.5 million as of June 30, 2014 and are net assets that are not subject to donor-imposed stipulation.

Temporarily restricted net assets at June 30, 2014 were approximately \$145.7 million and are generally available for program purposes such as financial aid, instruction and plant improvements.

Permanently restricted net assets at June 30, 2014 were approximately \$146.7 million and are restricted by the donor, the investment return from which is used to support program activities such as financial aid and instruction.

Fund Raising

Overall gifts received and new commitments (pledges) exceeded \$30.0 million in fiscal year 2014. The following chart shows a five-year history of new gifts and commitments (pledges) received:

<u>Fiscal Year</u>	<u>New Gifts/Pledges (\$ in Thousands)</u>
FY10	\$ 17,204
FY11	\$ 19,875
FY12	\$ 18,735
FY13	\$ 28,431
FY14	\$ 30,641

The College began the Project with a goal to raise \$80 million in gifts towards the \$150.0 million Project. As of February 2015, the College had exceeded that goal and has raised \$82.5 million in gifts and pledges for the Project.

Management Report of Operating Results

For the past five fiscal years, Barnard has grown Net Tuition and Fees from \$61.5 million in Fiscal Year 2010 to \$74.7 million in Fiscal Year 2014. The College reported \$30.6 million in total gifts and pledges in the 2014 audited financial statements. Over the past five years, the College's total net assets have grown from \$272.0 million to \$379.0 million, marking an all-time high value for the College. The growth in net assets is attributable to increased fund-raising revenue, favorable investment performance, and tighter controls on operating expenditures.

Endowment

Endowment Investment Mix

The total return on the College's endowment for the year ended June 30, 2014 was 13.6%. Returns for the most recent 3, 5 and 10 year periods were 9.7%, 12.8% and 8.9%, respectively. In the past 10 years the June 30th market value of the endowment and funds designated as endowment, as reported in the respective year's audited financial statements, has grown from \$152.6 million to \$282.1 million. Endowment growth has been in large part due to market appreciation, but new gift additions have played an important role in this gain.

The Trustee Committee on Investments, composed of professionals in the field provides oversight to the College's investment strategy and asset allocation. In December 2006, the College hired Investure, LLC as its outsourced chief investment officer and back office. Since that time, the College has modified its investment strategy and restructured the College's endowment portfolio. The portfolio includes a diversified set of asset types, along with a corresponding diversification of management styles and return expectations. The College's portfolio contains an increasing allocation of investments in alternative asset classes such as absolute return, real estate, and venture capital funds, which take advantage of growth opportunities which are not specifically tied to the typical patterns of the traditional U.S. equity markets. At June 30, 2014, the College's endowment was composed of the following: 2% in fixed income; 94% in alternative investments (real estate, venture capital, private equity and absolute return); and 4% in cash and cash equivalents.

Spending Policy

The Board of Trustees has formally adopted a spending policy to meet the legal and programmatic requirements of the endowment and to provide a relatively predictable and growing stream of revenue for the College's operating budget. The endowment spending policy allows for the annual spending to fall within a band of 4% to 6% of the trailing three year average of the endowment's market value. Annual spending is approved by the College's Committee on Budget & Finance as part of the overall annual operating budget review. Over the past ten fiscal years, the annual endowment spending as a percentage of the June 30th endowment market value has ranged from 3.8% to 5.9%.

Pension Plans

Full time faculty and administrators of the College are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association and Fidelity Investments (the "Admin Plan"). Under the Admin Plan, eligible employees may make contributions into the Admin Plan, up to the maximum allowed by

the Internal Revenue Code (the “IRC”). For the Admin Plan, the College makes contributions that range from 9% to 15% of eligible compensation.

Employees who are members of Local 2110, United Auto Workers; members of Local 264, Transport Workers Union of America and confidential employees are covered under a defined contribution plan established with Teachers Insurance and Annuity Association (the “Union Plan”). Under the Union Plan, eligible employees may make contributions into the Union Plan up to the maximum allowed by the IRC. For the Union Plan, the College’s contributions range from 2% to 12% of eligible compensation.

The total pension expense for both the Admin Plan and the Union Plan for the year ending June 30, 2014 was \$6.9 million.

In addition to the Admin and Union Plans, the College sponsors unfunded defined benefit postretirement medical plans. For nonunion employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement or a total of age and years of service equal to 80 with a minimum of 15 years of service. For union employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement. At June 30, 2014, the postretirement medical benefit obligation was \$18.0 million which is recognized as an unfunded liability.

Campus Facilities

The Barnard campus occupies four acres of urban property along Broadway between 116th and 120th Streets in New York City. Columbia University is directly across the street on Broadway. At the southern end of the campus, four residential buildings form an enclosed quadrangle. Barnard Hall is just north of the “Quad” and contains seminar rooms, classrooms, and faculty offices, as well as a gym and dance studios. The Sulzberger Parlor on the third floor is used for meetings and small social events. Adele Lehman Hall is the building which will be replaced by the Project. It contains the Wollman Library and two floors of faculty offices and classrooms. The library includes the reserve room and the Lehman Computer Center on the first floor; the reference area, periodicals, microforms, and open book stacks on the second floor; and on the third floor, audiovisual facilities and more open stacks. Computer facilities for the Economics and Political Science departments are also located in Lehman Hall. The building, which will be demolished and rebuilt as part of the Project, overlooks a lawn surrounded by trees and shrubs.

Helen Goodhart Altschul Hall is devoted primarily to the sciences and mathematics. Herbert H. Lehman Auditorium is on the first floor. Milbank Hall occupies the northern end of the campus and houses administrative and academic departments, faculty offices, classrooms, a greenhouse, and the Minor Latham Playhouse, a small, well-equipped modern theater. The language departments maintain social and reading rooms in Milbank Hall. In the immediate neighborhood, Barnard maintains additional residence halls, including Plimpton Hall and Elliot Hall, and 600, 616 and 620 West 116th Street, 217 Manhattan Avenue, all apartment buildings. The College also rents additional residential spaces at 601 West 110th Street.

The Diana Center is a multi-purpose educational and administrative facility and functions as the main student center for the campus. It includes architecture and painting studios, a 500-seat performance space, black box theatre, student café, student dining room and classrooms.

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Outstanding Obligations of the College

Long-term obligations of the College at June 30, 2014, in thousands of dollars, are summarized as follows:

<u>Issue</u>	<u>Rate</u>	<u>Maturity</u>	<u>Outstanding (In Thousands)</u>
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007A	4%-5%	2037	\$ 40,795*
Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2008	Variable	2022	10,280
Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004	2%-4.75%	2035	<u>24,595*</u>
Total			<u>\$ 75,670</u>
Add unamortized bond premium			1,352
Less unamortized bond discount			<u>(23)</u>
Total Long-term obligations			<u>\$ 76,999</u>

* All or a portion to be refunded by the Series 2015A Bonds.

In July 2007, the College entered into a loan agreement with DASNY relating to DASNY's \$48,420,000 DASNY Barnard College Insured Revenue Bonds, Series 2007A ("Series 2007A") and \$32,580,000 DASNY Barnard College Insured Revenue Bonds, Series 2007B ("Series 2007B"). The Series 2007A Bonds refunded the \$23,715,000 DASNY Barnard College Insured Revenue Bonds, Series 1996, which Bonds are no longer outstanding. The Series 2007A Bonds were issued at fixed interest rates of 4.0% to 5.0% and due serially to 2025 with a term bond due in 2037.

The Series 2007B Bonds were insured variable rate bonds. On April 30, 2008, due to the downgrading of the bond insurer, the College elected to enter into a loan agreement with DASNY to issue \$28.0 million in DASNY Barnard College Revenue Bonds, Series 2008 ("Series 2008"). Proceeds from the Series 2008 Bonds along with approximately \$5.5 million from the College, were used to refund and defease the Series 2007B Bonds. On October 1, 2009, the College entered into a Bond Purchase and Continuing Covenants Agreement ("Series 2008 Purchase Agreement") with RBS Citizens, N.A. ("Citizens"), whereby Citizens purchased the then outstanding Series 2008 Bonds. Under the terms of the Series 2008 Purchase Agreement, the interest payments are now based on a combination of weekly LIBORs and a fixed fee from Citizens.

In February 2004, the College entered into a loan agreement with DASNY to issue \$28,915,000 in DASNY Barnard College Insured Revenue Bonds, Series 2004 ("Series 2004"). The Series 2007A, Series 2008 and Series 2004 Bonds are general and unsecured obligations of the College.

LITIGATION

Litigation and other claims incident to the operation of the College are pending against the College. While the ultimate liability, if any, of the College is not presently determinable, such litigation and other claims, in the judgment of the College, will not in the aggregate have a material adverse effect on the College's financial position.

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, 2014, DASNY had approximately \$46.5 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 520 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 55 field sites across the State.

Governance

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

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

The current members of DASNY are as follows:

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

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

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

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

SANDRA M. SHAPARD, *Secretary*, Delmar.

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

JONATHAN H. GARDNER, Esq., Buffalo.

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

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

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

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. 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.

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

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

ELIZABETH BERLIN, *Acting Commissioner of Education of the State of New York, Bethlehem; ex-officio.*

Elizabeth Berlin was appointed by the Board of Regents to serve as Acting Commissioner of Education on January 3, 2015. As Acting Commissioner of Education, Ms. Berlin serves as Executive Deputy Commissioner of the State Education Department, part 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. Formerly, Ms. Berlin served as the Executive Deputy Commissioner of the New York State Office of Temporary and Disability Assistance. Prior thereto she served as Commissioner of the Albany County Department of Social Services. Ms. Berlin holds a Bachelor of Arts degree from Siena College.

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

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

MARY BETH LABATE, *Budget Director of the State of New York, Albany; ex-officio.*

Mary Beth Labate was appointed Budget Director on January 16, 2015. She 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. Ms. Labate previously served as First Deputy Budget Director where she was responsible for managing the day to day operations of the Division of the Budget and playing a lead role in negotiating, establishing and executing the State Budget. Prior thereto, she held leadership positions at the Division of the Budget, the New York State Office of Parks, Recreation and Historic Preservation, and the New York State Division of Housing and Community Renewal. Ms. Labate holds a Bachelor of Arts degree from the University of Notre Dame and a Masters degree in Public Administration from the Rockefeller School of Public Affairs.

The principal staff of DASNY is as follows:

PAUL T. WILLIAMS, JR. is the President and chief executive officer of DASNY. Mr. Williams is responsible for the overall management of DASNY's administration and operations. Prior to joining DASNY, Mr. Williams spent the majority of his career in law including 15 years as a founding partner in Wood, Williams, Rafalsky & Harris, where he helped to develop a national bond counsel practice, then as a partner in Bryan Cave LLP, where he counseled corporate clients in a range of areas. Mr. Williams later left the practice of law to help to establish a boutique Wall Street investment banking company where he served as president for several years. Throughout his career, Mr. Williams has made significant efforts to support diversity and promote equal opportunity, including his past service as president of One Hundred Black Men, Inc. and chairman of the Eagle Academy Foundation. Mr. Williams is licensed to practice law in the State of New York and holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

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's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

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's degree from the State University of New York at Albany.

LINDA H. BUTTON is the Acting Chief Financial Officer and Treasurer of DASNY. Ms. Button oversees and directs the activities of the Office of Finance. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable and financial reporting functions, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Ms. Button has served in various capacities at DASNY over a long career, most recently as Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

MICHAEL E. CUSACK is General Counsel to DASNY. Mr. Cusack is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all DASNY financings. He is licensed to practice law in the State of New York and the Commonwealth of Massachusetts, as well as the United States District Court for the Northern District of New York. Mr. Cusack has over twenty years of combined legal experience, including management of an in-house legal department and external counsel teams (and budgets) across a five-state region. He most recently served as of counsel to the Albany, New York law firm of Young/Sommer, LLC, where his practice included representation of upstate New York municipalities, telecommunications service providers in the siting of public utility/personal wireless service facilities and other private sector clients. He holds a Bachelor of Science degree from Siena College and a Juris Doctor degree from Albany Law School of Union University.

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

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, 2014. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 — LEGALITY OF THE SERIES 2015A BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2015A 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 2015A 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 2015A 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 2015A Bonds.

PART 11 — TAX MATTERS

In the opinion of each of Squire Patton Boggs (US) LLP and D. Seaton and Associates, Co-Bond Counsel, under existing law: (i) interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (ii) interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2015A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of DASNY and the College contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2015A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. In addition, each of Co-Bond Counsel has relied on, among other things, the opinion of Bond Schoeneck & King, PLLC, counsel to the College, regarding, among other matters, the current status of the College as an organization described in Section 501(c)(3) of the Code, which opinion is subject to a number of qualifications and limitations. Co-Bond Counsel has not given any opinion or assurance concerning Section 513(a) of the Code or the effect of any future activities of DASNY or the College. Failure of the College to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2015A Bonds in a manner that is substantially related to the College’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2015A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2015A Bonds. Co-Bond Counsel will not independently verify the accuracy of DASNY’s and the College’s certifications and representations or the continuing compliance with DASNY’s and the College’s covenants and will not independently verify the accuracy of the opinion of the College’s counsel.

The opinions of Co-Bond Counsel is based on current legal authority and cover certain matters not directly addressed by such authority. They represent each Co-Bond Counsel’s legal judgment as to exclusion of interest on

the Series 2015A Bonds from gross income for federal income tax purposes but are not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by DASNY or the College may cause loss of such status and result in the interest on the Series 2015A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015A Bonds. The College and, subject to certain limitations, DASNY have each covenanted to take the actions required of it for the interest on the Series 2015A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2015A Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2015A Bonds or the market value of the Series 2015A Bonds.

A portion of the interest on the Series 2015A Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2015A Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2015A Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2015A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel’s engagement with respect to the Series 2015A Bonds ends with the issuance of the Series 2015A Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend DASNY, the College or the owners of the Series 2015A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2015A Bonds, under current IRS procedures, the IRS will treat DASNY as the taxpayer and the beneficial owners of the Series 2015A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2015A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2015A Bonds.

Prospective purchasers of the Series 2015A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2015A Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2015A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2015A Bonds will not have an adverse effect on the tax status of interest on the Series 2015A Bonds or the market value or marketability of the Series 2015A

Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2015A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2015A Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2015A Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2015A Bonds may be adversely affected and the ability of holders to sell their Series 2015A Bonds in the secondary market may be reduced. The Series 2015A Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2015A Bonds are not subject to adjustment in the event of any such change.

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

Original Issue Discount and Original Issue Premium

Certain of the Series 2015A Bonds (“Discount Bonds”) as indicated on the inside cover of this Official Statement were offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2015A Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. The amount of OID that accrues each year to a corporate owner of a Discount Bond is taken into account in computing the corporation’s liability for federal alternative minimum tax. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2015A Bonds (“Premium Bonds”) as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

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

PART 12 — STATE NOT LIABLE ON THE SERIES 2015A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2015A Bonds are not a debt of the State and that the State is not liable on them.

PART 13 — COVENANT BY THE STATE

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

PART 14 — LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2015A Bonds by DASNY are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York and D. Seaton and Associates, New York, New York, Co-Bond Counsel, whose approving opinion will be delivered with the Series 2015A Bonds. The proposed form of Co-Bond Counsel's opinion is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the College by its counsel, Bond Schoeneck & King PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, McKenna Long & Aldridge LLP, New York, New York and the Law Offices of Joseph C. Reid, P.A., New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2015A Bonds or questioning or affecting the validity of the Series 2015A Bonds or the proceedings and authority under which they are to be issued.

PART 15 — UNDERWRITING

RBC Capital Markets, LLC, as representative of the Underwriters, has agreed, subject to certain conditions, to purchase the Series 2015A Bonds from DASNY at an aggregate purchase price of \$124,006,978.56 (consisting of the principal amount of the Series 2015A Bonds plus net original issue premium of \$15,664,724.50 less underwriters' discount of \$692,745.94).

The Series 2015A Bonds are being offered for sale to the public at the prices shown on the inside cover page hereof. The Underwriters reserve the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Series 2015A Bonds. The Underwriters may offer and sell the Series 2015A Bonds to certain dealers (including dealers depositing the Series 2015A Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in this Official Statement. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2015A Bonds to the public. The obligation of the Underwriters to accept delivery of the Series 2015A Bonds is subject to the terms and conditions set forth in the Bond Purchase Agreement, the approval of legal matters by counsel and other conditions. The Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 2015A Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for DASNY, for which they received or will receive customary fees and expenses.

A portion of the proceeds from this offering are expected to be used to redeem the Refunded Bonds. To the extent the Underwriters or their respective affiliates are owners of Refunded Bonds, the Underwriters or such affiliates, as applicable, would receive a portion of the proceeds from the issuance of the Series 2015A Bonds contemplated herein in connection with such Refunded Bonds being redeemed by DASNY.

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

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

PART 16 — VERIFICATION OF MATHEMATICAL COMPUTATIONS

Samuel Klein and Company, Certified Public Accountants, a firm of certified public accountants, will deliver to DASNY its report verifying the mathematical accuracy of the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the Investment Securities deposited with the trustee under the resolution pursuant to which the Refunded Bonds were issued to pay the redemption price of and interest coming due on the Refunded Bonds on the redemption date as described in “PART 5 — THE REFUNDING PLAN.” Samuel Klein and Company, Certified Public Accountants will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2015A Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2015A Bonds from gross income for federal income tax purposes.

PART 17 — CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the College has undertaken in a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2015A Bonds to provide to Digital Assurance Certification LLC (“DAC”), as disclosure dissemination agent, on or before 150 days after the end of each fiscal year, commencing with the Fiscal Year of the College ending June 30, 2015, for filing by DAC with the Municipal Securities Rulemaking Board (the “MSRB”) and its Electronic Municipal Market Access System for municipal securities disclosure on an annual basis, operating data and financial information of the type hereinafter described which is included in this Official Statement (the “Annual Information”), together with the College’s annual financial statements certified by an independent auditor as prepared in accordance with generally accepted accounting principles; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided and audited financial statements, when available, shall be delivered to DAC for delivery to the MSRB.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the College, DAC has undertaken in the Continuing Disclosure Agreement to promptly file such information and financial statements with the MSRB.

The College also will undertake in the Continuing Disclosure Agreement to provide to DASNY, the Trustee and DAC, in a timely manner not in excess of ten (10) Business Days after the occurrence of a Notice Event (as hereinafter defined), the notices required to be provided by Rule 15c2-12 and described below (the “Notices”). Upon receipt of Notices from the College, the Trustee or DASNY, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2015A Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC’s obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent it has been provided such information pursuant to the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, audited financial statements, Notices or any other information, disclosures or notices provided to it by the College, the Trustee or DASNY and shall not be deemed to be acting in any fiduciary capacity for DASNY, the College, the Trustee, the Holders of the Series 2015A Bonds or any other party. DAC has no responsibility for the failure of the College, DASNY or the Trustee to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC has no duty to determine or liability for failing to determine whether the College, the Trustee or DASNY has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the College, DASNY and the Trustee with respect to their respective obligations under the

Continuing Disclosure Agreement. In the event that the obligations of DAC as DASNY's disclosure dissemination agent terminate, DASNY will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

Neither DASNY nor the Trustee have undertaken any responsibility, and neither shall be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement and neither shall have any liability to any person, including any Holder of the Series 2015A Bonds, with respect to any such reports, notices or disclosures. DASNY as conduit issuer is not, for purposes of and within the meaning of Rule 15c-12, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Series 2015A Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided.

The Annual Information will consist of (a) operating data and financial information of the type included in this Official Statement in "PART 7 - THE COLLEGE" under the headings "OPERATING INFORMATION" and "ANNUAL FINANCIAL STATEMENT INFORMATION" relating to: (1) *admissions and student enrollment*, similar to that set forth in the tables under the table headings "ADMISSIONS STATISTICS" and "ENROLLMENT SUMMARY" (2) *tuition, fees and other student charges* similar to that set forth in the table under the table heading, "STUDENT CHARGES;" (3) *student financial aid*, similar to that set forth in the table under the table heading, "SOURCES OF UNDERGRADUATE FINANCIAL AID;" (4) *faculty*, similar to that set forth in the table under the table heading, "FACULTY PROFILE;" (5) *employee relations*, including material information about union contracts and, unless such information is included in the audited financial statements of the College, retirement plans; (6) *investments*, unless such information is included in the audited financial statements of the College; (7) *plant values*, unless such information is included in the audited financial statements of the College; and (8) *outstanding long-term obligations similar to that set forth under the heading "Outstanding Obligations of the College,"* unless such information is included in the audited financial statements of the College; together with (b) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the College and in judging the financial and operating condition of the College.

The Notices include notice of any of the following events with respect to the Series 2015A Bonds (each, 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 Series 2015A Bonds or other material events affecting the tax status of the Series 2015A Bonds; (7) modifications to the rights of Holders of the Series 2015A Bonds, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2015A Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of the College; (14) consummation of a merger, consolidation or acquisition involving the College or the sale of all or substantially all of the assets of the College, 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. In addition, DAC will undertake to provide to the MSRB, in a timely manner, notice of any failure by the College to provide the Annual Information and annual financial statements by the date required in the College's undertaking described above.

The sole and exclusive remedy for the failure of any party to comply with any provision of the Continuing Disclosure Agreement is an action to compel performance of such party's obligation and no person, including any Holder of the Series 2015A Bonds, may recover monetary damages under any circumstances. A breach or default under the Continuing Disclosure Agreement will not constitute an Event of Default under the Resolution, the Series Resolution or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, will no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided. The description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or

discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2015A Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto upon the delivery of the Series 2015A Bonds will be on file at the principal office of DASNY.

Prior Bonds

In connection with the issuance of the Refunded Bonds, the College entered into continuing disclosure agreements (the “Prior Disclosure Agreements”) similar to the Continuing Disclosure Agreement, except that it committed the College to provide annual updates of all financial and operating data of the type included in the official statement for the Refunded Bonds and to file such information and other required information with a dissemination agent named in the Prior Disclosure Agreements (the “Prior Dissemination Agent”), which Prior Dissemination Agent was then obligated to file such information with the applicable securities depositories.

In 2011, the College timely filed its unaudited financial statements with the Prior Dissemination Agent, but did not promptly file its annual audited financial statements when they became available. In 2013, the College timely filed its unaudited financial statements with the Prior Dissemination Agent, but the College did not promptly file its annual audited financial statements when they became available. Furthermore, although the College timely filed its unaudited financial statements with the Prior Dissemination Agent in 2013, as required under the Prior Disclosure Agreements, the Prior Dissemination Agent did not file those unaudited financial statements with EMMA for the Series 2007A Bonds. All filings have now been made with the MSRB through EMMA.

Pursuant to the Prior Disclosure Agreements, the College also agreed to file notice of certain events in a timely manner, including, but not limited to, rating changes relating to the Refunded Bonds. The payment of the principal of and interest on the Series 2004 Bonds was insured by a bond insurance policy issued by Ambac Assurance Corp. (the “Bond Insurer”). During the past five years, Moody’s Investors Service, Inc. changed its ratings or its rating outlook with respect to the Bond Insurer. During the past five years, the College did not file notices of such rating changes. As of the date of this Official Statement, the College has now filed notice of all such rating changes with the MSRB through EMMA.

In connection with the Continuing Disclosure Agreement, the College has developed and implemented a protocol intended to ensure the timely filing of all annual information and event notices required by the Continuing Disclosure Agreement with the MSRB through EMMA.

PART 18 — RATING

Moody’s Investors Service (“Moody’s”) has assigned a rating of “A1” to the Series 2015A Bonds. Such rating reflects only the view of such rating agency and any desired explanation of the significance of such rating and any outlook or other statements given with respect thereto should be obtained from the rating agency at the following address: Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. 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 the rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2015A Bonds.

PART 19 — MISCELLANEOUS

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

The agreements of DASNY with Holders of the Series 2015A Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2015A Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2015A 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," "Appendix C - Summary of Certain Provisions of the Loan Agreement," "Appendix D - Summary of Certain Provisions of the Resolution" and "Appendix E - Form of Approving Opinion of Co-Bond Counsel" have been prepared by Squire Patton Boggs (US) LLP, New York, New York and D. Seaton and Associates, New York, New York, Co-Bond Counsel.

"Appendix B - Financial Statements of Barnard College and Independent Auditors' Report" contains the financial statements of the College as of and for the year ended June 30, 2014 which have been audited by Grant Thornton LLP, independent accountants as stated in their report appearing therein.

The College has reviewed the parts of this Official Statement describing the College, the Principal and Interest Requirements, the Estimated Sources and Uses of Funds, the Project, the Refunding Plan and Appendix B. The College, as a condition to issuance of the Series 2015A Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

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

By: /s/ Paul T. Williams, Jr.
Authorized Officer

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

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

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

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

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

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

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

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

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

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

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

Appendix A

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

Bond or Bonds when used in connection with the Resolution, means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution and, when used in connection with the Loan Agreement, means the Authority's Barnard College Revenue Bonds, Series 2015A authorized by the Resolution and issued pursuant to the Series 2015A Resolution.

Bond Counsel means a law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds of a Series in accordance with the delegation of power to do so under the Resolution or under a Series Resolution as it may be amended from time to time.

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

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

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

Business Day when used in connection with any particular Series 2015A Bonds means any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State of New York 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 accruing thereon is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

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

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

Continuing Disclosure Agreement means the Agreement to provide Continuing Disclosure, entered into in connection with the issuance of the Bonds, by and among the Authority, the Institution and the Trustee, or such other parties thereto designated at such times, providing for continuing disclosure.

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

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Facility Provider or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Reserve Fund Facility, a Liquidity Facility, a Credit Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses of refunding such Bonds or

other bonds or notes of the Authority and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

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

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

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

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility in the Resolution. There is no Credit Facility for the Series 2015A Bonds upon the initial issuance thereof.

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

Debt Service Reserve Fund means a reserve fund for the payment of the principal and Sinking Fund Installments, if any, of and interest on a Series of Bonds so designated, created and established by the Authority by or pursuant to a Series Resolution. The Authority has not established a Debt Service Reserve Fund in favor of the Series 2015A Bonds.

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

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

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

Event of Default when used in connection with the Resolution, means each event described in Section 11.02 of the Resolution summarized in Appendix D under the heading “**Events of Default**” and, when used in connection with the Loan Agreement, means each event described in Section 31(a) of the Loan Agreement summarized in Appendix C under the heading “**Defaults and Remedies.**”

Exempt Obligation means:

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

(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.

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

Federal Agency Obligation means:

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

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

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

(iv) a share or interest in a mutual fund, partnership or other fund 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.

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.

Institution means Barnard 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.

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

Intercreditor Agreement means an agreement by and among, inter alia, the Authority, the Trustee, and creditors of the Institution, with respect to (i) the relative priorities of the liens upon any Mortgage or Pledged Revenues or other 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 in the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

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

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

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

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

A Liquidity Facility may also be a Credit Facility. There is no Liquidity Facility for the Series 2015A Bonds upon the initial issuance thereof.

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

Mortgage means a mortgage granted by the Institution to the Authority in connection with the issuance of a Series of Bonds, if any, in form and substance satisfactory to an Authorized Officer of the Authority, on the Mortgaged Property mortgaged in connection therewith as security for the performance of the Institution's obligations under the Loan Agreement with respect to such Series of Bonds, as such Mortgage may be amended or modified from time to time with the consent of the Authority.

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

Option Bond means any Bond of a Series 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 of a Series, means, as of a particular date, all Bonds of such Series authenticated and delivered under the Resolution and under a Series Resolution except:

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

Parity Indebtedness shall, if applicable with respect to a Series of Bonds, have the meaning given such term in the applicable Loan Agreement.

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

Permitted Collateral means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one 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; and
- (iv) 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 pledged; or
- (v) 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.

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

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

Permitted Investments means:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

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(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 longer 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.

Pledged Revenues means tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof.

Prior Pledges – None.

Project, when used in the connection with the Resolution, 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 a Series 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 and, when used in connection with the Loan Agreement, means each of the buildings and improvements, and the land appurtenant thereto, more particularly described in Schedule C to the Loan Agreement, acquired, constructed, reconstructed or otherwise renovated or improved with the proceeds of the Bonds; provided, however, such term does not include any of the foregoing if and to the extent that the Bonds are no longer Outstanding.

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

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

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

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

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

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

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

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

Resolution means the Authority's Barnard College Revenue Bond Resolution, adopted by the Authority March 11, 2015, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions thereof.

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

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

Series 2004 Bonds means the Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004.

Series 2007A Bonds means the Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007A.

Series 2015A Resolutions when used in connection with the Resolution, means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to Article II of the Resolution and, when used in connection with the Loan Agreement, means the Authority's Series Resolution Authorizing \$170,000,000 Barnard College Revenue Bonds, Series 2015A adopted with respect to the Project, as the same may be amended, supplemented or otherwise modified pursuant to the terms of the Resolution.

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

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of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

State means the State of New York.

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

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

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

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

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

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

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

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

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

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

Exhibit A to the Loan Agreement Additional Definitions

“**Annual Debt Service**” means when used in connection with any Indebtedness as of any particular date of calculation the amount required to be paid by the Institution during the applicable Fiscal Year to pay the principal, whether at maturity or upon mandatory redemption and prepayment, of and interest on such Indebtedness; provided, however, that such amount shall not include principal amounts paid during the applicable Fiscal Year from proceeds of refunding obligations.

“**Expendable Resources**” means as of any particular date of calculation the sum of all unrestricted and temporarily restricted net assets excluding unspent temporarily restricted net assets (other than the proceeds of Indebtedness) restricted for the purpose of capital projects (as reported in the Institution’s audited financial statements or in the footnotes to the Institution’s audited financial statements), exclusive of Plant Equity, in each case determined in accordance with generally accepted accounting principles then applicable to the Institution.

“**Expendable Resources to Debt Ratio**” is the ratio of Expendable Resources to Long-Term Indebtedness.

“**Indebtedness**” means, without duplication, indebtedness for borrowed money incurred or guaranteed by the Institution, whether or not evidenced by notes, bonds, debentures or other similar evidences of indebtedness, including indebtedness under purchase money mortgages, capital leases, installment sales agreements and similar security arrangements which appear as debt on the audited balance sheet of the Institution in accordance with generally accepted accounting principles then applicable to the Institution.

“**Long-Term Indebtedness**” means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the Institution has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof.

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

“**Non-Recourse Indebtedness**” means Indebtedness secured by a mortgage or other lien on property on which the creditor has agreed that it will not seek to enforce or collect such indebtedness out of any property or assets of the Institution other than the property securing the same or to collect any deficiency upon a foreclosure, forced sale or other realization upon such property out of any other property or assets of the Institution.

“**Plant Equity**” means property, plant and equipment, net minus Long-Term Indebtedness.

“**Testing Date**” means the last day of the Institution’s Fiscal Year.

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**FINANCIAL STATEMENTS OF BARNARD COLLEGE AND
INDEPENDENT AUDITORS' REPORTS**

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Financial Statements Together with
Report of Independent Certified Public Accountants

BARNARD COLLEGE

June 30, 2014 and 2013

BARNARD COLLEGE

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Barnard College:

We have audited the accompanying financial statements of Barnard College (the “College”), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year 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 accounting principles generally accepted in the United States of America; 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 audit. We conducted our audit 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 auditor’s 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 College’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 College’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 Barnard College as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Report on 2013 summarized comparative information

We have previously audited the College's 2013 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2013. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

New York, New York
October 1, 2014

BARNARD COLLEGE

Statement of Financial Position

As of June 30, 2014, with summarized comparative totals for 2013
(Dollars in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 36,236	\$ 32,599
Student accounts receivable (net of allowance of \$20 and \$13)	131	99
Student notes receivable (net of allowance of \$372 and \$392) (Note 3)	2,674	3,038
Grants, bequests, and other receivables	2,474	2,730
Pledges receivable, net (Note 4)	13,932	17,456
Other assets	5,140	5,124
Investments (Notes 5 and 6)	292,993	250,205
Funds held by bond trustee (Notes 5 and 11)	4,404	4,267
Property, plant, and equipment, net (Note 7)	142,781	146,596
Total assets	<u>\$ 500,765</u>	<u>\$ 462,114</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 13,269	\$ 12,271
Deferred revenues	4,266	4,234
Liability under split-interest agreements (Note 5)	4,573	4,564
Refundable government loan program (Note 3)	2,262	2,244
Postretirement benefit obligation (Note 10)	18,045	15,594
Asset retirement obligations (Note 8)	2,429	2,286
Obligation under derivative instrument (Notes 5, 11 and 14)	13	177
Long-term obligations (Note 11)	76,999	84,767
Total liabilities	<u>121,856</u>	<u>126,137</u>
Commitments and contingencies (Notes 11 and 14)		
NET ASSETS (Note 6)		
Unrestricted	86,499	85,046
Temporarily restricted (Note 13)	145,718	117,556
Permanently restricted (Note 13)	146,692	133,375
Total net assets	<u>378,909</u>	<u>335,977</u>
Total liabilities and net assets	<u>\$ 500,765</u>	<u>\$ 462,114</u>

The accompanying notes are an integral part of this financial statement.

BARNARD COLLEGE

Statement of Activities

For the year ended June 30, 2014, with summarized comparative totals for 2013

(Dollars in thousands)

	2014			2013	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
OPERATING REVENUE					
Tuition and fees	\$ 106,467	\$ -	\$ -	\$ 106,467	\$ 103,671
Less: financial aid allowance	(31,746)	-	-	(31,746)	(30,558)
Net tuition and fees	74,721	-	-	74,721	73,113
State appropriations	186	-	-	186	171
Investment return appropriated for operations (Note 6)	1,705	8,879	-	10,584	9,951
Other investment income	57	212	-	269	210
Federal grants and contracts	3,310	-	-	3,310	3,167
State grants	639	-	-	639	782
Private gifts and grants	9,245	4,362	-	13,607	14,298
Auxiliary enterprises	34,032	-	-	34,032	33,442
Other sources	1,391	520	-	1,911	1,158
Net assets released from restrictions	13,909	(13,909)	-	-	-
Total operating revenue	139,195	64	-	139,259	136,292
OPERATING EXPENSES					
Instruction	53,093	-	-	53,093	51,775
Research	4,398	-	-	4,398	3,994
Public service	436	-	-	436	1,011
Academic administration	10,997	-	-	10,997	8,474
Student services	9,868	-	-	9,868	9,513
Institutional support	29,713	-	-	29,713	26,172
Auxiliary enterprises	32,179	-	-	32,179	31,744
Total operating expenses	140,684	-	-	140,684	132,683
(Deficiency)/excess of operating revenue (under) over operating expenses	(1,489)	64	-	(1,425)	3,609
NONOPERATING ACTIVITIES					
Investment return in excess of amount appropriated for operations (Note 6)	3,889	23,717	-	27,606	20,339
Contributions for long-term purposes and split-interest agreements	213	899	12,226	13,338	11,471
Contributions and grants for plant improvements	-	3,696	-	3,696	2,662
Net assets released from restrictions for plant improvements	589	(589)	-	-	-
Changes in value of split-interest agreements	-	649	189	838	717
Change in value of obligation under derivative instrument (Note 11)	164	-	-	164	310
Changes in donor designation and other reclassifications	(628)	(274)	902	-	-
Postretirement (cost) benefit other than net periodic benefit cost (Note 10)	(1,285)	-	-	(1,285)	642
Total nonoperating activities	2,942	28,098	13,317	44,357	36,141
Changes in net assets	1,453	28,162	13,317	42,932	39,750
Net assets - beginning of year	85,046	117,556	133,375	335,977	296,227
Net assets - end of year	\$ 86,499	\$ 145,718	\$ 146,692	\$ 378,909	\$ 335,977

The accompanying notes are an integral part of this financial statement.

BARNARD COLLEGE

Statement of Cash Flows

For the year ended June 30, 2014, with summarized comparative totals for 2013

(Dollars in thousands)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 42,932	\$ 39,750
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Change in value of obligation under derivative instrument	(164)	(310)
Change in value of split-interest agreements	(838)	(717)
Contributions for long-term purposes and split-interest agreements	(13,082)	(8,120)
Contributions and grants for plant improvements	(5,706)	(2,899)
Change in pledges receivable allowance and discount	(124)	15
Net appreciation in fair value of investments	(38,343)	(30,530)
Accretion of asset retirement obligations	143	135
Depreciation and amortization	7,043	7,014
Changes in operating assets and liabilities:		
Student accounts receivable	(32)	(25)
Grants, bequests, and other receivables	256	(92)
Pledges receivable	3,837	(4,530)
Other assets	(130)	(342)
Accounts payable and accrued expenses	1,250	(2,235)
Deferred revenues	32	(170)
Postretirement benefits obligation	2,451	642
Net cash used in operating activities	<u>(475)</u>	<u>(2,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(58,297)	(58,476)
Proceeds from the sale of investments	53,852	59,921
Building renovations and purchase of equipment	(3,172)	(3,238)
(Decrease) increase in accounts payable for capital assets	(252)	221
Student loans granted	(161)	(163)
Student loans repaid	505	481
Net cash used in investing activities	<u>(7,525)</u>	<u>(1,254)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Increase) decrease in funds held by bond trustees	(137)	1,829
Payment of principal notes and bond payables	(7,710)	(7,885)
Increase in refundable government loan program	38	6
Increase in liability under split-interest agreements	658	982
Contributions for long-term purposes and split-interest agreements	13,082	8,120
Contributions and grants for plant improvements	5,706	2,899
Net cash provided by financing activities	<u>11,637</u>	<u>5,951</u>
Net change in cash and cash equivalents	3,637	2,283
Cash and cash equivalents, beginning of year	<u>32,599</u>	<u>30,316</u>
Cash and cash equivalents, end of year	<u>\$ 36,236</u>	<u>\$ 32,599</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,424</u>	<u>\$ 3,643</u>

The accompanying notes are an integral part of this financial statement.

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
(Dollars in thousands)

1. ORGANIZATION

Barnard College (the “College”) is a not-for-profit independent liberal arts college for women. The College is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US 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 stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met by actions of the College and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the income and gains on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets, that is, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Contributions

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Pledges, less an allowance for uncollectible amounts, are recorded as receivables at the net present value, determined using a credit-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Restricted pledges are reported as additions to the appropriate restricted net assets class. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as temporarily restricted net assets until the assets are placed in service.

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. During the year ended June 30, 2014, the College received conditional pledges of approximately \$78.4 million. The College has recorded revenue from these conditional promises of approximately \$5.0 million, the extent to which the conditions on the pledges have been met.

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
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Grants

Revenue from federal and state grants is recognized to the extent that qualifying reimbursable expenses have been incurred over the terms of the respective agreements.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with original maturities of 90 days or less other than those cash and cash equivalents held by external investment managers as part of their long-term investment strategies. Cash and cash equivalents are held by the College for operating and capital funding purposes.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risks. The College maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the College places its cash accounts with high credit quality financial institutions and the College's investment portfolio is diversified with several investment managers in a variety of asset classes. The College does not anticipate any losses in such accounts.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices. Alternative investments are stated at estimated fair value based on the net asset value, as a practical expedient, reported by the investment managers or general partners. Net asset value may differ significantly from the values that would have been reported had a ready market for these investments existed. The College reviews and evaluates the values provided by the investment managers or general partners and has determined that the valuation methods and assumptions used in determining the fair value of the alternative investments are reasonable.

The College invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

All investment transactions are recorded on a trade-date basis.

Tuition and Fees

Tuition and fees revenue, net of financial aid, are recognized as revenues over the academic terms to which they relate.

Student Accounts Receivable

Student accounts receivable are reported at the estimated net realizable amount.

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
(Dollars in thousands)

Student Notes Receivable

Student notes receivable are loans to students, which are made from the College's restricted loan funds and the Federal Perkins Loan Program. The notes are reported at their estimated net realizable value.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or, in the case of gifts, at fair value at the date of the gift. The College capitalizes property, plant and equipment of \$3,000 or above which have useful lives greater than one year. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	60 years
Building improvements	20 to 30 years
Furniture, fixtures, and equipment	5 to 10 years

Deferred Revenues

Deferred revenues consist primarily of student tuition and fee payments that are received for academic periods subsequent to the fiscal year-end.

Split-Interest Agreements

The College is the beneficiary of trusts, annuities, and pooled income funds. The College's interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the College and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually. The discount rate used to value split-interest agreements ranged from 1.2 % to 9.4% at June 30, 2014 and 2013. The College recorded contributions from new split-interest agreements of approximately \$0.9 million each year for the years ended June 30, 2014 and 2013. These amounts are included in nonoperating contributions in the accompanying statements of activities. The assets held by the College under these arrangements are included as a component of investments in the accompanying financial statements.

Operating and Nonoperating Activities

The statement of activities distinguishes between operating and nonoperating activities. Nonoperating activities consist of investment return in excess of or less than the amount appropriated for operations by the Board of Trustees, the change in value of split-interest agreements, contributions for long-term purposes and split interest agreements and contributions and grants for plant improvements, postretirement (cost) benefit other than net periodic benefit cost, and nonrecurring items.

Categories of Expense

Expenses are reported in functional categories. Each category includes salaries and benefits, supplies, and other expenses, including operation and maintenance of physical plant, interest, and depreciation expense related to the function.

- a. Instruction - includes expenses for all activities that are part of the College's instruction program.
- b. Research - includes all expenses for governmental and privately sponsored research.

BARNARD COLLEGE
Notes to Financial Statements
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(Dollars in thousands)

- c. Public Service - includes activities established to provide non-instructional services such as the New York State Science and Technology Entry Program (STEP).
- d. Academic Administration - includes expenses incurred to provide administrative support to the instructional program. This category includes the offices of the Provost, Library, and Media Services.
- e. Student Services - includes expenses incurred for the offices of Dean of the College, Admissions, Registrar, Financial Aid Administration, Career Development, Disability Services, and the New York State Higher Education Opportunity Program (HEOP). In addition, it includes expenses for student-related activities outside the context of the formal instructional program.
- f. Institutional Support - includes expenses for college-wide activities such as the offices of the President, Finance and Planning, Institutional Advancement, Administration, Administrative Computing, General Counsel, and Communications. Fundraising expenses totaled approximately \$6.5 million and \$5.4 million for the years ended June 30, 2014 and 2013, respectively.
- g. Auxiliary Enterprises - provides services to students for a fee. This category includes Housing, Dining Services, Health and Counseling Services, and the Summer and Precollege Programs.

Allocation of Certain Expenses

The College allocates operation and maintenance of plant, depreciation, and interest expense on outstanding long-term obligations in the statement of activities based upon campus square footage.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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 alternative investments and obligation under derivative instrument at fair value, valuation of liability under split-interest agreements, useful lives of property plant and equipment, asset retirement obligations, postretirement benefits obligation, and estimated net realizable value of receivables. Actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

The College complies with the provisions of Accounting Standards Codification (“ASC”) 740-10. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The College is exempt from federal income taxation. Nevertheless, the College may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The tax years ending June 30, 2011, 2012, 2013 and 2014 are still open to audit for both federal and state purposes.

BARNARD COLLEGE
Notes to Financial Statements
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ASC 740-10 did not have a material impact on the College's financial statements, as management determined that there are no uncertain tax positions within its financial statements.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the 2014 presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the 2013 financial statements.

2013 Summarized Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the College's financial statements as of and for the year ended June 30, 2013, from which the summarized information was derived.

Subsequent Events

The College evaluated subsequent events after the statement of financial position date of June 30, 2014 through October 1, 2014, the date the financial statements were issued. The College is not aware of any additional subsequent events which would require recognition or disclosure in the accompanying financial statements other than as disclosed in Notes 11 and 14.

Fair Value Hierarchy

Fair value is defined in ASC 820-10 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2: Pricing inputs other than quoted prices in active market, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at NAV at the statement of financial position date or in the near term, which the College has determined to be within 90 days.
- Level 3: Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management

BARNARD COLLEGE
Notes to Financial Statements
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judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV at the statement of financial position date or in the near term or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Investments classified as Levels 2 and 3 include shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the NAV reported by each fund is used as a practical expedient to estimate the fair value of the College's interest therein, its classification in Levels 2 or 3 is based on the College's ability to redeem its interest at or near the statement of financial position date. If the interest can be redeemed in the near term, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities. Refer to Note 5 for investments classified within the fair value hierarchy.

3. STUDENT NOTES RECEIVABLE, NET

The College makes uncollateralized loans to students based on financial need. Student loans are funded through a federal government loan program or institutional resources.

At June 30, 2014 and 2013, student notes receivable, net consisted of the following:

	<u>2014</u>	<u>2013</u>
Federal government program	\$ 1,579	\$ 1,889
Institutional programs	<u>1,467</u>	<u>1,541</u>
	<u>3,046</u>	<u>3,430</u>
Less: allowance for doubtful accounts		
Beginning of year	(392)	(443)
Allowance decrease	<u>20</u>	<u>51</u>
End of year	<u>(372)</u>	<u>(392)</u>
Student notes receivable, net	<u>\$ 2,674</u>	<u>\$ 3,038</u>

The College participates in the Perkins federal revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the Federal government of \$2.2 million at both June 30, 2014 and June 30, 2013 are ultimately refundable to the government and are classified as a liability in the statements of financial position. Outstanding loans cancelled under the program result in a reduction of funds available for loan and a decrease in the liability to the government. At June 30, 2014, the following amounts were past due under the student loan programs:

BARNARD COLLEGE
Notes to Financial Statements
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	In Default < 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	In Default > 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	Total Past Due
2014	\$ 206	\$ 309	\$ 515
2013	\$ 168	\$ 349	\$ 517

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

4. PLEDGES RECEIVABLE, NET

Pledges receivable at June 30, 2014 and 2013 are as follows:

	2014	2013
Amounts expected to be collected in:		
One year or less	\$ 6,206	\$ 7,575
Two to five years	6,998	9,152
Greater than five years	<u>3,663</u>	<u>3,788</u>
	16,867	20,515
Less:		
Discount to present value (using rate of 0.11% - 4.91%)	(341)	(458)
Allowance for uncollectible pledges	<u>(2,594)</u>	<u>(2,601)</u>
Pledges receivable, net	<u>\$ 13,932</u>	<u>\$ 17,456</u>

As of June 30, 2014 and 2013, 42% and 49%, respectively, of gross pledges receivable were due from five donors.

5. INVESTMENTS AND FAIR VALUE

The College's investment objective is to invest its assets in a prudent manner in order to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value equal to or above inflation. The College uses a diversified investment approach incorporating multiple asset classes, strategies, and managers. The Committee on Investments of the College's Board of Trustees oversees the College's investments and authorizes investment decisions.

In addition to equity and fixed income investments, the College may also hold shares or units in institutional funds and alternative investment funds involving hedged, private equity and real estate strategies. These investments are valued at net asset value. Hedged strategies involve funds whose

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
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managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments. Private equity funds generally employ buyout, venture capital, and debt-related strategies, often requiring the estimation of fair values by the fund managers in the absence of readily determinable market values. Real estate strategies involve funds whose managers invest primarily in commercial and residential real estate primarily located in the United States.

Investments are held in the following funds:

	<u>2014</u>	<u>2013</u>
Trust and pooled life income funds	\$ 10,945	\$ 9,495
Endowment and designated as endowment funds	<u>282,048</u>	<u>240,710</u>
Total	<u>\$ 292,993</u>	<u>\$ 250,205</u>

As of June 30, 2014 and 2013, the College had alternative investments of approximately \$271 million and \$232 million, respectively. Alternative investments include private equity partnerships, hedge funds, venture capital funds, and derivatives. Underlying securities owned by the alternative investments include certain publicly traded securities that have readily available market values and other investments that are not readily marketable. The agreements underlying participation in those investments may limit the College's ability to liquidate its interests in such investments for a period of time.

At June 30, 2014 and 2013, the College's remaining outstanding commitments to private equity and real estate partnerships/funds approximated \$44 million and \$36 million, respectively. The private equity partnerships have 1 to 4 year terms remaining. As of June 30, 2014 and 2013, the average remaining life of the private equity partnerships was approximately two and three years, respectively.

At June 30, 2014 and 2013, the College had one hedge fund of approximately \$6.7 million and \$7.0 million, respectively, which was restricted from redemption for lockup periods. This investment allows for early redemption for specified fees and requires 90 day notice for redemption. At June 30, 2014, the expirations of redemption lockup periods are summarized in the table below:

<u>Fiscal year</u>	<u>Amount</u>
Less than one year	\$ 2,246
Between one and three years	<u>4,491</u>
Total	<u>\$ 6,737</u>

The College uses the NAV per share for purposes of reporting the fair value of all its underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

BARNARD COLLEGE
Notes to Financial Statements
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The following tables present the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2014:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Redemption or Liquidation</u>	<u>Days Notice</u>
Financial assets:						
Investments:						
Cash and cash equivalents	\$ 10,427	\$ 10,427	\$ -	\$ -	Daily	Daily
Domestic equity funds:						
Small cap	673	255	418	-	Daily/Monthly	0-30
Mid cap	246	246	-	-	Daily	Daily
Large cap	4,281	2,789	1,492	-	Daily	Daily
	<u>5,200</u>	<u>3,290</u>	<u>1,910</u>	<u>-</u>		
International equity funds:						
International equities	1,528	914	614	-	Daily	Daily
	<u>1,528</u>	<u>914</u>	<u>614</u>	<u>-</u>		
Fixed income:						
U.S. Treasuries	7,106	7,106	-	-	Daily	Daily
Other	3,934	-	3,934	-	Monthly	30
	<u>11,040</u>	<u>7,106</u>	<u>3,934</u>	<u>-</u>		
Hedge funds:						
Credit/event driven	14,421	-	-	14,421	Annual	180
Equity long/short	110,388	-	110,388	-	Monthly/Quarterly	10 to 120
Fixed income strategies	6,737	-	-	6,737	Subject to lockup	90
Multistrategy	56,206	-	56,206	-	Quarterly	90
	<u>187,752</u>	<u>-</u>	<u>166,594</u>	<u>21,158</u>		
Other types:						
Private equity	74,700	-	-	74,700	Illiquid	Illiquid
Real estate	2,346	-	-	2,346	Illiquid	Illiquid
	<u>77,046</u>	<u>-</u>	<u>-</u>	<u>77,046</u>		
Total investments	292,993	21,737	173,052	98,204		
Other assets:						
Funds held by bond trustee	4,404	4,404	-	-		
Trusts and other split-interest agreements held by others	3,489	-	-	3,489		
Total assets	<u>\$ 300,886</u>	<u>\$ 26,141</u>	<u>\$ 173,052</u>	<u>\$ 101,693</u>		
Liabilities:						
Obligation under derivative instrument	\$ 13	\$ -	\$ 13	\$ -		
Liabilities under split-interest agreements	4,573	-	-	4,573		
Total liabilities	<u>\$ 4,586</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 4,573</u>		

BARNARD COLLEGE
Notes to Financial Statements
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(Dollars in thousands)

The following tables present the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2013:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Redemption or Liquidation</u>	<u>Days Notice</u>
Financial assets:						
Investments:						
Cash and cash equivalents	\$ 4,747	\$ 4,747	\$ -	\$ -	Daily	Daily
Domestic equity funds:						
Small cap	685	304	381	-	Daily/Monthly	0-30
Mid cap	191	191	-	-	Daily	Daily
Large cap	5,913	4,462	1,451	-	Daily	Daily
	<u>6,789</u>	<u>4,957</u>	<u>1,832</u>	<u>-</u>		
International equity funds:						
International equities	3,342	2,800	542	-	Daily	Daily
	<u>3,342</u>	<u>2,800</u>	<u>542</u>	<u>-</u>		
Fixed income:						
U.S. Treasuries	6,100	6,100	-	-	Daily	Daily
Other	3,453	-	3,453	-	Monthly	30
	<u>9,553</u>	<u>6,100</u>	<u>3,453</u>	<u>-</u>		
Hedge funds:						
Credit/event driven	14,485	-	-	14,485	Annual	180
Equity long/short	88,071	-	88,071	-	Monthly/Quarterly	10 to 120
Fixed income strategies	7,035	-	-	7,035	Subject to lockup	90
Multistrategy	48,470	-	48,470	-	Quarterly	90
	<u>158,061</u>	<u>-</u>	<u>136,541</u>	<u>21,520</u>		
Other types:						
Private equity	64,637	-	-	64,637	Illiquid	Illiquid
Real estate	3,076	-	-	3,076	Illiquid	Illiquid
	<u>67,713</u>	<u>-</u>	<u>-</u>	<u>67,713</u>		
Total investments	250,205	18,604	142,368	89,233		
Other assets:						
Funds held by bond trustee	4,267	4,267	-	-		
Trusts and other split-interest agreements held by others	3,505	-	-	3,505		
Total assets	<u>\$ 257,977</u>	<u>\$ 22,871</u>	<u>\$ 142,368</u>	<u>\$ 92,738</u>		
Liabilities:						
Obligation under derivative instrument	\$ 177	\$ -	\$ 177	\$ -		
Liabilities under split-interest agreements	4,564	-	-	4,564		
Total liabilities	<u>\$ 4,741</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 4,564</u>		

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The following tables present the College's activities for the years ended June 30, 2014 and 2013, respectively, for assets and liabilities classified in Level 3:

Investments:

	<u>Hedge Funds</u>	<u>Private Equity</u>	<u>Real Estate</u>	<u>Total</u>
Beginning balance at July 1, 2013	\$ 21,520	\$ 64,637	\$ 3,076	\$ 89,233
Acquisitions	-	8,782	-	8,782
Dispositions	(2,158)	(12,803)	(875)	(15,836)
Net appreciation	<u>1,796</u>	<u>14,084</u>	<u>145</u>	<u>16,025</u>
Ending balance at June 30, 2014	<u>\$ 21,158</u>	<u>\$ 74,700</u>	<u>\$ 2,346</u>	<u>\$ 98,204</u>

Net change in unrealized appreciation
(depreciation) on investments included
in investment return in the statement
of activities for Level 3 investments
still held at the end of the year

<u>\$ 1,796</u>	<u>\$ 7,620</u>	<u>\$ 21</u>	<u>\$ 9,437</u>
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	<u>Hedge Funds</u>	<u>Private Equity</u>	<u>Real Estate</u>	<u>Total</u>
Beginning balance at July 1, 2012	\$ 19,810	\$ 61,724	\$ 3,512	\$ 85,046
Acquisitions	-	10,504	-	10,504
Dispositions	-	(11,739)	(506)	(12,245)
Net appreciation	<u>1,710</u>	<u>4,148</u>	<u>70</u>	<u>5,928</u>
Ending balance at June 30, 2013	<u>\$ 21,520</u>	<u>\$ 64,637</u>	<u>\$ 3,076</u>	<u>\$ 89,233</u>

Liabilities under Split Interest Agreements:

	<u>2014</u>	<u>2013</u>
Beginning Balance	\$ 4,564	\$ 3,898
New split-interest agreements	71	853
Payments to beneficiaries	(821)	(452)
Terminated split-interest agreements	(100)	(76)
Change in fair value	<u>859</u>	<u>341</u>
Ending Balance	<u>\$ 4,573</u>	<u>\$ 4,564</u>

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Trusts and Other Split-interest Agreements Held by Others:

The College is the beneficiary of other split-interest agreements that are held and administered by others. When the College is not the trustee, perpetual trusts are recorded at the fair value of the assets at the statement of financial position date and beneficial interest in trusts are recorded at the fair value of the assets at the statement of financial position date less the present value of estimated future payments expected to be made to donors and/or other beneficiaries. These assets are included in pledges receivable in the accompanying statements of financial position.

	<u>2014</u>	<u>2013</u>
Beginning Balance	\$ 3,505	\$ 2,931
Payments	(373)	(25)
Contributions	-	125
Change in fair value	<u>357</u>	<u>474</u>
Ending Balance	<u>\$ 3,489</u>	<u>\$ 3,505</u>

At June 30, 2014 and 2013, the carrying values of the College's cash and cash equivalents, receivables, and accounts payable and accrued expenses approximated their fair values. A reasonable estimate of the fair value of loans to students under government loan programs cannot be made because loans are not saleable and can only be assigned to the U.S. government or its designees.

At June 30, 2014 and 2013, investments valued at NAV and classified as Level 2 and 3 investments are as follows:

<u>2014</u>							
<u>Category</u>	<u>Significant Investment Strategy</u>	<u>NAV in Funds</u>	<u># of Funds</u>	<u>Life of Funds</u>	<u>Amount of Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Hedge funds	Credit/event driven	\$ 14,421	1	N/A	\$ -	Annual, 180 days notice	N/A
Hedge funds	Fixed income	6,737	1	N/A	-	90 days notice	Rolling Lockup periods
Hedge funds	Multistrategy	56,206	1	N/A	-	Quarterly/90 days notice	N/A
Hedge funds	Equity long/short	110,388	2	N/A	-	10 to 120 days notice	N/A
Fixed Income	Investment grade	3,934	2	N/A	-	Monthly	N/A
Equities	Large cap	1,492	1	N/A	-	Daily	N/A
Equities	Small cap	418	2	N/A	-	Daily/Monthly	N/A
Equities	International equities	614	1	N/A	-	Daily	N/A
Other	Private equity	74,700	12	Up to 3/31/17	42,401	N/A	Illiquid
Other	Real estate	<u>2,346</u>	<u>3</u>	Up to 12/31/16	<u>1,597</u>	N/A	Illiquid
	Total	<u>\$ 271,256</u>	<u>26</u>		<u>\$ 43,998</u>		

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2013							
Category	Significant Investment Strategy	NAV in Funds	# of Funds	Life of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedge funds	Credit/event driven	\$ 14,485	1	N/A	\$ -	Annual, 180 days notice	N/A
Hedge funds	Fixed income	7,035	1	N/A	-	90 days notice	Rolling Lockup periods
Hedge funds	Multistrategy	48,470	1	N/A	-	Quarterly/90 days notice	N/A
Hedge funds	Equity long/short	88,071	2	N/A	-	10 to 120 days notice	N/A
Fixed Income	Investment grade	3,453	2	N/A	-	Daily	N/A
Equities	Large cap	1,451	1	N/A	-	Daily	N/A
Equities	Small cap	381	2	N/A	-	Daily	N/A
Equities	International equities	542	1	N/A	-	Daily	N/A
Other	Private equity	64,637	12	Up to 3/31/17	34,766	N/A	Illiquid
Other	Real estate	3,076	3	Up to 12/31/16	1,597	N/A	Illiquid
	Total	<u>\$ 231,601</u>	<u>26</u>		<u>\$ 36,363</u>		

6. ENDOWMENT FUNDS

The College's endowment consists of approximately 800 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the College to function as endowments (quasi-endowments).

The College manages the endowment to maximize annualized returns, net of all costs over rolling 10-year periods while adhering to stated risk parameters that seek to avoid 25% peak-to-trough declines in the inflation adjusted endowment unit value. Asset allocation parameters are established for investments with lock-up periods. The strategy allows for a significant allocation to equity-oriented investments offering long-term capital appreciation, diversified across asset classes and managers. The College compares the performance of its investments against several benchmarks.

The College has established an endowment spending policy for spending from the endowment for current operations in a manner that maintains the purchasing power of the endowment. The policy's goal is to achieve an average 5% spending rate over time. Annual spending from the endowment is set at 5% of the rolling three-year average of the endowment's market value as of December 31 of the previous year and is approved annually by the Board of Trustees. The College has a total return policy of utilizing its endowment resources. To the extent that the total return requirement for the current year is not achieved by income from investments, the College utilizes prior year's cumulative appreciation of its pooled investment funds.

On September 17, 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), referred to as "NYPMIFA," which imposes guidelines on the management and investment of endowment funds. The Board of Trustees of the College has interpreted NYPMIFA as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. The College classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of

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subsequent gifts donated to the permanent endowment; and (c) accumulations of income to the permanent endowment made in accordance with the direction of the applicable donor gift instruments. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958-205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the College and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- The investment policies of the College
- Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the College

The College has outsourced its investment office. This outsourced investment office has established limited partnership vehicles to assist in the management of its clients' accounts. These limited partnership investments managed by the outsourced investment office represented 83% and 80% of the College's endowment investments at June 30, 2014 and 2013, respectively.

Endowment and quasi-endowment funds consisted of the following at June 30, 2014 and 2013, excluding split-interest agreements and pledges of approximately \$7.4 million and \$7.5 million, respectively:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Fiscal year 2014:				
Donor restricted	\$ -	\$ 102,734	\$ 139,274	\$ 242,008
Board designated	40,040	-	-	40,040
Total	<u>\$ 40,040</u>	<u>\$ 102,734</u>	<u>\$ 139,274</u>	<u>\$ 282,048</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Fiscal year 2013:				
Donor restricted	\$ -	\$ 79,017	\$ 125,918	\$ 204,935
Board designated	35,775	-	-	35,775
Total	<u>\$ 35,775</u>	<u>\$ 79,017</u>	<u>\$ 125,918</u>	<u>\$ 240,710</u>

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Changes in the endowment funds for the fiscal years ended June 30, 2014 and 2013 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance at June 30, 2013	\$ 35,775	\$ 79,017	\$ 125,918	\$ 240,710
Interest and dividends, net	(22)	(131)	-	(153)
Net appreciation in fair value	5,616	32,727	-	38,343
Contributions	376	-	13,356	13,732
Distributions	<u>(1,705)</u>	<u>(8,879)</u>	<u>-</u>	<u>(10,584)</u>
Balance at June 30, 2014	<u>\$ 40,040</u>	<u>\$ 102,734</u>	<u>\$ 139,274</u>	<u>\$ 282,048</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance at June 30, 2012	\$ 32,592	\$ 61,696	\$ 119,228	\$ 213,516
Interest and dividends, net	(210)	(31)	-	(241)
Net appreciation in fair value	4,825	25,706	-	30,531
Contributions	165	-	6,690	6,855
Distributions	<u>(1,597)</u>	<u>(8,354)</u>	<u>-</u>	<u>(9,951)</u>
Balance at June 30, 2013	<u>\$ 35,775</u>	<u>\$ 79,017</u>	<u>\$ 125,918</u>	<u>\$ 240,710</u>

For the years ended June 30, 2014 and 2013, investment expenses of approximately \$1.2 million and \$1.4 million, respectively, were netted against interest and dividends.

7. PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 1,234	\$ 1,234
Buildings and building improvements	256,124	255,278
Furniture, fixtures, and equipment	30,643	29,661
Construction in progress	<u>1,675</u>	<u>331</u>
	289,676	286,504
Less accumulated depreciation	<u>(146,895)</u>	<u>(139,908)</u>
Total	<u>\$ 142,781</u>	<u>\$ 146,596</u>

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Depreciation expense was approximately \$7.0 million for the year ended June 30, 2014 and approximately \$6.9 million for the year ended June 30, 2013.

8. ASSET RETIREMENT OBLIGATIONS

The College accrues for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. The College has identified asbestos abatement and lead paint exposure as conditional asset retirement obligations. Asbestos and lead paint abatement costs are estimated using a per-square-foot estimate.

Using a discount rate of 6.25%, the present value of the initial obligation amounted to \$1.4 million. As of June 30, 2014 and 2013, the obligation amounted to approximately \$2.4 million and \$2.3 million, respectively.

9. RETIREMENT PLANS

Full time faculty and administrators of the College are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association and Fidelity Investments (the "Admin Plan"). Under the Admin Plan, eligible employees may make contributions into the Plan, up to the maximum allowed by the Internal Revenue Code ("IRC"). For the Admin Plan, the College makes contributions of either 9% or 12% (as defined by the Admin Plan) of eligible compensation. In addition, the College provides a matching contribution of 3% or 1% (as defined by the Admin Plan) for employees hired before July 1, 2012. To receive this matching contribution, employees must contribute the stated contribution per the Admin Plan agreement in order to receive the matching contribution.

Employees who are members of Local 2110, United Auto Workers; members of Local 264, Transport Workers Union of America; and confidential employees are covered under a defined contribution plan established with Teachers Insurance and Annuity Association (the "Union Plan"). Under the Union Plan, eligible employees may make contributions into the Union Plan, up to the maximum allowed by the IRC. For the Union Plan, the College's contributions range from 2% to 12% of eligible compensation. There is no matching contribution in the Union Plan. Total pension expense for both plans for the years ended June 30, 2014 and 2013 was \$6.9 million and \$6.3 million, respectively.

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10. POSTRETIREMENT MEDICAL PLANS

In addition to providing pension benefits, the College sponsors unfunded defined benefit postretirement medical plans. For nonunion employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement or a total of age and years of service equal to 80 with a minimum of 15 years of service. For union employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement.

The following tables identify the accumulated postretirement medical benefit obligation, the postretirement benefit obligation recognized in the accompanying statements of financial position, the net periodic postretirement medical benefit cost recognized in the accompanying statements of activities, and the related assumptions.

	<u>2014</u>	<u>2013</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 15,594	\$ 14,952
Service cost	662	625
Interest cost	788	701
Plan participants' contributions	88	24
Actuarial loss/(gain)	1,566	(243)
Benefits paid	<u>(653)</u>	<u>(465)</u>
Postretirement benefit obligation at end of year	<u>\$ 18,045</u>	<u>\$ 15,594</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ -	\$ -
Employer contributions	565	441
Plan participants' contributions	88	24
Benefits paid	<u>(653)</u>	<u>(465)</u>
Fair value of plan assets, end of year	<u>\$ -</u>	<u>\$ -</u>

Net periodic benefit cost reported as operating expense for the years ended June 30, 2014 and 2013 included the following components:

	<u>2014</u>	<u>2013</u>
Service cost	\$ 662	\$ 625
Interest cost	788	701
Amortization of prior service credit	(47)	(47)
Recognized actuarial loss	<u>328</u>	<u>447</u>
Net periodic postretirement medical benefit cost	<u>\$ 1,731</u>	<u>\$ 1,726</u>

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Postretirement cost (benefit) other than net periodic benefit cost for the years ended June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net loss/(gain) for the year	\$ 1,566	\$ (242)
Amortization of loss	(328)	(447)
Amortization of prior service cost	<u>47</u>	<u>47</u>
	<u>\$ 1,285</u>	<u>\$ (642)</u>
Weighted average discount rate used to determine benefit obligations at June 30,	4.50%	5.00%
Weighted average discount rate used to determine net periodic benefit cost for the fiscal year ended June 30,	5.00%	4.50%
	<u>Union/ Nonunion</u>	<u>Union/ Nonunion</u>
Assumed healthcare cost trend rates:		
Healthcare cost trend rate	6.5%/6.5%	7.0%/7.0%
Healthcare cost trend assumed to decline	4.5%/4.5%	4.5%/4.5%
Ultimate trend rate achieved	2030	2030

The effect of a 1% change in trend rates on total service, interest cost, and the postretirement benefit obligation is as follows:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total service and interest cost component	\$ 173	\$ (142)
Effect on postretirement benefit obligation	1,680	(1,386)

The items not yet recognized as a component of net periodic benefit cost are as follows:

	<u>2014</u>	<u>2013</u>
Net actuarial loss	\$ 5,635	\$ 4,398
Prior service credit	<u>(20)</u>	<u>(68)</u>
Total	<u>\$ 5,615</u>	<u>\$ 4,330</u>

The estimated amount that will be amortized into net periodic postretirement medical benefit cost in fiscal 2015 is approximately \$0.2 million.

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The healthcare reform law could have significant accounting consequences for entities in diverse industries. Specifically, there are several provisions in the new law that might affect the College's measurement of its postretirement health benefit obligation. There are certain provisions (if applicable) that are generally expected to either increase or reduce an employer's obligations. It is very difficult at this stage to measure the impact of some of these provisions on the College's obligations. The College will continue to monitor developments, interpretations, and guidance relating to the law and incorporate relevant changes and plan design revisions to future measurements.

The College makes contributions to the postretirement medical plans equal to the benefits paid on a pay-as-you-go basis. For faculty and administrators, the contributions are deposited into a health savings account on behalf of the retiree. For the years ending June 30, 2015 through June 30, 2024, the College expects to make contributions to and benefit payments from the plans, net of Medicare subsidy, as follows:

2015	\$	649
2016		720
2017		805
2018		856
2019		927
2020 through 2024		5,812

11. LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

	<u>2014</u>	<u>2013</u>
Dormitory Authority of the State of New York, Barnard College Insured Revenue Bonds, Series 2007A. Interest at 4.00% to 5.00%, due serially to 2037	\$ 40,795	\$ 42,220
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2008. Interest at variable rates due serially to 2027	10,280	15,885
Dormitory Authority of the State of New York, Barnard College Insured Revenue Bonds, Series 2004. Interest at 2.00% to 4.75%, due serially to 2035	<u>24,595</u>	<u>25,275</u>
Total	75,670	83,380
Add: unamortized bond premium	1,352	1,411
Less: unamortized bond discount	<u>(23)</u>	<u>(24)</u>
Total long-term obligations	<u>\$ 76,999</u>	<u>\$ 84,767</u>

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On July 11, 2007, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue \$48.42 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007A (“DASNY 2007A Bonds”). The loan is a general and unsecured obligation of the College. The DASNY 2007A Bonds were issued to refund and defease the \$23.715 million Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 1996 (“DASNY 1996 Bonds”), to pay for a portion of the costs of the construction of a new approximately 100,000 square foot multipurpose facility, and to pay for other campus-wide renovations and maintenance projects (the “Diana Center and other projects”). The DASNY 2007A Bonds were issued at fixed interest rates of 4.00% to 5.00% and are due serially to 2037. In accordance with the provisions of the loan agreement, the College is required to deposit construction and reserve funds with a trustee. These funds with a fair value of \$2.5 million, in both years, were held in cash at June 30, 2014 and in cash and U.S. government securities at June 30, 2013 and are included in funds held by bond trustee in the accompanying statements of financial position.

On July 11, 2007, the College also entered into a separate loan agreement with the Dormitory Authority of the State of New York to issue \$32.6 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007B (“DASNY 2007B Bonds”) to pay for a portion of the costs of the construction of the Diana Center and other projects. The loan was a general and unsecured obligation of the College. The DASNY 2007B Bonds were insured variable rate bonds. On April 30, 2008, due to the downgrading of the bond insurer, the College elected to enter into a loan agreement with the Dormitory Authority of the State of New York to issue \$28.0 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2008 (“DASNY 2008 Bonds”). Proceeds from the DASNY 2008 Bonds along with approximately \$5.5 million from the College were used to refund and defease the outstanding DASNY 2007B Bonds. The DASNY 2008 Bonds are a general and unsecured obligation of the College. The DASNY 2008 Bonds were originally secured by a \$28.4 million irrevocable direct pay letter of credit with RBS Citizens, N.A., which was scheduled to expire on April 23, 2011. On October 1, 2009, the College entered into a Bond Purchase and Continuing Covenants Agreement (Purchase Agreement) with RBS Citizens, N.A., whereby RBS Citizens, N.A. purchased the \$27.5 million outstanding DASNY 2008 Bonds. In addition, the letter of credit provided by RBS Citizens, N.A. was canceled. Under the terms of the Purchase Agreement, the interest payments are now based on a combination of weekly LIBORs and a fixed fee from RBS Citizens, N.A. The average interest rate on the DASNY 2008 Bonds was approximately 2% in Fiscal 2014 and 2013. In accordance with the provisions of the loan agreement, the College is required to deposit construction and reserve funds with a trustee. These funds with a fair value of \$0.6 million, respectively, were held in cash at June 30, 2014 and in cash and U.S. government securities at June 30, 2013 and are included in funds held by bond trustee in the accompanying statements of financial position.

In September 2007, the College entered into a seven-year interest rate swap agreement on the notional amount of \$32.6 million, the outstanding amount of the DASNY 2007B Bonds, to effectively fix the rate at 3.55%. As a result of the refunding of the DASNY 2007B Bonds, the swap agreement was modified to the notional amount of \$28.0 million, the outstanding amount of the DASNY 2008 Bonds at that time. At June 30, 2014 and 2013, the fair value of the swap agreement, which is based upon the value provided by a third-party financial institution, was a liability of approximately \$13 thousand and \$0.2 million, and is reported as an obligation under derivative instrument on the accompanying statements of financial position at June 30, 2014 and 2013, respectively. The College has evaluated the valuation methodologies used to develop the fair values in order to determine whether such valuations are representative of an exit price.

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The College considered both its credit risk and counterparty credit risk in determining fair value and appropriate adjustments.

In February 2004, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue \$28.9 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2004. The loan agreement is a general and unsecured obligation of the College. In accordance with the provisions of the loan agreement, the College is required to deposit construction and reserve funds with a trustee. These funds with a fair value of \$1.3 million at June 30, 2014 were held in cash and with a fair value of \$1.2 million at June 30, 2013 were held in cash and U.S. government securities and are included in funds held by bond trustee in the accompanying statements of financial position.

The College capitalized bond issuance costs incurred in support of certain capital improvement projects. The College is amortizing the deferred issuance costs over the life of the bonds. Amortization expense for the years ended June 30, 2014 and 2013 was \$56 thousand.

Projected debt service payments on the long-term obligations as of June 30, 2014, for five years subsequent to June 30, 2014 and thereafter, are as follows:

Fiscal	Principal	Interest	Total
2015	\$ 2,835	\$ 3,492	\$ 6,327
2016	2,965	3,365	6,330
2017	3,100	3,232	6,332
2018	3,240	3,090	6,330
2019	3,395	2,942	6,337
Thereafter	60,135	24,313	84,448
	<u>\$ 75,670</u>	<u>\$ 40,434</u>	<u>\$ 116,104</u>

Interest payments included in the above chart for the DASNY 2008 Bonds were calculated on the basis of an assumed interest rate of 4% per annum.

Interest expense for the years ended June 30, 2014 and 2013 amounted to approximately \$3.4 million and \$3.6 million, respectively.

The estimated fair value of the College's outstanding bonds at June 30, 2014 and 2013 was approximately \$77.9 million and \$85.7 million, respectively.

In September 2014, the College made an additional principal payment of \$3.5 million on the DASNY 2008 Bonds.

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
(Dollars in thousands)

12. INTERCORPORATE AGREEMENT

An intercorporate agreement between the College and Columbia University provides for payment for the exchange of certain services between the two institutions. These services include cross-registration for students, College services, faculty exchange, athletics, and certain special services and support costs.

The statements of activities include expenses in the amount of approximately \$5.4 million and \$5.2 million for the years ended June 30, 2014 and 2013, respectively, for services provided under the terms of the agreement.

13. NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Instruction, research, and library	\$ 73,048	\$ 59,845
Financial aid	62,172	47,798
Plant improvements	6,819	3,173
Gifts to be designated	1,749	4,346
Time restricted pledges	1,930	2,394
	<u>\$ 145,718</u>	<u>\$ 117,556</u>

Permanently restricted net assets are as follows at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Investments to be held in perpetuity, the earning from which are expendable to support:		
Financial aid	\$ 72,582	\$ 69,989
Instructional and other programs	74,110	63,386
	<u>\$ 146,692</u>	<u>\$ 133,375</u>

14. COMMITMENTS AND CONTINGENCIES

The College is a defendant in various lawsuits. Management of the College is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the College's financial position.

The College receives significant federal grants which are subject to audit by federal agencies. Management is of the opinion that disallowances, if any, would not have a significant effect on the financial position or changes in net assets of the College.

BARNARD COLLEGE
Notes to Financial Statements
June 30, 2014 and 2013
(Dollars in thousands)

As of June 30, 2014, the College had a credit facility for \$5.0 million with RBS Citizens, with no outstanding borrowing. This line of credit expired on August 8, 2014. Subsequent to June 30, 2014, the line of credit was renewed for an additional year.

The College has entered into certain noncancellable operating lease agreements and an employment agreement. The commitments under such agreements provide for minimum annual payments as follows:

Year ending June 30:

2015	\$	2,453
2016		2,347
2017		2,414
2018		529
	\$	<u>7,743</u>

Rental expense for the years ended June 30, 2014 and 2013 totaled approximately \$2.2 million and \$1.8 million, respectively.

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

Construction of the Project

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and the Series 2015A Resolution and under the Loan Agreement, the Institution 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 moneys available in the Construction Fund, cause the Institution to be reimbursed for, or pay, any costs and expenses incurred by the Institution which constitute Costs of the Project, provided such costs and expenses are approved by the Authority, which approval shall not be unreasonably withheld or delayed (subject to receipt by the Authority of all required documents and information as set forth in the Loan Agreement).

(Section 5)

Amendment of the Project

(a) The Project may be amended by the Institution, with the prior written consent of the Authority, which consent will not be unreasonably withheld, or delayed (subject to receipt by the Authority of all required documents and information as set forth in the Loan Agreement) to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, improving, or otherwise providing, furnishing and equipping of the Project which the Authority is authorized to undertake. After the effective date of the Loan Agreement, the Institution shall not enter into, amend or modify, by change order or otherwise, any Contract Document that materially affects the scope or nature of the Project, without the prior written approval of the Authority, which approval shall not be unreasonably withheld or delayed. The Institution shall deliver to the Authority copies of such change orders as the Authority may from time to time request.

(b) The Institution shall provide such moneys or an irrevocable letter of credit or other security in such form as may be reasonably acceptable to the Authority as in the reasonable judgment of the Authority may be required for the cost of completing the Project or a portion thereof in accordance with the Contract Documents in excess of the moneys in the Construction Fund established for such Project, whether such moneys, letter of credit or other security are required as a result of an increase in the scope of the Project or otherwise; provided, however, that the Authority acknowledges that the Institution expects to pay a portion of the Costs of the New Money Project from certain funds raised by the Institution in connection with the New Money Project, which funds shall not be deposited in the Construction Fund or otherwise require the provision of a letter of credit or other security. Such moneys, letter of credit or other security shall be paid or made available to the Trustee for deposit in the Construction Fund within fifteen (15) days after receipt by the Institution of written notice from the Authority that such moneys or other security are required.

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

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Resolution or the Series 2015A Resolution or under the Loan Agreement, including, without limitation, moneys in the Debt Service Fund, and interest accrued but unpaid on investments held in the Debt Service Fund, the Institution unconditionally agrees to pay or cause to be paid, so long as the Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

Appendix C

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

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

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

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

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

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

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

(viii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (A) for the Authority Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to provisions of the Loan Agreement summarized in paragraph (e) below and any expenses or liabilities incurred by the Authority pursuant to provisions of the Loan Agreement summarized under the headings “**Damage or Condemnation,**” “**Taxes and Assessments**” and “**Arbitrage; Tax Exemption**” below and other provisions of the Loan Agreement relating to indemnity by the Institution, (C) to reimburse the Authority

for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of the Project, including but not limited to any fees or other amounts payable by the Authority under a Remarketing Agreement, Credit Facility or Liquidity Facility, if any, (D) for the costs and expenses incurred by the Authority to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof, (E) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution, and (F) to pay any Provider Payments then due and unpaid;

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

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

(xi) [Reserved];

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

(xiii) To the extent not otherwise set forth in the provisions of the Loan Agreement summarized in this paragraph (a), including without limitation, in the event of any insufficiency, any amounts necessary to pay the principal, Sinking Fund Installment, or Redemption Price, if any, of, and interest on, the Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Resolution and the Series 2015A Resolution, whether at maturity, upon acceleration, redemption or otherwise.

Subject to the provisions of the Loan Agreement and of the Resolution or the Series 2015A Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to provisions of the Loan Agreement summarized in paragraph (a)(v) above on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the Institution delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the direction of the Authority, has purchased one or more Bonds and maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

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

(b) Notwithstanding any provisions in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the Institution’s indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such

Appendix C

moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the provisions of the Resolution summarized in Appendix D under the heading “**Defeasance.**” Except as otherwise provided in the Resolution, the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

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

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

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

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

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

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

(Section 9)

Security Interest in Pledged Revenues

As security for the payment of all liabilities and the performance of all obligations of the Institution pursuant to the Loan Agreement, the Institution does continuously pledge, grant a security interest in, and assign to the Authority the Pledged Revenues, together with the Institution's right to receive and collect the Pledged Revenues and the proceeds of the Pledged Revenues. This pledge, grant of a security interest in and assignment of the Pledged Revenues shall be subordinate only to the Prior Pledges, if any.

The Institution represents and warrants that no part of the Pledged Revenues or any right to receive or collect the same or the proceeds thereof is subject to any lien, pledge, security interest or assignment, other than the Prior Pledges, if any, and that the Pledged Revenues assigned pursuant to the Loan Agreement are legally available to provide security for the Institution's performance under the Loan Agreement. The Institution agrees that it shall not hereafter create or permit the creation of any pledge, assignment, encumbrance, restriction, security interest in or other commitment of or with respect to the Pledged Revenues, which is prior to the pledge made by provisions of the Loan Agreement summarized herein. In accordance with Exhibit A to the Loan Agreement, in connection with the issuance of Parity Indebtedness (as defined in Exhibit A to the Loan Agreement), the Institution is permitted to create or permit the creation of any pledge, assignment, encumbrance, restriction, security interest in or other commitment of or with respect to the Pledged Revenues, which is equal to the pledge made by provisions of the Loan Agreement summarized herein.

(Section 11)

Collection of Pledged Revenues

(a) Subject to the provisions of the Loan Agreement summarized in paragraph (b) below, commencing on the date on which the Bonds are first issued and delivered and continuing until no Bonds are Outstanding, the Institution shall deliver to the Trustee for deposit in accordance with the provisions summarized in the Bond Series Certificate(s) and in Appendix D under the heading "**Deposit of Revenues and Allocation Thereof**," all Pledged Revenues (other than the amounts subject to the Prior Pledges, if any) within ten (10) days following the Institution's receipt thereof unless and until there is on deposit in the Debt Service Fund an amount at least equal to the sum of (i) the interest coming due on or prior to the earlier of the next succeeding January 1 or July 1, assuming that Variable Interest Rate Bonds will, from and after the next succeeding date on which the rates at which such Variable Interest Rate Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum at which such Variable Interest Rate Bonds then bear interest, plus one percent (1%) per annum, (ii) the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, and (iii) the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased and accrued interest thereon to the date of redemption or purchase. In the event that, pursuant to the Loan Agreement, the Authority notifies the Institution that account debtors are to make payments directly to the Authority or to the Trustee, such payments shall be made directly to the Authority or the Trustee notwithstanding anything contained in this subdivision, but the Institution shall continue to deliver to the Trustee for deposit in accordance with the provisions summarized in Appendix D under the heading "**Deposit of Revenues and Allocation Thereof**" any payments received by the Institution with respect to the Pledged Revenues (other than such amounts as are subject to the Prior Pledges, if any).

(b) Notwithstanding anything to the contrary in the Loan Agreement, in the event that, on or prior to the date on which a payment is to be made pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments or Redemption Price of or interest on Outstanding Bonds, the Institution has made such payment from its general funds or from any other money legally available to it for such purpose, the Institution shall not be required solely by virtue of the Loan Agreement, to deliver Pledged Revenues to the Trustee.

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(c) Any Pledged Revenues collected by the Institution that are not required to be paid to the Trustee pursuant to the Loan Agreement shall be free and clear of the security interest granted by the Loan Agreement and may be disposed of by the Institution for any of its corporate purposes provided that no Event of Default (as defined in the Loan Agreement) nor any event which but for the passage of time or the receipt of notice or both would be an Event of Default has occurred and is continuing.

(Section 12)

Warranty of Title; Utilities and Access

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

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

(Section 14)

Additional Representation and Covenants

The Institution warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under, the Loan Agreement and the Related Agreements, (B) to incur the indebtedness contemplated by the Loan Agreement and thereby and (C) to make the pledge of and grant the security interest in the Pledged Revenues given by the Loan Agreement, (ii) the Loan Agreement and the Related Agreements constitute valid and binding obligations of the Institution enforceable in accordance with their terms, and (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the Institution's obligations under the Loan Agreement and each of the Related Agreements, including, but not limited to, the pledge of and security interest in the Pledged Revenues and the Government Obligations and Exempt Obligations made or granted pursuant to the Loan Agreement, do not violate, conflict with or constitute a default under the charter or by-laws of the Institution or any indenture, mortgage, trust, or other commitment or agreement to which the Institution is a party or by which it or any of its properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any governmental authority, body, agency or other instrumentality or court having jurisdiction over the Institution or any of its properties.

The Institution warrants, represents and covenants (i) that the Pledged Revenues, or any right to receive or collect the same or the proceeds thereof, are and will be free and clear of any pledge, lien, charge, security interests or encumbrance thereon or with respect thereto, other than the Prior Pledges, if any, prior to or of equal rank with (other than as described in Exhibit A to the Loan Agreement with respect to Parity Indebtedness), the pledge thereof made pursuant to the Loan Agreement and (ii) that all corporate action on the part of the Institution to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken. The Institution further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect such pledge and security interest and all of the rights of the Authority and the Holders of Bonds thereunder against all claims and demands of all persons whomsoever.

(Section 16)

Tax-Exempt Status of Institution

The Institution represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a “private foundation,” as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for payment of unrelated business income tax. The Institution agrees that: (a) it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in the manner which will conform to the standards necessary to qualify the Institution as an educational organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it shall not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any trade or business unrelated to the educational purposes of the Institution, which could adversely affect the exclusion of interest on the Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 17)

Securities Acts Status

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

(Section 18)

Maintenance of Corporate Existence

The Institution covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a non-profit educational organization, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, (iv) except as expressly permitted, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Institution, with the prior written consent of the Authority, may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more corporations or other organizations. Notwithstanding the foregoing provisions of the Loan Agreement summarized in this paragraph, no disposition, transfer, consolidation or merger otherwise permitted shall be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation, (2) the Institution will not as a result thereof be in default under the Loan Agreement or under any Related Agreement, (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (4) the surviving, resulting or transferee corporation of the Institution assumes in writing all of the obligations of the Institution under the Loan Agreement, under the Continuing Disclosure Agreement and under the Related Agreements, and furnishes to the Authority (x) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions of the Loan Agreement and of the Related Agreements, and will meet the requirements of the Act, and (y) such other certificates and documents as the Authority may reasonably require to establish compliance with provisions of the Loan Agreement summarized herein.

(Section 19)

Appendix C

Environmental Quality Review and Historic Preservation

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

(Section 20)

Use and Possession of the Project

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the Institution shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the operation of the Project and supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project; **provided, however**, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of the Project by persons other than the Institution or its students, staff or employees in furtherance of the Institution’s corporate purposes, if such use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(Section 21)

Restrictions on Religious Use

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

(Section 22)

Sale of the Project

The Institution covenants that it will not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights, without the prior approval of the Authority, unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Bond from gross income for federal income tax purposes and (b) to the extent required by the Tax Certificate, the Institution pays to

the Trustee either for deposit into the Debt Service Fund, or, pursuant provisions of the Resolution summarized in Appendix D under the heading “**Defeasance**,” to be set aside or to purchase Defeasance Securities in accordance with the direction of the Authority.

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

(Section 23)

Maintenance, Repair and Replacement

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

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

(Section 24)

Covenant as to Insurance

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

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

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

(Section 25)

Damage or Condemnation

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

Appendix C

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

(ii) If no agreement for the repair, restoration or replacement of the property or the affected portion thereof shall have been reached by the Authority and the Institution within such period, the proceeds then held by the Institution shall be paid to the Trustee for deposit in the Debt Service Fund and all respective proceeds then held in the Construction Fund shall be transferred to the Debt Service Fund, whereupon such proceeds shall be applied to the purchase or redemption of Outstanding Bonds.

(Section 26)

Taxes and Assessments

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

(Section 27)

Defaults and Remedies

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

(i) the Institution shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (other than pursuant to Section 9(a)(xiii) of the Loan Agreement) or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution in accordance with the Loan Agreement, the Series 2015A Resolution or with the Resolution, and such default continues for a period in excess of seven (7) days or days or (B) default in the timely payment of any amount payable pursuant to Section 9(a)(xiii) of the Loan Agreement; or

(ii) the Institution defaults in the due and punctual performance of any other covenant in the Loan Agreement contained and such default continues for thirty (30) days after written notice requiring the

same to be remedied shall have been given to the Institution by the Authority or the Trustee or, if such default is no capable of being cured within thirty (30) days the Institution fails to commence within said thirty (30) days to cure the same and to diligently prosecute the cure thereof; or

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

(iv) the Institution shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility or a Credit Facility (which default has not been waived or cured) if the Institution’s obligations thereunder are secured by a lien upon or pledge on the Pledged Revenues which is equal or prior to the lien created by the Loan Agreement thereon or the pledge thereof made pursuant to the Loan Agreement and, upon such default, (A) the principal of any indebtedness thereunder may be declared to be due and payable or (B) the lien upon or pledge may be foreclosed or realized upon; or

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

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

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

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

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

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

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

(xii) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, which in the judgment of the

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Authority will adversely affect the rights of the Holders of the Bonds shall be rendered against the Institution and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the Institution shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

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

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

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

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

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

(v) realize upon any pledge of or security interest in the Pledged Revenues and the rights to receive the same, all to the extent provided in the Loan Agreement, by any one or more of the following actions: (A) enter the Institution and examine and make copies of the financial books and records of the Institution relating to the Pledged Revenues and, to the extent of the assigned Pledged Revenues, take possession of all checks or other orders for payment of money and moneys in the possession of the Institution representing Pledged Revenues or proceeds thereof; (B) notify any account debtors obligated on any Pledged Revenues to make payment directly to the Authority or to the Trustee, as the Authority may direct, and of the amount to be so paid; **provided, however**, that (1) the Authority may, in its discretion, immediately collect the entire amount of interest, principal, or Sinking Fund Installments, if any, coming due on Outstanding Bonds on the next interest payment date therefor, subject to the Prior Pledges, if any, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Pledged Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the Institution five (5) days prior to mailing or otherwise making such notification to account debtors and (3) until the Institution shall receive such notice it shall have full authority and responsibility to enforce and collect Pledged Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Pledged Revenues which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution whether or not the full amount of any such account receivable or contract right owing shall be paid to the Authority; (D) require the Institution to deposit all moneys, checks or other orders for the payment of money which represent Pledged Revenues in an amount equal to the Pledged Revenues assigned under the Loan Agreement within five (5) Business Days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Authority; **provided, however**, that (1) the moneys in such fund or account shall be applied by the Authority to the payment of any of the obligations of the Institution under the Loan Agreement, including the fees and expenses of the Authority, (2) the Authority in its sole discretion may authorize the Institution to make withdrawals from such fund or account for its corporate purposes and (3) the requirement to make such deposits shall cease and the balance of such fund or account shall be paid to the Institution when all Events of Default under the Loan Agreement by the Institution have been cured; (E) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Pledged Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the

full amount due) or allow any credit or discount thereon; or (F) endorse in the name of the Institution any checks or other orders for the payment of money representing any unpaid assigned Pledged Revenues or the proceeds thereof;

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

(vii) take any action necessary to enable the Authority to realize on its liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

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

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

(Section 31)

Investment of Moneys

The Institution acknowledges that the Authority may in its sole discretion direct the investment of certain moneys held under the Resolution and the Series 2015A Resolution as provided therein and that no representation or warranty has been made by the Authority with respect to interest rates on, or the amount to be earned as a result of, any such investment. Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment. The Authority agrees that it shall direct the making of investments as permitted by the Resolution as soon as practicable when moneys are legally available therefor.

(Section 33)

Appendix C

Limitation on Agreements

The Institution shall not enter into any contract or agreement which impairs the Institution's ability to comply with the provisions of Section 9(a) of the Loan Agreement in any material respect.

(Section 35)

Arbitrage; Tax Exemption

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

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

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

(Section 36)

Limitation on Authority Rights

As long as no Event of Default has occurred and is continuing, and no event has occurred that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, the Authority will not, without the prior written consent of the Institution, (i) change the dates on which an Option Bond is to be tendered for purchase or the period during which a Variable Interest Rate Bond is to bear interest at a particular rate, (ii) convert a Variable Interest Rate Bond to bear interest at a fixed rate to its maturity, (iii) seek the removal or resignation of a Remarketing Agent or appoint a successor Remarketing Agent, (iv) amend or modify the dates on or Redemption Price at which a Variable Interest Rate Bond after its conversion to bear interest at a fixed rate to the maturity date thereof may be redeemed at the election or direction of the Authority in accordance with Section 4.02 of the Resolution or (v) remarket at a price other than par any Option Bond tendered or deemed to have been tendered for purchase. The Institution may, at any time no Event of Default, or an event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, request the Authority to take such action as may be required by the Resolution, the Series 2015A Resolution or the Bond Series Certificate(s) to change the dates on which Option Bonds are to be tendered for purchase or the period during which Variable

Interest Rate Bonds shall bear interest at a particular rate or to convert Variable Interest Rate Bonds to bear interest at a fixed rate to their maturity.

(Section 37)

Certificate as to Representations and Warranties

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

(Section 40)

Further Assurances

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

(Section 43)

Amendments to Loan Agreement

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

(Section 44)

Termination

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

(Section 45)

A. Expendable Resources to Debt Ratio

(i) Expendable Resources to Debt Ratio Requirement. Commencing with the Institution's Fiscal Year ending in 2015, the Institution covenants to have available on each Testing Date Expendable Resources at least equal to 40% of the Institution's Long-Term Indebtedness.

(ii) Reporting Requirement. On or prior to each Reporting Date, the Institution shall file with the Authority a certificate of an Authorized Officer of the Institution stating whether at the immediately

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preceding Testing Date the Expendable Resources to Debt Ratio requirement is satisfied and setting forth the calculation upon which such statement is based.

(iii) Remedies. If on any Testing Date the Institution does not satisfy the Expendable Resources to Debt Ratio requirement, the Authority may require the Institution to retain a Management Consultant or may accept a report provided by the Institution explaining the cause of the Institution's noncompliance with the Expendable Resources to Debt Ratio requirement and the steps the Institution plans to take to bring the Institution back into compliance with such requirement. Failure to maintain the required Expendable Resources to Debt Ratio, however, shall not be an Event of Default under the Loan Agreement.

B. Additional Bonds Indebtedness: Except as otherwise provided below, the Institution will not hereafter issue, incur, assume or guarantee any Indebtedness without the prior written consent of the Authority. To the extent the Institution is entitled to issue, incur, assume or guaranty Long-Term Indebtedness, Privately Placed Indebtedness or Refunding Debt in accordance with paragraph 1, paragraph 4 or paragraph 5 of this Section B of the Loan Agreement, such Long-Term Indebtedness, Privately Placed Indebtedness or Refunding Debt may be secured by a security interest in the Pledged Revenues on a parity with the security interest in the Pledged Revenues granted to the Authority pursuant to Section 11 of the Loan Agreement ("Parity Indebtedness"). Any Parity Indebtedness shall be subject to the prior execution of an Intercreditor Agreement by the Authority and any other parties with a parity interest in the Pledged Revenues.

1. **Long-Term Indebtedness** may be incurred without prior written consent of the Authority if:
 - The Institution must, at the time of issuance, have long term debt rating not lower than investment grade (BBB-/Baa3) from at least one Nationally Recognized Statistical Rating Organization (NRSRO), and that rating must be maintained from at least one NRSRO after the issuance of the additional Long Term Indebtedness; and
 - The amount issued in any Fiscal Year is less than or equal to 10% of the value of its Unrestricted Net Assets as reported on its most recent audited financial statements, or
 - The Institution must provide a Certificate of an Authorized Officer of the Institution and pro forma calculations to the Authority demonstrating that the Institution's Expendable Resources to Debt Ratio would be met, based on most recent audited financial statements, taking into account the additional Long-Term Indebtedness.
2. **Non-Recourse Indebtedness:** The Institution may issue Non-Recourse Indebtedness without the Authority's consent provided that any assets pledged as collateral or for the repayment of such Indebtedness must have been acquired by the Institution after the issuance of the Series 2015A Bonds.
3. **Short-Term Indebtedness:** The Institution may issue short-term Indebtedness (Indebtedness with an original maturity of one year or less, including any options to renew) without the Authority's consent if, with respect to such short-term Indebtedness, during any twelve (12) month period, there will be no outstanding balance for a period of not less than thirty (30) days or such shorter period as acceptable to the Authority.
4. **Privately Placed Indebtedness:** The Institution may incur up to \$40,000,000 of privately placed Bonds pursuant to the Additional Series Resolutions (as defined in the Series 2015A Resolution).
5. **Refunding Debt:** The Institution may issue, incur, assume or guarantee Refunding Debt without the consent of the Authority or compliance with the requirements of paragraph 1 of this Section B of the Loan Agreement provided that, after giving effect to such Refunding Debt, the Annual Debt Service on the Institution's Long-Term Indebtedness will not be greater in any Fiscal Year as established by a certificate or report to that effect of an Authorized Officer of the Institution

delivered to the Authority on or prior to the date such Refunding Debt is issued, incurred, assumed or guaranteed.

(Exhibit A – Financial Covenants)

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

Resolution and Bonds Constitute a Contract

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

(Section 1.03)

Assignment of Certain Rights and Remedies to the Trustee

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

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

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

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

If applicable, at or prior to the initial issuance and delivery of a Series of Bonds, upon delivery to the Trustee of evidence in writing from Authorized Officers of the Authority and the applicable creditors of the Institution with respect to such Series of Bonds to the effect that the Intercreditor Agreement among the Authority, such creditor(s) and the Trustee is in form and substance satisfactory to them (which may be evidenced by the execution thereof by the Authority and such creditor(s)), an Authorized Officer of the Trustee shall, upon determination by the Trustee that such Intercreditor Agreement is in form and substance satisfactory to it (which determination by the Trustee shall not be unreasonably withheld or delayed), execute and deliver to the Authority and such creditor(s) such Intercreditor Agreement. In addition, an Authorized Officer of the Trustee shall execute and deliver to the Authority and such creditor(s) such amendments to or supplements of such Intercreditor Agreement as may be requested by an Authorized Officer of the Authority

(Section 1.04)

Authorization and Issuance of Bonds

Additional Obligations

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

(Section 2.05)

Redemption of Bonds

Authorization of Redemption

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

(Section 4.01)

Redemption at the Election or Direction of the Authority

In the case of any redemption of Bonds of a Series other than as summarized in the following paragraph, the Authority shall give to the Trustee and each applicable Facility Provider written notice of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-Series to be redeemed. The Series, Sub-Series, maturities and principal amounts thereof to be redeemed at the election or

direction of the Authority shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate. Such notice shall be given to the Trustee and each applicable Facility Provider at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given with respect to Bonds to be redeemed pursuant to provisions of the Resolution summarized herein unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds of such Series to be so redeemed. For purposes of determining the amount required to be paid pursuant to the preceding sentence when Variable Interest Rate Bonds are to be redeemed, it shall be assumed that for any period for which the rate at which such Bonds will bear interest is unknown such Bonds bear interest at the Maximum Rate established therefore by the Series Resolution authorizing such Bonds or the Bond Series Certificate applicable thereto.

(Section 4.02)

Redemption Other Than at Authority's Election or Direction

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

(Section 4.03)

Selection of Bonds to Be Redeemed

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

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

(Section 4.04)

Notice of Redemption

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

Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

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

(Section 4.05)

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution, the Bonds of a Series or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the

Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, Sub-Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bond is surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond of a Series, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of such registered Bond so surrendered, Bonds of like Series, Sub-Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds of a Series or portions thereof of any like Series, Sub-Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on such Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Purchase of Purchased Bonds

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

(Section 4.07)

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

Pledge of Revenues

The proceeds from the sale of a Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues, if any, and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund, are pursuant to the Resolution, subject

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

(Section 5.01)

Establishment of Funds and Accounts

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

Construction Fund;

Debt Service Fund; and

Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution, or any Bond Series Certificate, the Authority may for purposes of internal accounting establish such other accounts and subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by a Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds of a Series, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution, unless otherwise provided in the applicable Series Resolution; **provided, however**, that (i) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and may be pledged to the provider or such Liquidity Facility.

(Section 5.02)

Application of Moneys in the Construction Fund

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to provisions of the

Resolution summarized under the heading “**Deposit of Certain Moneys in the Construction Fund**” below. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the Institution which by the terms of the Loan Agreement are required to be deposited therein.

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

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

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

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

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

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

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

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

(Section 5.04)

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Deposit of Revenues and Allocation Thereof

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

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

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

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

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

The Trustee shall, promptly after making the above required payments, notify the Authority and the Institution of any balance of Revenues remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the

Institution, in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created by the Resolution.

(Section 5.05)

Debt Service Fund

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

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

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

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

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

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

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

(Section 5.06)

Arbitrage Rebate Fund

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

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

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

(Section 5.07)

Application of Moneys in Certain Funds for Retirement of Bonds

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

(Section 5.08)

Transfer of Investments

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

(Section 5.09)

Security for Deposits and Investment of Funds

Security for Deposits

All money held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of a Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however**, (a) that if the securing of

such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to the debt service fund provisions or the defeasance provisions of the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

(Section 6.01)

Investment of Funds and Accounts

(a) Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations, or Exempt Obligations; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution.

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

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

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

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

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

(Section 6.02)

Particular Covenants

Payment of Principal and Interest

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

(Section 7.01)

Further Assurance

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

(Section 7.04)

Accounts and Audits

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

(Section 7.05)

Creation of Liens

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

(Section 7.06)

Enforcement of Duties and Obligations of the Institution

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

(Section 7.07)

Deposit of Certain Moneys in the Construction Fund

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

(Section 7.08)

Offices for Payment and Registration of Bonds

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

(Section 7.09)

Amendment of Loan Agreement

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

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

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Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

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

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

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

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

(Section 7.11)

Notice as to Event of Default under Loan Agreement

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

(Section 7.12)

Series Resolutions and Supplemental Resolutions

Modification and Amendment without Consent

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

- (a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;
- (b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;
- (c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;
- (e) To confirm, as further assurance, any pledge under the Resolution or under a Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, or any Series Resolution, of the Revenues, or any pledge of any other moneys, securities or funds;
- (f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of a Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds of such Series issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;
- (g) To modify or amend a Project; or
- (h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent

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

(Section 9.02)

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General Provisions Relating to Series Resolutions and Supplemental Resolutions

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

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

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

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

(Section 9.03)

Amendments of Resolution

Powers of Amendment

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

(Section 10.01)

Consent of Bondholders

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

For the purposes of these provisions of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters or remarketing agent for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however**, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale,

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the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority and the Holders of all of the Bonds then Outstanding of a Series, such consent to be given as provided in the Resolution, except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.03)

Consent of Facility Provider

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

(Section 10.07)

Defaults and Remedies

Events of Default

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

- (a) With respect to a Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) With respect to a Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Authority when the same shall become due and payable; or
- (c) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or
- (d) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds of such Series or in a Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default

and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

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

(Section 11.02)

Acceleration of Maturity

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

(Section 11.03)

Enforcement of Remedies

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

In the enforcement of any remedy under the Resolution and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at

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

(Section 11.04)

Limitation of Rights of Individual Bondholders

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

(Section 11.08)

Defeasance

Defeasance

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

delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

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

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(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; **provided, however**, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

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

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

(Section 12.01)

Provider Provisions

Credit Facility Provider as Holder

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

(Section 14.08)

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FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

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FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

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

_____, 2015

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

We have served as bond counsel to our client the Dormitory Authority of the State of New York (the “Authority”) and not as counsel to any other person in connection with the issuance by the Authority of its \$109,035,000 Barnard College Revenue Bonds, Series 2015A (the “Series 2015A Bonds”), dated the date of this letter.

The Series 2015A Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), the Barnard College Revenue Bond Resolution, adopted on March 11, 2015 and the Series Resolution Authorizing Up To \$170,000,000 Barnard College Revenue Bonds, Series 2015A, adopted on March 11, 2015 (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2015A Bonds, a copy of the signed and authenticated Series 2015A Bond of the first maturity and the Loan Agreement, dated as of March 11, 2015 (the “Loan Agreement”), between the Authority and Barnard College (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by the Authority.
2. The Resolution and the Loan Agreement are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
3. The Series 2015A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Series 2015A Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2015A Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of New York or any of its political subdivisions.
4. Interest on the Series 2015A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2015A Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on the Series 2015A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. We express no opinion as to any other tax consequences regarding the Series 2015A Bonds.

We are further of the opinion that the difference between the principal amount of the Series 2015A Bonds maturing on July 1, 2046 (“Discount Bonds”) and the initial offering price to the public (excluding bond houses,

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brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount (“OID”). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above, as other interest on the Series 2015A Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond at its issue price in the initial public offering who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond. Initial purchasers of the Series 2015A Bonds maturing on July 1, 2016 through July 1, 2037, inclusive, and July 1, 2043, whose initial adjusted basis in such Bonds exceeds the respective principal amount of such Bonds (“Premium Bonds”) will have bond premium to the extent of that excess. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield must be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership.

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

In rendering those opinions with respect to the treatment of the interest on the Series 2015A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Institution. Failure to comply with certain of those covenants subsequent to issuance of the Series 2015A Bonds may cause interest on the Series 2015A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

In rendering those opinions with respect to the treatment of the interest on the Series 2015A Bonds under the federal tax laws, we also further assume the correctness of, and rely on the opinions of Bond, Schoeneck & King, PLLC, counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code, which opinions are subject to a number of qualifications and limitations. We also assume the correctness of, and rely upon the accuracy of, representations of the Institution concerning the use of the facilities financed with the Series 2015A Bonds in activities that are considered “unrelated trade or business” activities of the Institution, as defined in Section 513(a) of the Code. We have not given any opinion or assurance concerning Section 513(a) of the Code or the effect of any future activities of the Authority or the Institution. Failure of the Institution to maintain its qualification as an organization described in Section 501(c)(3) of the Code, or to use the facilities financed by the Series 2015A Bonds in a manner that is substantially related to the Institution’s charitable purpose under Section 513(a) of the Code, may cause interest on the Series 2015A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2015A Bonds.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2015A Bonds, the Resolution or the Loan Agreement.

The opinions contained in paragraphs 1, 2 and 3 above are qualified to the extent that the enforceability of the Resolution, the Series 2015A Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or as to the availability of any particular remedy.

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

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the Series 2015A Bonds, or any appendices thereto.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2015A Bonds has concluded on this date.

Respectfully submitted,

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