



\$34,970,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BROOKLYN LAW SCHOOL REVENUE BONDS

\$16,855,000
Series 2019A (Tax-Exempt)

\$18,115,000
Series 2019B (Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

Payment and Security: The Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt) (the "Series 2019A Bonds") and the Brooklyn Law School Revenue Bonds, Series 2019B (Taxable) (the "Series 2019B Bonds" and, together with the Series 2019A Bonds, the "Series 2019 Bonds") are special limited obligations of the Dormitory Authority of the State of New York ("DASNY"). Each Series of the Series 2019 Bonds is payable solely from and secured by a pledge of (i) certain payments to be made under a Loan Agreement, dated as of April 10, 2019 relating to such Series (each, a "Loan Agreement" and collectively, the "Loan Agreements"), by and between DASNY and Brooklyn Law School (the "Law School" or "Brooklyn Law School"), and (ii) all funds and accounts (except the Arbitrage Rebate Fund for the Series 2019A Bonds) established with respect to such Series under DASNY's Brooklyn Law School Revenue Bond Resolution, adopted October 29, 2008, as amended and supplemented (the "Resolution"), the Series 2019A Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds, Series 2019A, adopted April 10, 2019 (the "Series 2019A Resolution") and the Series 2019B Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds Series 2019B, adopted April 10, 2019 (together with the Series 2019A Resolution and the Resolution, the "Resolutions").

Each Loan Agreement is a general obligation of the Law School and requires the Law School to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2019 Bonds of the related Series, as such payments become due. The obligations of the Law School under each Loan Agreement to make such payments are secured by a pledge of tuition and fees of the Law School.

The Series 2019 Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2019 Bonds. DASNY has no taxing power.

Description: The Series 2019 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due July 1, 2019 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2019 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 2019A Bonds or Series 2019B Bonds, by wire transfer to the holder of such Series 2019 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2019 Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2019A Bonds or Series 2019B Bonds, by wire transfer to the holder of such Series 2019 Bonds as more fully described herein.

The Series 2019 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 2019 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2019 Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2019 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 2019 BONDS - Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2019 Bonds are subject to redemption or purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Exemption: In the opinion of Bryant Rabbino LLP, Bond Counsel to DASNY, under existing statutes and court decisions and assuming continuing compliance by DASNY and the Law School with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), described herein, (i) interest on the Series 2019A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2019A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. Interest on the Series 2019B Bonds is included in gross income for Federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Series 2019 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "PART 10 - TAX MATTERS" herein regarding certain other considerations.

The Series 2019 Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2019 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 Bryant Rabbino LLP, New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Law School by its special financing counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. DASNY expects to deliver the Series 2019 Bonds in definitive form in New York, New York, on or about May 23, 2019.

J.P. Morgan

\$34,970,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BROOKLYN LAW SCHOOL REVENUE BONDS

\$16,855,000
SERIES 2019A (TAX-EXEMPT)

Interest Payment Dates: Each January 1 and July 1 (commencing July 1, 2019)

\$16,855,000 5.000% Term Bond Due July 1, 2033, Yield 2.540%¹ CUSIP Number² 64990GMJ8

\$18,115,000
SERIES 2019B (TAXABLE)

Interest Payment Dates: Each January 1 and July 1 (commencing July 1, 2019)

<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Number²</u>	<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Number²</u>
2026	\$4,050,000	3.560%	100%	64990GMK5	2029	\$4,510,000	3.820%	100%	64990GMN9
2027	4,195,000	3.670	100	64990GML3	2030	1,010,000	3.900	100	64990GMP4
2028	4,350,000	3.760	100	64990GMM1					

¹ Priced at stated yield to the July 1, 2029 optional redemption date at a redemption price of 100%.

² CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. 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 2019 Bonds. Neither DASNY nor the Underwriter is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2019 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2019 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 2019 Bonds.

No dealer, broker, salesperson or other person has been authorized by DASNY, the Law School or the Underwriter to give any information or to make any representations with respect to the Series 2019 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 Law School or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied by the Law School and other sources that DASNY believes are reliable. Neither DASNY nor the Underwriter guarantees the accuracy or completeness of such information, and such information is not to be construed as a representation of DASNY or the Underwriter. DASNY does not directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Law School, (2) the sufficiency of the security for the Series 2019 Bonds or (3) the value or investment quality of the Series 2019 Bonds. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has 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 Underwriter does not guarantee the accuracy or completeness of such information.

The Law School has reviewed the parts of this Official Statement describing the Law School, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondowners' Risks, Appendix A and Appendix B. As a condition to delivery of the Series 2019 Bonds, the Law School will certify that as of the date of this Official Statement and of delivery of the Series 2019 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 Law School 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 Resolutions and the Loan Agreements do not purport to be complete. Refer to the Act, the Resolutions and the Loan Agreements for full and complete details of their provisions. Copies of the Resolutions and the Loan Agreements 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 Law School have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2019 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY - STATE OF NEW YORK
GERRARD P. BUSHHELL – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$34,970,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
BROOKLYN LAW SCHOOL REVENUE BONDS

\$16,855,000

Series 2019A (Tax-Exempt)

\$18,115,000

Series 2019B (Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and Brooklyn Law School (the “Law School” or “Brooklyn Law School”), in connection with the offering by DASNY of \$16,855,000 aggregate principal amount of its Brooklyn Law School Revenue Bonds, Series 2019A (Tax- Exempt) (the “Series 2019A Bonds”) and the \$18,115,000 aggregate principal amount of its Brooklyn Law School Revenue Bonds, Series 2019B (Taxable) (the “Series 2019B Bonds” and, together with the Series 2019A Bonds, the “Series 2019 Bonds”).

The following is a brief description of certain information concerning the Series 2019 Bonds, DASNY and the Law School. A more complete description of such information and additional information that may affect decisions to invest in the Series 2019 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 C hereto.

Purpose of the Issue

The Series 2019A Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used to refund DASNY’s outstanding Brooklyn Law School Revenue Bonds, Series 2009 (the “Series 2009 Bonds”) and pay the Costs of Issuance of the Series 2019A Bonds. The Series 2019B Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used to advance refund DASNY’s outstanding Brooklyn Law School Revenue Bonds, Series 2012A (the “Series 2012A Bonds” and, together with the Series 2009 Bonds, the “Refunded Bonds”), and pay the Costs of Issuance of the Series 2019 Bonds. See “PART 4 – THE REFUNDING PLAN” and “PART 5 – ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Brooklyn Law School Revenue Bond Resolution, adopted October 29, 2008, as amended and supplemented (the “Resolution”) authorizes the issuance of Bonds pursuant to separate Series Resolutions for the benefit of the Law School. The Series 2019 Bonds will be issued pursuant to the Act, the Resolution, the Series 2019A Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds, Series 2019A, adopted April 10, 2019 (the “Series 2019A Resolution”) and the Series 2019B Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds Series 2019B, adopted April 10, 2019 (together with the Series 2019A Resolution and the Resolution, the “Resolutions”). In addition to the Series 2019 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY or other issuers that were issued on behalf of the Law School. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution. The Series 2019A Bonds and the Series 2019B Bonds will be the third and fourth Series of Bonds, respectively, to be issued under the Resolution and upon issuance will be the only Series of Bonds

that are Outstanding. 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 2019 Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Security for the Series 2019 Bonds” and “PART 3 – THE SERIES 2019 BONDS.”

DASNY

DASNY is a public benefit corporation of the State of New York (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 7 – DASNY.”

The Law School

The Law School is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Board of Regents of the State. The Law School is located in Brooklyn, New York. See “Appendix A– Certain Information Concerning Brooklyn Law School” and “Appendix B – Financial Statements of Brooklyn Law School and Independent Auditor’s Report.”

The Series 2019 Bonds

The Series 2019 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2019 and on each January 1 and July 1 thereafter) at the rate and will mature as set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2019 BONDS – Description of the Series 2019 Bonds.”

Payment of the Series 2019 Bonds

The Series 2019 Bonds of each Series are special obligations of DASNY payable solely from the Revenues with respect to such Series, which consist of certain payments to be made by the Law School under the respective Loan Agreements. Such payments are pledged and assigned to The Bank of New York Mellon, New York, New York, as trustee (the “Trustee”), for the payment of principal, Sinking Fund Installments and Redemption Price of and interest on the respective Series of Series 2019 Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Payment of the Series 2019 Bonds.”

The Series 2019 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2019 Bonds except for DASNY’s responsibility to make payments from moneys received from the Law School pursuant to the respective Loan Agreements and from amounts held in the funds and accounts under the Resolution and applicable Series Resolution and pledged therefor.

Security for the Series 2019 Bonds

The Series 2019A Bonds and the Series 2019B Bonds will each be secured by the pledge and assignment to the Trustee of the Revenues with respect to such Series and the security interest in the Pledged Revenues, consisting of the tuition and fees charged to students for academic instruction and received or receivable by the Law School, granted by the Law School to DASNY under the related Loan Agreement. Pursuant to a Parity Intercreditor Agreement among DASNY, The Bank of New York Mellon, as Trustee for the Series 2019A Bonds and The Bank of New York Mellon, as Trustee for the Series 2019B Bonds, the security interests in the Pledged Revenues granted under the Loan Agreements are of equal priority. DASNY will assign to the Trustee all of its right, title and interest in each Loan Agreement, subject to the retention of certain rights. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Security for the Series 2019 Bonds – *Pledged Revenues*” and “– *Assignment of Loan Agreements to the Trustee*.”

The Series 2019A Bonds and the Series 2019B Bonds will each also be secured by all funds and accounts established with respect to such Series under the Resolution (with the exception of the Arbitrage Rebate Fund for the Series 2019A Bonds). Although the Resolution provides for the establishment of a Debt Service Reserve Fund, no Debt Service Reserve Fund will be funded in connection with the issuance of the Series 2019 Bonds. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Security for the Series 2019 Bonds.”

The Refunded Bonds are currently secured by a Mortgage on 250 Joralemon Street (the main academic building) and 205 State Street (Feil Hall), Brooklyn, New York (each, a “Facility” and collectively, the “Facilities”). Upon the refunding of the Refunded Bonds, the Mortgage on the Facilities will be terminated. The Series 2019 Bonds will not be secured by a Mortgage. The Law School covenants in each Loan Agreement that it will not incur any Indebtedness secured by any mortgage on or other security interest in a Facility or any portion thereof, unless the Indebtedness under such Loan Agreement is secured by a Mortgage on or security interest in the same Facility or such portion thereof that, in the discretion of the Law School, is prior and superior to, or of equal priority with, such mortgage or security interest, concurrently and for so long as such additional Indebtedness shall be outstanding and so secured, pursuant to documentation acceptable to DASNY including, if such mortgages or security interests are of equal priority, a Parity Intercreditor Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Security for the Series 2019 Bonds – *Negative Pledge.*”

PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2019 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreements and the Resolutions. Copies of the Loan Agreements and the Resolutions are on file with DASNY and the Trustee. See also “Appendix D – Summary of Certain Provisions of the Loan Agreements” and “Appendix E – 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 2019 Bonds

The Series 2019 Bonds will be special obligations of DASNY. The principal of and interest on the Series 2019 Bonds of each Series are payable solely from the Revenues with respect to such Series. Such Revenues consist of the payments required to be made by the Law School under the related Loan Agreement on account of the principal and Sinking Fund Installments of and interest on the Outstanding Series 2019 Bonds of such Series. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the respective Series of Series 2019 Bonds.

Each Loan Agreement is a general obligation of the Law School and obligates the Law School to make payments to satisfy the principal and Sinking Fund Installments of and interest on the Outstanding Series 2019 Bonds to which such Loan Agreement relates. Generally, such payments 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 such Series 2019 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. Unless waived by DASNY, each Loan Agreement also obligates the Law School to make payments sufficient to pay, at least 45 days prior to a redemption date or purchase date of Series 2019 Bonds called for redemption or purchase (other than Series 2019 Bonds being redeemed pursuant to Sinking Fund Installments), the amount, if any, required to pay the Redemption Price or Purchase Price of such Bonds. See “PART 3 – THE SERIES 2019 BONDS – Redemption and Purchase in Lieu of Optional Redemption.”

DASNY has directed the Law School, and the Law School 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 respective Series of Series 2019 Bonds.

Security for the Series 2019 Bonds

Each Series of Series 2019 Bonds will be secured by the payments described above to be made under the applicable Loan Agreement, all funds and accounts established under the Resolution in connection with the applicable Series of Series 2019 Bonds (with the exception of the Arbitrage Rebate Fund for the Series 2019A Bonds) and the security interest in the applicable Pledged Revenues. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution. See “Appendix E – Summary of Certain Provisions of the Resolution.”

Pledged Revenues

As security for its obligations under each Loan Agreement, the Law School has granted to DASNY a security interest in the Pledged Revenues consisting of the tuition and fees charged to students for academic instruction and

received or receivable by the Law School. Pursuant to a Parity Intercreditor Agreement among DASNY, The Bank of New York Mellon, as Trustee for the Series 2019A Bonds and The Bank of New York Mellon, as Trustee for the Series 2019B Bonds, the security interests in the Pledged Revenues granted under the Loan Agreements are of equal priority. DASNY has pledged and assigned to the Trustee for the benefit of the respective Holders of each Series of Series 2019 Bonds its security interest in the Pledged Revenues. The Law School may incur additional Indebtedness secured by the Pledged Revenues, on a parity or subordinate basis, as described below under "-- Issuance of Additional Indebtedness – *Additional Indebtedness of the Law School.*"

No Debt Service Reserve Fund

Although the Resolution provides for the establishment of a Debt Service Reserve Fund, no Debt Service Reserve Fund will be funded in connection with the issuance of the Series 2019 Bonds. See "Appendix E – Summary of Certain Provisions of the Resolution."

Negative Pledge

Upon the issuance of the Series 2019 Bonds, the Law School's obligations under the Loan Agreements will not be secured by a Mortgage. However, the Law School covenants in each Loan Agreement that it will not incur any Indebtedness secured by any mortgage on or other security interest in a Facility or any portion thereof, unless the Indebtedness under such Loan Agreement is secured by a Mortgage on or security interest in the same Facility or such portion thereof that, in the discretion of the Law School, is prior and superior to, or of equal priority with, such mortgage or security interest, concurrently and for so long as such additional Indebtedness shall be outstanding and so secured, pursuant to documentation acceptable to DASNY including, if such mortgages or security interests are of equal priority, a Parity Intercreditor Agreement.

Assignment of Loan Agreements to the Trustee

In order to further secure the Series 2019 Bonds of each Series, DASNY has assigned to the Trustee all of its right, title and interest in each Loan Agreement except for DASNY's right (i) to receive certain fees, expenses and indemnities, (ii) to consent to any amendment of such Loan Agreement, and (iii) to enforce remedies to ensure the tax-exempt nature of the Series 2019A Bonds, the statutory validity of the Series 2019 Bonds and compliance with applicable laws, rules and regulations, including, but not limited to governmental entities exercising regulatory responsibility over the applicable Project.

Issuance of Additional Indebtedness

Additional Bonds of DASNY

In addition to the Series 2019 Bonds, the Resolution authorizes the issuance of other Series of Bonds on behalf of the Law School 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 issuers that were issued on behalf of the Law School. Each Series of Bonds will be separately secured from each other Series of Bonds under the 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 2019 Bonds. The Series 2019 Bonds will be the third and fourth Series of Bonds issued under the Resolution and, upon the issuance thereof, will be the only Series of Bonds Outstanding. See "PART 4 – THE REFUNDING PLAN."

Additional Indebtedness of the Law School

The Loan Agreements impose no limit on the amount of additional Indebtedness that may be incurred by the Law School, through additional Bonds issued by DASNY or otherwise. The Loan Agreements, however, impose certain restrictions on the Law School's incurrence of additional Indebtedness secured by the Pledged Revenues or the Facilities. The Law School may not grant a security interest in the Pledged Revenues that is prior and superior to the security interests granted under the Loan Agreements. Each Loan Agreement, however, permits the Law School to issue additional Indebtedness that is (i) unsecured, (ii) not secured by a security interest in the Pledged Revenues or any portion thereof or a mortgage on or security interest in either Facility or any portion thereof, (iii) secured by a security interest in all or any portion of the Pledged Revenues or a mortgage on or security interest in either Facility or both Facilities, or any portion thereof, or both, that is subject and subordinate to the lien or security interest securing such Loan Agreement, or (iv) secured by a parity security interest in all or any portion of the Pledged Revenues or by

a mortgage on or security interest in one or both Facilities or any portion thereof, or both, subject to the prior execution and delivery of a Parity Intercreditor Agreement.

Limited Obligations

The Series 2019 Bonds will not be a debt of the State and the State will not be liable on the Series 2019 Bonds. DASNY has no taxing power. See “PART 7 – DASNY.”

PART 3 – THE SERIES 2019 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2019 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolutions and the Loan Agreements, copies of which are on file with DASNY and the Trustee. See also “Appendix D – Summary of Certain Provisions of the Loan Agreements” and “Appendix E – Summary of Certain Provisions of the Resolution” for a more complete description of certain provisions of the Series 2019 Bonds.

Description of the Series 2019 Bonds

The Series 2019 Bonds will be issued pursuant to the Resolutions and will be dated their date of delivery and bear interest from such date (payable July 1, 2019 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 2019 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2019 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 2019A Bonds or Series 2019B 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 2019 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2019 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent.

Each Series of Series 2019 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 2019 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 2019 Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2019 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 2019 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 2019 Bonds, the Series 2019 Bonds will be exchangeable for fully registered Series 2019 Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “– Book-Entry Only System” below and “Appendix E – Summary of Certain Provisions of the Resolution.”

For a more complete description of the Series 2019 Bonds, see “Appendix E – Summary of Certain Provisions of the Resolution.”

Redemption and Purchase in Lieu of Optional Redemption

The Series 2019 Bonds are subject to redemption and to purchase in lieu of optional redemption, as described below. For a more complete description of the redemption and other provisions relating to the Series 2019 Bonds, see “Appendix E – Summary of Certain Provisions of the Resolution.”

Optional Redemption

Series 2019A Bonds

The Series 2019A Bonds are subject to redemption prior to maturity at the option of DASNY (acting at the direction of the Law School) on or after July 1, 2029, 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 2019A Bonds to be redeemed, plus accrued interest to the redemption date.

Series 2019B Bonds

The Series 2019B Bonds are subject to redemption on any Business Day, prior to maturity at the option of DASNY (acting at the direction of the Law School), in any order, in whole or in part, at the Make-Whole Redemption Price described below.

The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the Series 2019B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2019B Bonds are to be redeemed, discounted to the date on which such Series 2019B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 25 basis points, plus, in each case, accrued and unpaid interest on the Series 2019B Bonds to be redeemed on the redemption date. The Trustee may retain, at the expense of the Law School, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee, DASNY and the Law School may conclusively rely on such accounting firm’s or financial advisor’s calculations in connection with, and determination of, the Make-Whole Redemption Price, and none of the Trustee, DASNY or the Law School will have any liability for their reliance.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2019B Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Purchase in Lieu of Optional Redemption

Series 2019A Bonds

The Series 2019A Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the option of the Law School with the consent of DASNY, on or after July 1, 2029, in any order, in whole or in part at any time, at a purchase price equal to 100% of the principal amount of the Series 2019A Bonds to be purchased, plus accrued interest to the date set for purchase (the “Series 2019A Purchase Price”).

Series 2019B Bonds

The Series 2019B Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the option of the Law School with the consent of DASNY, in any order, in whole or in part at any time, at a purchase price equal to the Make-Whole Redemption Price (the “Series 2019B Purchase Price,” the Series 2019A Purchase Price or the Series 2019B Purchase Price hereinafter, the “Purchase Price”).

Mandatory Redemption

The Series 2019A Bonds are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of Series 2019A Bond to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2019A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Bond Series Certificate for the Series 2019A Bonds 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 2019A Bonds the amount set forth opposite such year:

Series 2019A Bonds Maturing on July 1, 2033	
<u>Year</u>	<u>Principal Amount</u>
2030	\$3,060,000
2031	4,475,000
2032	4,565,000
2033 [†]	4,755,000

[†]Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2019A 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 Law School or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2019A Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2019A Bonds so purchased payable on the next succeeding July 1. Series 2019A Bonds redeemed at the option of DASNY, purchased by DASNY or the Law School (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 2019A Bonds of the maturity so purchased will be reduced for such year.

Selection of Bonds to Be Redeemed

In the case of optional redemptions of less than all of the Series 2019 Bonds of a Series, DASNY will select the maturities of such Series 2019 Bonds to be redeemed as requested by the Law School. If less than all of the Series 2019 Bonds of a maturity are to be redeemed, the Series 2019 Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notwithstanding the foregoing, with respect to Series 2019 Bonds that are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Series 2019 Bonds, if less than all of such Series 2019 Bonds of any maturity are to be redeemed upon any redemption of Series 2019 Bonds hereunder, the particular Series 2019 Bonds of such maturity or portions of Series 2019 Bonds of such maturity to be redeemed shall be selected on a pro rata pass through distribution of principal basis in accordance with the applicable securities depository procedures; provided that, so long as such Series 2019 Bonds are held in book-entry form, the selection for redemption of Series 2019 Bonds of such maturity shall be made in accordance with the operational arrangements of the securities depository then in effect.

It is the Law School's intent that redemption allocations made by the securities depository be made on a pro rata pass through distribution of principal basis as described above. However, none of the Law School, DASNY or the Underwriter can provide any assurance that the securities depository, the securities depository's direct and indirect participants or any other intermediary will allocate the redemption of Series 2019 Bonds on such basis. If the securities depository's operational arrangements do not allow for the redemption of the Bonds of a maturity on a pro rata pass

through distribution of principal basis as discussed above, then the Series 2019 Bonds will be selected for redemption in accordance with the securities depository's procedures, which may be by lot.

If DTC or its nominee or a successor securities depository is no longer the sole registered owner of the Series 2019 Bonds, if less than all of the Series 2019 Bonds of a maturity are called for redemption, the Trustee shall select the Series 2019 Bonds of such maturity to be redeemed by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

The Trustee is required to give notice of the redemption of the Series 2019 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 2019 Bonds which are 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 may 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 2019 Bonds to be redeemed. The failure of any owner of a Series 2019 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2019 Bond.

If on the redemption date money for the redemption of the Series 2019 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 2019 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2019 Bonds will no longer be considered to be Outstanding.

Notice of Purchase in Lieu of Optional Redemption and its Effect

Notice of purchase of the Series 2019 Bonds will be given in the name of the Law School to the registered owners of the Series 2019 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 "Purchase Date"). The Series 2019 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2019 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2019 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 2019 Bonds. Such Series 2019 Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The Law School's obligation to purchase a Series 2019 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 2019 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 2019 Bonds to be purchased, the former registered owners of such Series 2019 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 2019 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 2019 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2019 Bonds of a maturity are to be purchased, the Series 2019 Bonds to be purchased will be selected by lot in the same manner as Series 2019 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 2019 Bonds, see "Appendix E – 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 2019 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 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019A Bond certificate will be issued for each maturity of the Series 2019A Bonds and one

fully-registered Series 2019B Bond certificate will be issued for each maturity of the Series 2019B Bonds, totaling in the aggregate the principal amount of the respective Series of Series 2019 Bonds, and will be deposited with DTC.

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

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 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 2019 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 2019 Bonds, except in the event that use of the book-entry system for such Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 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 the Series 2019 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 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 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. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the applicable Series 2019 Bonds held by such Beneficial Owners, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a Series of Series 2019 Bonds within a particular maturity of such Series 2019 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 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 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019 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 Direct and Indirect 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 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.

A Beneficial Owner tendering its Series 2019 Bond for purchase shall effect delivery of such Series 2019 Bond by causing the Direct Participant to transfer the Participant's interest in the Series 2019 Bond, on DTC's records, to the Tender Agent. The requirement for physical delivery of Series 2019 Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2019 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2019 Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2019 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 2019 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 2019 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct Participant or Indirect Participant acquires an interest in the Series 2019 Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, and may desire to make arrangements with such Direct Participant or Indirect Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Direct Participant or Indirect Participant and to have notification made of all interest payments. **NONE OF DASNY, THE LAW SCHOOL, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2019 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2019 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2019 Bonds (other than under "PART 10 – TAX MATTERS" herein) mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2019 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate 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 2019 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2019 Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2019 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2019 Bond certificates will be delivered as described in the Resolution.

NONE OF DASNY, THE LAW SCHOOL, THE TRUSTEE OR THE UNDERWRITER 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 2019 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 2019 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 2019 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2019 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 Law School during each twelve month period ending June 30 of the Bond Years shown for the principal of and interest on the Series 2019 Bonds. Upon the delivery of the Series 2019 Bonds, the Series 2019 Bonds will be the only outstanding long-term bonds of the Law School.

12-Month Period Ending June 30,	Series 2019A Bonds			Series 2019B Bonds			Total Debt Service
	Principal Payments	Interest Payments	Total	Principal Payments	Interest Payments	Total	
2020		\$510,332	\$510,332		\$407,762	\$407,762	\$918,094
2021		842,750	842,750		673,369	673,369	1,516,119
2022		842,750	842,750		673,369	673,369	1,516,119
2023		842,750	842,750		673,369	673,369	1,516,119
2024		842,750	842,750		673,369	673,369	1,516,119
2025		842,750	842,750		673,369	673,369	1,516,119
2026		842,750	842,750		673,369	673,369	1,516,119
2027		842,750	842,750	\$4,050,000	601,279	4,651,279	5,494,029
2028		842,750	842,750	4,195,000	452,210	4,647,210	5,489,960
2029		842,750	842,750	4,350,000	293,452	4,643,452	5,486,202
2030		842,750	842,750	4,510,000	125,531	4,635,531	5,478,281
2031	\$3,060,000	766,250	3,826,250	1,010,000	19,695	1,029,695	4,855,945
2032	4,475,000	577,875	5,052,875				5,052,875
2033	4,565,000	351,875	4,916,875				4,916,875
2034	4,755,000	118,875	4,873,875				4,873,875

Amounts in the table above have been rounded to the nearest dollar.

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PART 4 – THE REFUNDING PLAN

A portion of the proceeds of the Series 2019A Bonds, together with other available monies, will be used to provide for the payment of the Series 2009 Bonds. A portion of the proceeds of the Series 2019B Bonds, together with other available monies, will be used to provide for the payment of the Series 2012A Bonds.

Simultaneously with the issuance and delivery of the Series 2019 Bonds, such proceeds will be deposited with The Bank of New York Mellon, as trustee for the Series 2009 Bonds and the Series 2012A Bonds, and together with other available funds, will be used to purchase investment securities permitted by the Resolution for the defeasance of the Refunded Bonds (the “Defeasance Securities”), the principal of and interest on which, when due, together with uninvested cash, will provide moneys sufficient to pay the principal or redemption price of and interest due on the Refunded Bonds to their respective maturity or redemption dates. See “PART 16 - VERIFICATION OF MATHEMATICAL COMPUTATIONS”. At the time of such deposit, DASNY will give such trustee irrevocable instructions to give notices of the defeasance and redemption of the Refunded Bonds and to apply the maturing principal of and interest on the Defeasance Securities, together with any uninvested cash, to the payment of the principal or redemption price of and interest coming due on the Refunded Bonds to their respective maturity or redemption dates.

In the opinion of Bond Counsel, upon making such deposits with such trustee and the issuance of such irrevocable instructions to such 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 and the pledge of the revenues or other moneys and securities pledged to the Refunded Bonds and all other rights granted by such resolution to the Refunded Bonds shall be discharged and satisfied.

PART 5 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds	<u>Series 2019A Bonds</u>	<u>Series 2019B Bonds</u>	<u>Total</u>
Principal Amount	\$16,855,000.00	\$18,115,000.00	\$34,970,000.00
Premium.....	3,674,558.55	--	3,674,558.55
Debt Service Reserve Fund Release	2,268,225.85	--	2,268,225.85
Other Available Funds	<u>560,862.45</u>	<u>344,143.18</u>	<u>905,005.63</u>
Total Sources	<u>\$ 23,358,646.85</u>	<u>\$18,459,143.18</u>	<u>\$41,817,790.03</u>
 Uses of Funds			
Deposit to the Refunding Escrow	\$22,923,518.69	\$18,056,679.21	\$40,980,197.90
Costs of Issuance.....	265,020.47	228,102.65	493,123.12
Underwriter’s Discount.....	<u>170,107.69</u>	<u>174,361.32</u>	<u>344,469.01</u>
Total Uses.....	<u>\$23,358,646.85</u>	<u>\$18,459,143.18</u>	<u>\$41,817,790.03</u>

PART 6 – BONDOWNERS’ RISKS

General

The following is a discussion of certain risks that could affect payments to be made by the Law School with respect to the Series 2019 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement. The discussion below should not be considered to be a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2019 Bonds

should carefully analyze the information contained in this Official Statement, including Appendices hereto, and in the documents summarized herein, copies of which are available as described herein.

Adequacy of Revenues

The Series 2019 Bonds of each Series are payable solely from the payments to be made by the Law School pursuant to the Loan Agreement relating to such Series. Such payments will be made from the revenues derived by the Law School from its operations and non-operating revenue. No representation or assurance is made that the revenue will be realized by the Law School in the amounts necessary to permit it to fund its current and anticipated operations and to make payments due under the Loan Agreements. The amount of the Law School's future revenue and expenses are subject to, among other things: (1) competition from other educational institutions; (ii) demand for a law school education; (iii) the continuation of support from private contributions and charitable contributions; (iv) endowment and investment performance; (v) capabilities of management of the Law School; (vi) future economic and other conditions; and (vii) future legislation and regulations affecting educational institutions and their tax-exempt status all of which are unpredictable and which may affect the Law School's revenue available to fund the payment of the principal, Sinking Fund Installments, or Redemption Prices of, and interest on, the Series 2019 Bonds. See "Appendix A – Certain Information Concerning Brooklyn Law School – Financial Information" for information regarding the Law School's recent financial performance.

Economic Factors

Apart from competition and other business risks, the Law School may be affected by events, developments and conditions relating to the following: (i) general national and local economic conditions (e.g., inflation, unemployment, population growth and distribution trends); (ii) federal, state and local taxation and laws; (iii) regulations affecting the Law School; (iv) volatility and disruptions in the global financial markets which may impact investment returns and reduce investment income or the ability of donors to contribute to support the Law School's operations and capital needs.

Miscellaneous

The Law School may be impacted by the cost and the limited availability and sufficiency of insurance for risks such as property damage and general liability.

The occurrence of natural disasters, including earthquakes and hurricanes, may damage the facilities of the Law School, interrupt utility service to the facilities, or otherwise impair the operations of the Law School and the generation of revenues from its facilities. The facilities of the Law School are covered by general property insurance in an amount which its management considers to be sufficient to provide for the replacement of such facilities in the event of a natural disaster.

Enforceability of Security Interest in Pledged Revenues

The Law School's obligations under each Loan Agreement are secured by a security interest in Pledged Revenues granted to the Trustee. Additional indebtedness also may be secured by a security interest in Pledged Revenues on parity with the security interest securing the Law School's obligations with respect to the Series 2019 Bonds. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019 BONDS – Issuance of Additional Indebtedness." The value of the security interest in the Pledged Revenues could be diluted by the issuance of such additional indebtedness.

Pursuant to the Uniform Commercial Code of the State, the perfection of a security interest in Pledged Revenues may cease if such proceeds are not paid over to the Trustee (or an agent for the Trustee) by the Law School under certain circumstances. In addition, the security interest in Pledged Revenues may not extend to revenues coming into existence after commencement of a bankruptcy.

Matters Relating to Enforceability of Remedies

The remedies available under the Resolution and the Loan Agreements upon the occurrence of an Event of Default are in many respects dependent on judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, Title 11 of the United States Code (the Federal Bankruptcy Code), the remedies provided in the Resolution and the Loan Agreements may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds will be qualified as to the enforceability of the various legal instruments by the limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors generally and by judicial principles of equity.

Redemption and Acceleration

Each Series of Series 2019 Bonds are subject to redemption, without premium (except as otherwise described herein), in advance of their stated maturities as described under the caption “PART 3 – THE SERIES 2019 BONDS – Redemption and Purchase in Lieu of Optional Redemption.” In addition, upon the occurrence of certain events of default under the Resolution or a Loan Agreement, the Series 2019A Bonds or the Series 2019B Bonds may become subject to acceleration. If Series 2019 Bonds are redeemed or accelerated prior to their stated maturity, the yield of such Series 2019 Bonds may be adversely affected.

PART 7 – 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 March 31, 2019, DASNY had approximately \$54.9 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

In connection with the powers described above, DASNY has the general power to acquire real and personal property, give mortgages, make contracts, operate certain facilities and fix and collect rentals or other charges for their

use, contract with the holders of its bonds and notes as to such rentals and charges, borrow money and adopt a program of self-insurance.

DASNY has a staff of approximately 507 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 46 field sites across the State.

Governance

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

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

The current members of DASNY are as follows:

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

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

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

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

PAUL S. ELLIS, ESQ., *Secretary*, New York.

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

WELLINGTON Z. CHEN, Queens.

Wellington Z. Chen was appointed as a Member of DASNY by the Governor on June 20, 2018. Mr. Chen is the Executive Director of the Chinatown Partnership Development Corporation. In this capacity, he leads the Chinatown Partnership in implementing initiatives in infrastructure, post 9/11 rebuilding and public space improvements in a comprehensive effort to improve the environmental and the business conditions. He is a graduate of the School of Architecture and Environmental Studies at The City College of New York. Mr. Chen's term expires on March 31, 2020.

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

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

JOAN M. SULLIVAN, Slingerlands.

Joan M. Sullivan was appointed as a Member of DASNY by the New York State Comptroller on March 26, 2019. Ms. Sullivan is President of On Wavelength Consulting LLC, a firm that assists governmental entities with development of public procurements and private companies with the preparation of effective responses to government solicitations. She possesses over 40 years of experience working in and for the government of New York State, including an expansive career at the NYS Office of State Comptroller where she last served as Executive Deputy Comptroller before accepting an appointment as Executive Director of The NYS Forum, Inc. Ms. Sullivan holds a Bachelor of Arts degree in Business Administration (Accounting) from Siena College.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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

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

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

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

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

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

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

The principal staff of DASNY is as follows:

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

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

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

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

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

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

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

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

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

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect DASNY and its operations. DASNY is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including DASNY) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect DASNY and its operations.

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2018. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 – LEGALITY OF THE SERIES 2019 BONDS FOR INVESTMENT AND DEPOSIT

Under State law, the Series 2019 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 2019 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 9 – NEGOTIABLE INSTRUMENTS

The Series 2019 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 2019 Bonds.

PART 10 – TAX MATTERS

Series 2019A Bonds

In the opinion of Bryant Rabbino LLP, Bond Counsel to DASNY, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2019A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2019A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by DASNY, the Law School and others in connection with the Series 2019A Bonds, and Bond Counsel has assumed compliance by DASNY and the Law School with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2019A Bonds from gross income under Section 103 of the Code. In addition, in rendering its opinion, Bond Counsel has relied on the opinion of the Law School’s special financing counsel regarding, among other matters, the current qualifications of the Law School as an organization described in Section 501(c)(3) of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Series 2019A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other Federal, state or local tax consequences arising with respect to the Series 2019A Bonds or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update,

revise or supplement its opinion to reflect any action taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or interpretation thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel regarding federal, state, or local tax matters, including, without limitation, the exclusion from gross income for Federal income tax purposes of interest on the Series 2019A Bonds, or the exemption from personal income taxes of interest on the Series 2019A Bonds under state and local tax law.

The proposed form of the opinion of Bond Counsel relating to the Series 2019A Bonds is set forth in Appendix F hereto.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2019A Bonds in order that interest on the Series 2019A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2019A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2019A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. DASNY and the Law School have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2019A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2019A Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2019A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2019A Bonds.

Prospective owners of the Series 2019A Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Series 2019A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Series 2019A Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2019A Bonds. In general, the issue price for each maturity of the Series 2019A Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel is further of the opinion that, for any Series 2019A Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Series 2019A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued

OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of OID for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series 2019A Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2019A Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Series 2019A Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, 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 such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost.

Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2019A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2019A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2019A Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2019A Bonds under Federal or state law or otherwise prevent beneficial owners of the Series 2019A Bonds from realizing the full current benefit of the tax status

of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2019A Bonds.

Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2019B Bonds

The following discussion is a summary of the principal United States Federal income tax consequences of the acquisition, ownership and disposition of the Series 2019B Bonds (the “Taxable Bonds”) by original purchasers of the Taxable Bonds who are “U.S. Holders” (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Taxable Bonds will be held as “capital assets” under the Code, and it does not discuss all of the United States Federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle” for United States Federal income tax purposes, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Taxable Bonds, including any prospective purchaser of the Taxable Bonds that is not a U.S. Holder, should consult with its own tax advisor concerning the United States Federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Taxable Bond that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States Federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders—Interest Income

In the opinion of Bond Counsel, (i) interest on the Taxable Bonds is not excludable from gross income for United States Federal income tax purposes; and (ii) interest on the Taxable Bonds is exempt, under existing statutes, from personal income tax imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Premium

In general, if a U.S. Holder acquires a Taxable Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Taxable Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Taxable Bond (a “Taxable Premium Bond”). In general, if a U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to such holder’s basis in the Taxable Premium Bond. Any such election applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the Internal Revenue Service’s consent. A U.S. Holder of a Taxable Premium Bond that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder’s regular method of Federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under

Section 171(a)(1) of the Code, subject to certain limitations. If a Taxable Premium Bond is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

U.S. Holders of any Taxable Premium Bonds should consult their own tax advisors with respect to the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Taxable Premium Bonds.

U.S. Holders—Disposition of Taxable Bonds

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. Holder will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Taxable Bond. A U.S. Holder's adjusted tax basis in a Taxable Bond generally will equal such U.S. Holder's initial investment in the Taxable Bond, increased by any original issue discount ("OID") included in the U.S. Holder's income with respect to the Taxable Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Taxable Bond. Such gain or loss generally will be long-term capital gain or loss if the Taxable Bond was held for more than one year.

U.S. Holders—Defeasance

U.S. Holders of the Taxable Bonds should be aware that, for Federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer outstanding under the resolution of the Taxable Bonds (a "defeasance"), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for Federal income tax purposes, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for Federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding at a rate provided for in the Code, will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States Federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Taxable Bonds under state law and could affect the market price or marketability of the Taxable Bonds.

Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

The proposed form of the opinion of Bond Counsel relating to the Series 2019B Bonds is set forth in Appendix F hereto.

PART 11 – STATE NOT LIABLE ON THE SERIES 2019 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 2019 Bonds are not a debt of the State and that the State is not liable on them.

PART 12 – 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 13 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2019 Bonds by DASNY are subject to the approval of Bryant Rabbino LLP, New York, New York, Bond Counsel, whose approving opinion will be delivered with the Series 2019 Bonds. The proposed form of the approving opinion is set forth in Appendix F hereto.

Certain legal matters will be passed upon for the Law School by its special financing counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2019 Bonds or questioning or affecting the validity of the Series 2019 Bonds or the proceedings and authority under which they are to be issued.

PART 14 – UNDERWRITING

J.P. Morgan Securities LLC (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Series 2019A Bonds from DASNY at an aggregate purchase price of \$20,359,450.86 (which represents the par amount of the Series 2019A Bonds less the Underwriter’s discount of \$170,107.69 plus premium of \$3,674,558.55) and the Series 2019B Bonds from DASNY at an aggregate purchase price of \$17,940,638.68 (which represents the par amount of the Series 2019B Bonds less the Underwriter’s discount of \$174,361.32), and to make a public offering of Series 2019 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2019 Bonds if any are purchased.

The Underwriter of the Series 2019 Bonds has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, if applicable to this transaction, each of CS&Co. and LPL will purchase Series 2019 Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019 Bonds that such firm sells.

The Series 2019 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment,

hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various banking services including the provision of a collateralized line of credit for the Law School, for which they received or will receive customary fees and expenses. See “Appendix A – Financial Information-Outstanding Indebtedness”.

PART 15 – CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Law School will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2019 Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent, and the Trustee. The proposed form of the Continuing Disclosure Agreement is attached as Appendix G hereto.

PART 16 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on the government obligations to be held in escrow to pay maturing principal or redemption price of, and interest on, the Refunded Bonds and (ii) certain mathematical computations supporting the conclusion that the Series 2019 Bonds are not “arbitrage bonds” under the Code, will be verified by Samuel Klein and Company, Certified Public Accountants. See “PART 4 – THE REFUNDING PLAN.”

PART 17 – RATING

Moody’s Investors Service (“Moody’s”) has assigned a rating of “Baa1” to the long-term obligations of the Law School. Such rating reflects only the views of Moody’s and any desired explanation of the significance of such rating 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 Moody’s if, in the judgment of Moody’s, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2019 Bonds.

PART 18 – MISCELLANEOUS

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

The agreements of DASNY with Holders of the Series 2019 Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2019 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2019 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.

“Appendix A – Certain Information Concerning Brooklyn Law School” and any information regarding the Law School was supplied by the Law School. 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 C – Certain Definitions,” “Appendix D – Summary of Certain Provisions of the Loan Agreements,” “Appendix E – Summary of Certain Provisions of the Resolution” and “Appendix F – Form of Approving Opinion of Bond Counsel” have been prepared by Bryant Rabbino LLP, New York, New York, Bond Counsel.

“Appendix B – Financial Statements of Brooklyn Law School and Independent Auditor’s Report” contains the audited financial statements of the Law School as of and for the years ended June 30, 2018 and 2017 and the report of the Law School’s independent auditor, RSM US LLP, on such financial statements for the year ended June 30, 2018. RSM US LLP has not been engaged to perform and has not performed, since the date of its report included in Appendix B, any procedures on the financial statements addressed in that report.

The Law School has reviewed the parts of this Official Statement describing the Law School, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondowners’ Risks, Appendix A and Appendix B. The Law School, as a condition to issuance of the Series 2019 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 Law School has agreed to indemnify DASNY, the Underwriter and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

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

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

By: /s/ Gerrard P. Bushell
Authorized Officer

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CERTAIN INFORMATION CONCERNING BROOKLYN LAW SCHOOL

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General Information

Founded in 1901, Brooklyn Law School is one of the oldest and largest independent law schools in the United States, enrolling more than 1,000 students. Located in the heart of one of the world's most diverse and dynamic urban areas, Brooklyn Law School places students at the center of federal and state courts; a booming high-tech and entrepreneurial community; federal, state, and New York City government offices; as well as leading non-profit and legal assistance organizations. The Law School's curriculum combines traditional course offerings and teaching methodologies with innovative professional skills training courses. Its nationally renowned clinical program—one of the first of its kind—is one of the country's most diverse and comprehensive professional skills programs.

Brooklyn Law School operates under a charter granted by the Board of Regents of the State of New York, is accredited by the American Bar Association (ABA), and is a member of the American Association of Law Schools. The Law School offers full-time (three-year), part-time (four-year), and accelerated (two-year) programs of study leading to a Juris Doctorate (J.D.) degree. Brooklyn Law School also offers a Master of Laws (LL.M.) degree for internationally trained lawyers to expand legal professionals' proficiency in a specific area of law and familiarize them with the intricacies of the U.S. legal system.

The Law School's reputation is very strong both locally and nationally. In 2019, the Law School was named one of the Top 50 "Go-To Law Schools" by *The National Law Journal*, and ranked 27th in the country on the list of alumni promoted to partner in 2018. The *U.S. News and World Report's* "Best Law Schools" has consistently improved the Law School's rankings in recent years—rising 26 places in the last three years, and the current ranking is 71st. In addition, the Law School's part-time program is ranked 11th in the nation by and programs in Legal Writing, Clinical Education, and Tax Law are also highly ranked, each case by *U.S. News and World Report's* "Best Law Schools". This strong reputation inures to the benefit of graduates, who have achieved a post-graduate employment rate within ten months of graduation of at least 90% in the last three reporting years.

The Law School attracts highly qualified students from prestigious undergraduate institutions. Students and graduates benefit from a robust 23,000-member alumni network that extends the Law School's influence and impact throughout the world.

Governance

The Law School has a self-perpetuating Board of Trustees consisting of no fewer than 15 and no more than 25 members elected by the Board of Trustees. The Chair, Vice Chair, and Secretary are elected for one-year terms. All other Board members are elected for three-year staggered terms. In addition, the Board of Trustees may elect two additional members who are recent Law School graduates to serve for only one two-year term. All Trustees, other than the two additional Trustees who are recent Law School graduates, may be reelected. The President and Dean of the Law School serves as a non-voting ex-officio member of the Board. Any Trustee who has served for at least twenty years is eligible for election as a non-voting Trustee Emeritus.

The Board of Trustees is generally responsible for the direction of the financial and budgetary affairs of the Law School, while the Dean and Faculty are responsible for academic policies of the Law School. The Board of Trustees has seven standing committees: Executive Committee, Finance Committee, Development Committee, Audit/Risk Committee, Nominating and Governance Committee, Compensation Committee and Strategic Planning Committee.

The current members and officers of the Board of Trustees and their principal professional affiliations are as follows:

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Trade

Eileen T. Nugent '78

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Flom, LLP

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Eastern District of New York

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Subin Associates

Administration*Michael T. Cahill, President and Dean Designate*

Michael T. Cahill will become the Dean of the Law School on July 1, 2019. He served as Co-Dean at Rutgers Law School, a position to which he was appointed in 2016. He was a member of Brooklyn Law School's faculty from 2003 to 2016 and served as the Associate Dean for Academic Affairs and as Vice Dean. He teaches and writes in the areas of criminal law and health law. He began his career in academia as an assistant professor at Chicago-Kent College of Law at the Illinois Institute of Technology after serving as a law clerk to Judge James B. Loken of the U.S. Court of Appeals for the Eighth Circuit. He received a B.A. from Yale University, and J.D. (*magna cum laude*) and M.P.P. degrees from the University of Michigan.

Maryellen Fullerton, Interim Dean and Professor of Law

Maryellen Fullerton is serving as Interim Dean of Brooklyn Law School from July 1, 2018 to June 30, 2019. She joined the Law School faculty in 1980. She is an expert on asylum and refugee law. Her research focuses on comparative refugee law and the empirical and normative aspects of the worldwide effect of the Common European Asylum System. A prolific scholar, her works include two co-authored casebooks, *Forced Migration: Law and Policy and Immigration and Citizenship Law: Process and Policy*, which are used by more than 100 law schools and universities throughout the United States. She is a graduate of Duke University and Antioch School of Law.

Linda S. Harvey, Chief Operating Officer and Chief of Staff

Linda S. Harvey has served as the Chief Operating Officer and Chief of Staff since 2015. She provides executive oversight of operations and administration as well as manages special projects. During her 24 years of service to the Law School, she has served as the Assistant Dean for External Affairs and Director of Communications. She earned her bachelor's degree at the University of Buffalo and Master of Public Administration from New York University.

Christina Mulligan, Vice Dean for Academic and Student Affairs and Professor of Law

Christina Mulligan has served as Vice Dean for Academic and Student Affairs since January 2019. She has been a member of the Brooklyn Law School faculty since 2014, specializing in internet law, intellectual property law, as well as trusts and estates. She served as a visiting scholar at the Georgetown Center for the Constitution and associate professor at Yale Law School. Prior to joining the Law School, she taught at the University of Georgia and was a lecturer at the Information Society Project at Yale Law School. Before entering academia, she served as a law clerk for Judge Charles F. Lettow of the U.S. Court of Federal Claims. Vice Dean Mulligan earned her bachelor's degree and law degree *cum laude* from Harvard University.

Jennifer Lang, Dean of Students

Jennifer Lang has served as the Dean of Students since 2013. Prior to that, she served as the Director of Residence Life/Campus Services at Brooklyn Law School. Before joining the Law School in 2004, Dean Lang was the Undergraduate Apartments Director at Stony Brook University. She is a graduate of the State University of New York at Stony Brook.

Eulas G. Boyd Jr., Dean of Admissions

Eulas G. Boyd has served as the Dean of Admissions since 2015. Prior to joining the Law School, he served as the Director of Talent Acquisition and Workforce Planning for the global nonprofit CFA Institute, assisting in growing the organization to nearly 600 employees from approximately 350 and staffing new global locations. He previously served as the Director of Admissions at Columbia

Law School and Vice President in the Human Capital Management division of Goldman Sachs. He was a litigator with Cravath, Loeb & Loeb, and Hahn & Hessen. He also taught legal research and writing as an adjunct professor at Cardozo Law School. He is a graduate of Cornell University and Harvard Law School.

Laurie H. Newitz, Chief Financial Officer

Laurie H. Newitz has served as Brooklyn Law School's Chief Financial Officer since 2004. She manages all aspects of the Law School's finances. She also serves as the Treasurer of the Board of Trustees. She has more than 30 years of experience in finance and business planning. She is a graduate of the Wharton School at the University of Pennsylvania and Columbia University Business School. She is a certified public accountant. She announced plans to retire from her position effective October 31, 2019. As noted in the ORGANIZATIONAL STRUCTURE section, the Law School plans to fill this position by September 1, 2019.

Stephanie Vullo, General Counsel and Chief Compliance Officer

Stephanie Vullo has served as Brooklyn Law School's General Counsel and Chief Compliance Officer since 2014. She has extensive experience serving as legal counsel at higher education institutions. She was Assistant Vice President, Executive Legal Counsel at Baruch College from 2011 to 2014 and Associate General Counsel at New York University from 2001 to 2011. She holds a J.D. from Pace University School of Law, a Master of Public Administration, Finance and Management, from New York University, and a bachelor's degree from Cornell University.

Sean P. Moriarty, Chief Advancement Officer

Sean P. Moriarty has served as the Chief Advancement Officer since 2016. He oversees all development and alumni relations efforts. Prior to joining the Law School, he served as the Vice President for Institutional Advancement at CUNY's Macaulay Honors College. He served as the assistant vice president for development and alumni relations at The New School. He also has held fundraising roles at the London School of Economics and Political Science as well as St. Francis College in Brooklyn. He began his career in journalism and grant writing. He is a graduate of Boston University.

Organizational Structure

Dean Cahill plans to restructure the Law School's administrative reporting lines to ensure greater efficiency and coordination among related functions. At present, the organizational chart lists a total of 15 direct reports to the President and Dean. Under the proposed structure, this would be reduced to eight direct reports, enabling more regular contact between the Dean and each of those senior administrators. This change would also enable the Dean to engage in more fundraising and other "outward-facing" efforts to promote the Law School. The contemplated structure would define the Vice Dean position to serve as the Chief Academic Officer with oversight of the library, registrar, clinics, legal writing, and research centers. Similarly, the creation of an Executive Vice President and Chief Business Officer will consolidate reporting lines for the administrative departments of finance, information technology, human resources, public safety, and facilities.

The search to fill the Executive Vice President/Chief Business Officer position will begin before Dean Cahill officially begins on July 1, 2019. The Law School will use a search firm to assist in the process and plans to fill the position around September 1, 2019. The timing would facilitate the transition of the oversight of financial operations from the current and long-serving Chief Financial Officer, Laurie Newitz, who plans to retire on October 31, 2019. In addition, Ms. Newitz will be available on a consulting basis to assist with an orderly transition.

Strategic Plan

The Law School has been engaged in a strategic planning process with the consultation of Keeling & Associates, which specializes in working with higher education institutions on strategic planning and organizational effectiveness. The Law School's Strategic Planning Committee and Interim Dean Maryellen Fullerton worked on developing a shared institutional vision, direction, and priorities. They identified the Law School's core distinctions and strengths: Diversity and Accessibility, High Quality of Faculty, and Location in Brooklyn.

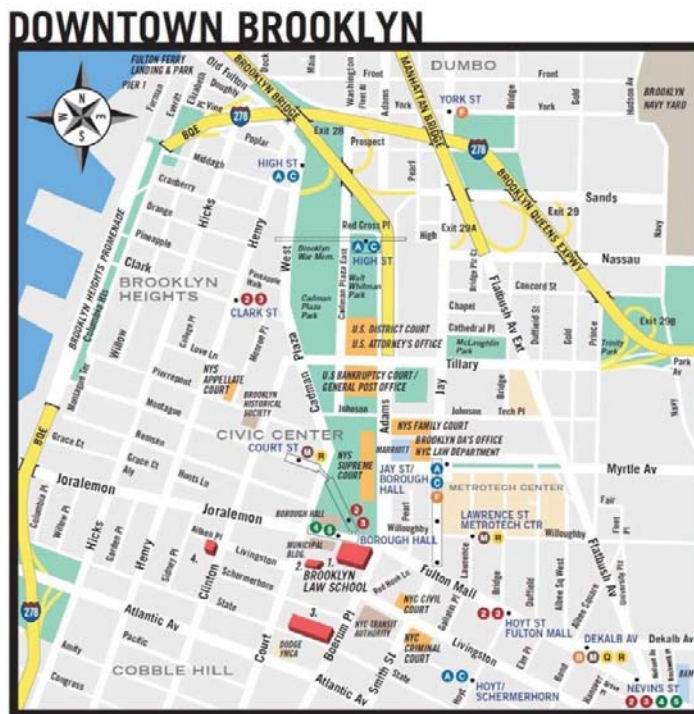
Key priority areas identified by the Committee include Promoting Student Success, Growing Areas of Academic Distinction, and Improving Integrated Planning. When establishing these priorities, the Committee determined that consolidating and prioritizing certain current assets, resources, and strengths, rather than developing entirely new programs or structures, would most effectively advance the Law School's distinctiveness, appeal to prospective students, faculty, and donors, and position graduates for success in the legal marketplace—and merit further investments in the Law School.

OPERATING INFORMATION

Academic Programs

Brooklyn Law School's programs take full advantage of its location in the heart of Brooklyn, New York City's most populous borough. The campus location offers students easy access to local, state, and federal courthouses, hundreds of government agencies, non-profit

organizations, law offices, as well as emerging and established businesses. The Law School is within walking distance of the United States Courthouse, New York State Supreme Court, New York City Criminal and Family Courts, and the Appellate Division, Second Department. The Law School is also in the middle of the burgeoning Brooklyn Tech Triangle, the third-largest tech sector in the country and home to more than 1,350 innovation companies.



The Law School's curriculum offers more than 200 courses in a broad range of subjects, allowing students to pursue a wide range of fields of the law. The rigorous curriculum blends doctrinal and experiential instruction; equipping students with the knowledge and critical-thinking skills required of a successful, practicing lawyer. The Clinical Program—one of the first in the nation—is regarded as one of the finest and most comprehensive. The program offers students invaluable opportunities to work with real clients on real cases and develop an extraordinary skill set in the process.

In fall 2019, the Law School will implement a new comprehensive curriculum initiative focused on deepening students' research, writing, and legal skills. Among the changes, the curriculum adds an additional upper-class research and writing requirement, significantly enhances the role of faculty in academic advising, and creates an online portfolio for students to track their progress and keep them aware of educational opportunities.

The Law School's dynamic Centers harness the expertise and scholarship of its nationally recognized faculty to offer outstanding programming, expertise in policy and practice, and premier fellowship programs that enrich the educational experience of students. The Law School's current Centers are: CUBE: Center for Urban Business Entrepreneurship, Center for the Study of Business Law & Regulation, Dennis J. Block Center for the Study of International Business Law, Center for Criminal Justice, Center for Health, Science & Public Policy, the Center for Law, Language & Cognition, the Trade Secrets Institute, and the Public Service Law Center.

Admissions

From approximately 2008 through 2015, American and Canadian ABA-approved law schools experienced significant declines in application volume, resulting in nationwide declines in enrollment, tuition revenue, and academic credentials among admitted students. Since 2016, demand for legal education has rebounded substantially and Brooklyn Law School has benefited greatly from this turnaround. Between fall 2015 and 2018, applications to ABA-approved law schools increased by more than 11% and Brooklyn Law School experienced a 13% increase in applicants over that period. The Law School leveraged the deeper applicant pool to improve the academic credentials of its entering classes, strengthen the Law School's national reputation, and establish stable and sustainable enrollment levels. Brooklyn Law School has routinely seated one of the 20 largest entering classes of law students in the country and has come through the historic period of challenge for law schools poised to continue to do so.

The Law School accepts applications under a rolling admissions process and allows applicants to choose between a two, three, or four-year time frame within which to complete their J.D. degree, an attractive set of options for many prospective students with established

careers, families, or other time constraints. The Law School has also begun to accept the Graduate Records Examination (GRE) in addition to the Law School Admissions Test (LSAT), further widening the pool of potential applicants. Moving forward, given the expansion in annual LSAT administrations from four to nine, continued growth in GRE applicants, and the last three years of healthy application volume, the Law School anticipates enrolling incoming classes sufficient to maintain its target enrollment, but no assurances can be provided in this regard. For academic 2019-2020, the Law School is on track to welcome a class of 360-370 new J.D. students.

The following table summarizes the Law School’s relevant J.D. admissions statistics over the past five years:

Admissions Statistics

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Applications	3,376	3,274	3,629	3,491	3,692
Acceptances	1,671	1,685	1,790	1,806	1,729
Matriculants	399	394	348	369	356
Selectivity (%)	50%	51%	49%	52%	47%
Yield (%)	24%	23%	19%	20%	21%

The Law School’s entering students also have increasingly impressive qualifications which inure to the benefit of the Law School’s academic reputation and national ranking. Typical markers indicating academic success include undergraduate grade point average (UGPA) and LSAT score(s). The median LSAT score of enrolled first-year students in 2018 was at the 70th percentile (score of 157) compared with the 66th percentile (score of 156) in 2017. The median UGPA also improved from 3.35 in 2017 to 3.38 in 2018. These measures have increased in each of the last three admissions cycles.

Enrollment

Over the past five years, the Law School’s overall enrollment ranged from a high of 1,154 to a low of 1,032 (see table below). For the academic year 2018-2019, the school will graduate a class of approximately 348 students and anticipates adding a first-year class of 360 to 370 students.

The Law School attracts students from every region of the country and beyond. Over the past three years, the percentage of non-New Yorkers in the entering class has increased from 36% to 42%, demonstrating the Law School’s nationwide demand profile. The students range from recent college graduates to experienced professionals. Approximately two-thirds of the class enters the Law School one or more years after graduating from college. Approximately 8% of students enter with advanced degrees. For the 2018 entering class, the median age was 24, with those students graduating from 179 different colleges and universities from around the world.

For the past two years, an average of 89% of enrolled students pursued their studies on a full-time basis and 11% on a part-time basis.

The following table summarizes the Law School’s total fall enrollments for the five most recent academic years:

Enrollment*

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Full-time	1,000	907	814	955	923
Part-time	138	247	284	126	109
Total Enrollment	1,138	1,154	1,098	1,081	1,032

**For years 2015-2016 and 2016-2017, the ABA definition of enrollment was changed. This change required BLS to characterize a greater number of students as part-time. Commencing in 2017-2018, the ABA reverted back to the 2014-2015 methodology. In the absence of the change in methodology during the years 2015-2016 and 2016-2017, the management of BLS believes that there would not have been a material change in year-to-year part-time enrollment during this five year period.*

Bar Passage Rates

The following represents the bar passage rate for first-time test takers for the past three years:

- 2018: 73%
- 2017: 79%
- 2016: 82%

The ABA recently began collecting “ultimate” bar passage rates for law schools, looking at the percentage of students who pass the bar within 2 years of graduation. The Law School’s bar passage results have consistently exceeded this ABA standard. The Law School’s

ultimate bar passage rate was approximately 95% for 2015 and 2016 graduates, putting the Law School 40th out of 193 law schools for 2015 graduates, and 35th for 2016 graduates.

Like many other law schools, the bar passage rates have decreased somewhat in recent years and this is being addressed in several ways. We have added personnel to our Academic Success Program, which is designed by the Law School to maximize the performance of students. The Program offers students a range of classes and programs that focus on skills that are essential to success at law school, with the bar exam, and in the practice of law.

Student Charges and Financial Aid

The Law School administers a comprehensive financial aid program for its students. The primary financial aid sources available to students from the Law School are need-based assistance and merit scholarships. During the 2016-2017 academic year, 1,067 students, approximately 91% of the student body, received one or more forms of scholarship assistance. During the 2017-2018 academic year, 1,023 students, approximately 90% of the student body, received one or more forms of scholarship assistance. Based upon audited figures for 2017-2018, the Law School awarded \$24,648,848 in scholarships and grants representing approximately 50% of total tuition and fees income.

The Law School has experienced increased competition from other law schools, which are increasing merit scholarships and financial aid, to attract common applicants. In planning budgets for the Law School's financial aid allocations to first-year students, the Law School has had the objective of controlling the cost of the merit scholarship program without jeopardizing the competitiveness of offers to students or the achievement of enrollment objectives.

In 2017, the Law School retained Ruffalo Noel Levitz, a leading enrollment management consulting firm, to assist with the development of a merit scholarship awarding model. In 2018, the Law School implemented the first iteration of Ruffalo's computer simulation-based scholarship awarding model and was immediately able to modestly reduce the size of the average merit scholarship granted to eligible students, while simultaneously improving the academic credentials of the entering class. The Ruffalo awarding model is based on data from the three most recent admissions cycles. As the Law School improves its capacity to individualize pricing through this model, it expects improvement in net tuition revenue per student.

The Law School also participates in federal student loan programs. The Perkins loan program was discontinued in 2016, and the Law School successfully transferred the Perkins repayment account to the U.S. Department of Education (DOE). Direct Subsidized Loans for graduate and professional students were discontinued by the DOE in 2012. The Law School awards Graduate Plus Loans and Unsubsidized Loans. Need-based grants to students are supplemented with off-campus employment earnings that, in some part, are disbursed by the Law School from a Federal Work Study Program fund.

The following chart illustrates the sources and amount of financial aid (including scholarships and loans) received by students for the prior five completed academic years.

	Financial Aid				
	(in thousands)				
	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Grants & Scholarships	\$24,745	\$27,191	\$26,966	\$26,131	\$25,414
Federal Loans	34,710	34,106	35,150	31,302	28,374
Work Study	650	569	540	499	401
	60,105	61,866	62,656	57,932	54,189

Competition

The Law School competes for students with both private and public law schools in New York State and in the metropolitan area, including the schools in the chart below. In 2015, in an effort to more effectively compete on price, to provide greater access to legal education for all students, and in response to the nationwide affordability crisis in higher-education, the Law School cut its tuition by 15% from approximately \$51,000 to approximately \$43,600. The Law School's competitors, however, continued to increase their tuition annually by approximately 3% to 6%. As a result, a significant price gap existed between the Law School and most of its most significant competitors. This pricing gap has allowed the Law School to raise tuition by nearly 20% over the last three years and still remain more affordable than most of its competitors. Over the next several years, the Law School is positioned to continue to increase tuition while maintaining its pricing advantage over several other area law schools.

**Comparative Tuition & Fees
(Academic Years)**

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Columbia	60,274	62,700	65,260	67,564	69,916
NYU	56,838	59,330	61,622	63,986	66,422
Fordham	52,532	54,116	56,146	58,196	60,406
Cardozo	53,570	54,895	56,796	58,764	59,940
St John's	51,490	53,290	55,150	57,480	59,480
Hofstra	52,190	54,250	55,860	57,510	59,214
Brooklyn Law	54,246	46,176	46,176	50,706	55,236
New York Law	49,240	49,240	49,240	50,718	51,732
Touro	44,520	45,950	47,320	48,830	49,800
Pace	45,376	45,376	46,284	47,210	48,614

Source: American Bar Association 509 Required Disclosures

Faculty

The Law School's location enables Brooklyn Law School to attract practitioners from the New York City metropolitan area, including distinguished judges and litigators. The reduction in adjunct faculty, reflected in the table below, is attributable to a greater emphasis on those courses that are of the most interest to the students and which are the most germane to the students' career objectives. Adjunct faculty members are appointed for one-semester terms.

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

	Faculty				
	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Full-Time Faculty					
Tenured/Tenured Track	43	42	44	44	40
Five-Year Terms	4	5	6	6	5
One- to Two-Year Terms	18	19	16	15	14
Total Full-Time Faculty	65	66	66	65	59
Visiting	6	4	4	5	6
Emeritus	2	1	1	2	2
Adjunct	158	162	168	164	144
Total Faculty	231	233	239	236	211

Staff and Labor Relations

The Law School does not have any collective bargaining contracts covering any of its employees. At present, Brooklyn Law School is not aware of campaigns to unionize its employees or students.

FINANCIAL INFORMATION

Finances

The financial statements of the Law School, and the opinion of the Law School's independent accountants, for the fiscal years ended June 30, 2018 and 2017 are attached as Appendix B. Set forth below is a five-year summary of the Law School's financial statements, which has been derived from the audited financial statements of Brooklyn Law School. This summary should be read in conjunction with the audited financial statements and related notes included in Appendix B.

The tables below provide Statements of Financial Position and Statements of Activities for the Law School for the five fiscal years ending on June 30. Following the financial information is Management's Discussion and Analysis of recent financial performance.

Summary of Financial Position
Fiscal Years Ended June 30
(in thousands)

	2014	2015	2016	2017	2018
ASSETS					
Cash and cash equivalents	\$ 3,333	\$ 2,518	\$ 3,209	\$ 3,671	\$ 1,090
Accounts and loan receivable	1,392	732	1,007	2,536	613
Accrued interest receivable	155	283	279	383	193
Pledges receivable - net	2,632	2,563	1,641	1,292	1,738
Prepaid expenses	497	492	592	622	804
Investments	133,266	129,836	151,265	233,424	237,373
Assets held by trustee under bond indenture agreement	3,290	3,289	3,294	3,303	3,329
Assets held under annuity agreements	1,979	2,066	2,381	2,712	2,726
Property, plant and equipment - net of accumulated depreciation	105,646	104,078	100,685	104,529	102,729
TOTAL ASSETS	\$252,190	\$245,857	\$264,353	\$352,472	\$350,595
LIABILITIES					
Line of credit	\$ -	\$ -	\$ -	\$ 10,000	\$ 17,000
Accounts payable and accrued expenses	7,098	7,864	8,351	11,549	11,360
Interest payable	1,051	1,051	1,051	1,051	1,051
Tuition and other fees collected in advance	712	1,145	1,001	854	846
Accrued postretirement benefits payable	5,118	5,792	6,893	6,533	6,999
Refundable loan program	2,074	1,505	-	-	-
Bonds payable	39,543	39,461	39,379	39,297	39,215
TOTAL LIABILITIES	55,596	56,818	56,675	69,284	76,471
NET ASSETS					
Net assets without donor restrictions:					
Net investment in plant	69,051	66,094	63,328	64,319	63,802
Other	90,753	84,701	107,393	179,580	168,829
Net assets without donor restrictions	159,804	150,795	170,721	243,899	232,631
Net assets with donor restrictions	36,790	38,244	36,957	39,289	41,493
TOTAL NET ASSETS	196,594	189,039	207,678	283,188	274,124
TOTAL LIABILITIES AND NET ASSETS	\$252,190	\$245,857	\$264,353	\$352,472	\$350,595

Summary of Change in Net Assets
Fiscal Years Ended June 30
(in thousands)

	2014	2015	2016	2017	2018
Revenues and gains					
Student tuition and fees (net of scholarships)	\$32,052	\$31,951	\$29,638	\$25,595	\$24,419
New York State aid to educational institutions	91	74	67	-	-
Return on endowment made available for operations	4,784	9,028	10,491	22,298	21,212
Rental properties income	8,068	7,901	7,806	7,458	7,607
Gifts and bequests	4,936	2,229	1,735	1,953	2,779
Other	348	698	621	533	561
Total revenues and gains	\$50,279	\$51,881	\$50,358	\$57,837	\$56,578
Expenses					
Instruction	13,178	13,032	12,981	13,426	13,374
Academic support	4,153	4,386	4,579	4,411	4,503
Student services	3,381	3,696	3,633	3,377	3,681
Institutional support	8,879	9,843	10,166	10,596	10,689
Student aid	1,121	1,102	1,897	1,213	1,335
Housing expense	2,440	1,975	1,943	1,917	1,675
Fringe benefits	7,063	8,450	8,070	8,830	9,062
Operations expense	3,386	3,204	3,294	4,206	5,635
Depreciation expense	4,820	4,784	4,813	5,059	6,003
Interest and amortization expense	2,753	2,020	2,032	2,047	2,393
Total expenses	51,174	52,492	53,408	55,082	58,350
Result of operations	(895)	(611)	(3,050)	2,755	(1,772)
Nonoperating results:					
Return on endowment	16,740	2,366	(1,654)	22,061	15,064
Total return on endowment	16,740	2,366	(1,654)	22,061	15,064
Return on endowment made available for operations	(4,784)	(9,028)	(10,491)	(22,299)	(21,212)
Gifts and bequests for long-term purposes	645	1,237	731	552	671
Change in value of split-interest agreement	366	107	313	313	44
Employee separation costs	(936)	(1,062)	(67)	(219)	(1,527)
Bond defeasement costs	(1,690)	-	-	-	-
Reserve on promises to give	-	-	(434)	-	-
Gain on sale of property	19,433	-	34,260	71,818	-
Other benefit costs	24	(563)	(969)	529	(332)
Change in Net Assets	28,903	(7,554)	18,639	75,510	(9,064)
Net assets at beginning of year	167,690	196,593	189,039	207,678	283,188
Net assets at end of year	\$196,593	\$189,039	\$207,678	\$283,188	\$274,124

Management Discussion

Brooklyn Law School's financial position remains strong, providing substantial financial reserves to maintain the quality of its academic programs and students during a period of softer student demand (see "OPERATING INFORMATION"). However, over the past five fiscal years, Brooklyn Law School has had an operating deficit and has used an increasing amount of return on its endowment to close the deficit (see the chart above). Additionally, the Law School's unrestricted net assets increased to \$232.6 million from \$159.8 million, primarily due to the sale of non-core real estate assets. Unrestricted net assets grew by nearly 50% despite the Law School generating operating deficits during this time. The Law School does not plan to sell additional real estate.

With the benefit of strong financial reserves, Brooklyn Law School has taken measured steps in reducing expenses to preserve the Law School's reputation. The Law School appropriated funds above its spending policy of 4.5% of a trailing three-year average endowment value to support operations in fiscal years 2015 through 2018. Supplemental endowment distributions, albeit on a declining basis, are expected to continue through fiscal 2021. The combination of expense cuts, detailed below, and larger annual distributions caused by the sizeable increase in endowment value will help the Law School return to balanced operations.

The Law School is committed to returning to a financially sustainable business model and expects to achieve breakeven operations by fiscal 2022, but no assurance can be given regarding this expectation. Operating deficits stem from enrollment declines that began in the wake of the financial crisis and have recently stabilized. To maintain the credentials of entering students, the Law School significantly reduced the size of its entering class during the financial crisis and reduced tuition by 15% in fall 2015. In fall 2017, the Law School

implemented tuition increases for the entering class to help grow revenue and align tuition pricing with peers, as discussed above in the OPERATING INFORMATION – Competition section. The Law School increased tuition by 9.9% in fall 2017, 9.0% in 2018, and 9.0% in 2019. The Law School expects that tuition increases will moderate after fall 2020. The Law School continues to take steps to manage its costs and improve operating efficiency while still making strategic programmatic investments.

Budget Development

The process of preparing the Law School’s annual budget for each fiscal year begins in March of the preceding fiscal year. The Dean consults with senior administrators to make decisions about the continuation, expansion, reduction, or termination of programs. Such program changes are made to meet the overall goals and objectives of the Law School. At the March Board of Trustees meeting, the Dean’s recommended budget guidelines are reviewed and approved. The Chief Financial Officer is responsible for communicating budget guidelines to the department heads.

In March, the Chief Financial Officer distributes budget worksheets to the department heads. These worksheets include total departmental expenditures for the previous eight months, through the end of February. Department heads, in consultation with the CFO, submit the completed worksheets in April. In May, the Dean and department heads meet to review and finalize their budget proposals.

The pro forma budget is presented to the Finance Committee of the Board of Trustees in early June. At that time, tuition rates are approved. A final budget is submitted to the Board of Trustees for approval in October.

Investments

At June 30, 2018, the fair value of the Law School’s investments totaled \$237.4 million. The Law School’s endowment and similar funds have increased by 57% in two years and have doubled in five years. The monetization of non-core real estate assets and favorable investment returns contributed to the strong growth. The School does not intend to sell additional real estate.

The following table summarizes the audited fair value of investments at June 30 for each of the 2014 through 2018 fiscal years:

	Fair Value of Investments				
	Fiscal Years Ended June 30				
	(in thousands)				
	2014	2015	2016	2017	2018
Cash & cash equivalents	\$12,430	\$8,766	\$12,359	\$17,297	\$14,410
Limited partnerships	720	632	317	26,625	29,066
Debt instruments	32,017	31,354	45,851	56,576	50,964
Stocks	20,605	20,115	20,260	25,611	9,899
Exchange-traded funds	55,976	43,781	49,224	67,433	84,821
Mutual funds	11,518	25,188	23,254	39,881	48,213
Total	\$133,266	\$129,836	\$151,265	\$233,423	\$237,373

The Law School employs the services of a professional investment firm to manage the majority of its endowment assets. For the fiscal year ending June 30, 2018, the annual endowment return was 6.1%. There is no assurance that contributions to or growth of the value of the endowment will continue at present levels.

Endowment Funds

The Law School’s endowment spending policy is to appropriate for distribution 4.5% of the average fair value of its endowment funds for the prior three years. In establishing this policy, the Law School considered the long-term expected return on its endowment. During the years ended June 30, 2018 and 2017, the Board of Trustees approved additional appropriations of \$13,500,000 and \$17,200,000, respectively. Supplemental endowment distributions, albeit on a declining basis, are expected to continue through fiscal 2021.

Over the long-term, the Law School expects the current spending policy to allow its donor-restricted endowment to grow at the rate of inflation. This is consistent with the Law School’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. Investment income on board-designated endowment funds is appropriated as needed.

Liquidity

The Law School regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for operations. The Law School has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a collateralized line of credit

(see “FINANCIAL INFORMATION - Outstanding Indebtedness” for more information on the line of credit). Only 12% of the Law School’s \$237 million of investments are not convertible to cash within the next 12 months. The Law School’s management has been proactive in monetizing its surplus real estate facilities to increase the liquidity of its assets.

Fundraising

In 2016, Brooklyn Law School restructured its Office of Advancement by bringing together the Office of Development and the Office Alumni Relations. The new structure and strategies are proving successful, with 2018 marking the Law School’s strongest fundraising performance since 2014. Newly adopted board guidelines for giving are also contributing to stronger results. The table below represents gift commitments to the Law School for each of the last five fiscal years. These statistics represent new gifts and pledges received between July 1 and June 30 of each year.

FY 2014:	\$6,435,957
FY 2015:	\$3,327,059
FY 2016:	\$2,692,247
FY 2017:	\$2,536,615
FY 2018:	\$4,081,463

Real Estate

Located in a vibrant urban area, Brooklyn Law School’s campus is headquartered in an 11-story building at 250 Joralemon Street. Built in 1968 and expanded in 1994, the main building contains approximately 117,000 gross square feet and houses the law library, classrooms, faculty offices, a dining hall, and the Moot Court Room. Brooklyn Law School opened a 21-story residence hall (Feil Hall) in 2005. Feil Hall houses 350 students and six staff members and includes a conference center and café. The Law School leases two floors at 111 Livingston Street, which houses the Clinical Education Program, Legal Writing Program, and Public Service Center as well as administrative and faculty offices.

The proceeds of the Series 2019 Bonds will be used to repay the Series 2009 Bonds and the Series 2012A Bonds, satisfying and discharging the lien of the mortgage on Brooklyn Law School’s main building and Feil Hall.

Plant Values

The following table summarizes the net investment in land, buildings and equipment as of June 30 of the 2014 through 2018 fiscal years:

**Land, Buildings, and Equipment
Fiscal Years Ended June 30
(in thousands)**

	2014	2015	2016	2017	2018
Land	\$8,865	\$8,583	\$7,129	\$7,129	\$7,129
Building and building improvements	144,180	141,749	140,912	144,419	147,518
Leasehold improvements	-	-	-	5,409	5,786
Furniture and equipment	595	1,164	1,800	3,852	4,216
Artwork	77	77	77	77	88
	153,717	151,573	149,918	160,886	164,737
Land and buildings held for sale net accumulated depreciation	-	1,365	2,136	-	-
Less accumulated depreciation	(48,071)	(48,860)	(51,369)	(56,357)	(62,008)
Property, Plant, and Equipment - Net	105,646	104,078	100,685	104,529	102,729

The Law School carries property insurance on its buildings, excluding land and building foundations, based on 100% of their replacement cost. The School insures the buildings’ contents at their depreciated value.

Outstanding Indebtedness

The Law School entered into a line of credit, dated as of May 15, 2017, with JPMorgan Chase Bank, N.A. (the “Bank”) in the amount of up to \$25,000,000. The line of credit has an expiration date of May 31, 2021. The Law School currently has \$17,000,000 of loans outstanding under the line of credit.

If an event of default occurs under the line of credit, the Bank’s remedies include the right to declare the unpaid principal and accrued interest on the note evidencing outstanding loans under the line of credit immediately due and payable.

The Law School's obligations under the line of credit are secured by certain deposits, securities, and account assets deposited with the Bank. See "FINANCIAL INFORMATION – Investments."

The Law School has capital leases for technology equipment and an operating lease for office space. See Note 14 in Appendix B - Financial Statements of Brooklyn Law School and Independent Auditor's Report for more information regarding the leases.

The outstanding long-term debt as of July 1, 2018 was as follows:

Outstanding Long-Term Debt

Long-term debt with the Dormitory Authority	
Insured Revenue Bonds, Series 2009	\$22,340,000*
Insured Revenue Bonds, Series 2012A	<u>16,355,000**</u>
Total	<u>\$38,695,000</u>

*To be refunded with proceeds of the Series 2019A Bonds.

**To be refunded with proceeds of the Series 2019B Bonds.

The Law School does not currently have plans to incur any additional long-term debt. However, from time to time, opportunities arise for the Law School to acquire property in the neighborhoods surrounding the campus. In addition, certain of the Law School's existing properties may be suitable for future renovation and expansion to provide additional administrative, academic, or residential space. In connection with any such acquisition, renovation, or expansion, the Law School may incur either short-term or long-term indebtedness for the payment of all or a portion of the associated costs.

Postemployment Benefits

The Law School sponsors a postemployment medical plan for its employees. The plan provides medical benefits to employees with at least 15 years of service who retire on or after the age of 62. Benefits are provided to spouses and dependents of members who are eligible for benefits. The Law School has the right to modify this program at any time. Approximately, 29 employees are currently receiving those benefits.

The table below sets forth for each of the Fiscal Years shown the then projected future cost to the Law School of postemployment benefits for persons employed by the Law School during each of those Fiscal Years who may be entitled to such benefits upon their retirement, taking into consideration, among other factors, their ages and actuarial life expectancy.

**Postretirement Benefit Obligation
as of June 30
(in thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Projected Obligation	\$4,610	\$5,289	\$6,394	\$6,040	\$6,512

The Law School has a defined contribution retirement plan under an arrangement with Teachers Insurance and Annuity Association of America (the TIAA Plan) for its employees who have been employed for more than two years. Although the Law School is not obligated to contribute to this plan, its current policy is to contribute 10% of salary of employees. The TIAA Plan provides for immediate and full vesting of the contributions. Pension expense for the past five fiscal years ended June 30 was as follows:

**Pension Expense
as of June 30
(in thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Pension Expense	\$1,810	\$1,842	\$1,862	\$1,971	\$2,096

Insurance

The Law School carries standard industry insurance policies, including real and personal property, general comprehensive liability, educator's legal liability, worker's compensation and employer's liability.

Litigation

The Law School is subject to various suits in the course of its normal operations. There is no such litigation pending or threatened against the Law School, which, in the event of an adverse result, would materially affect the Law School's ability to meet its obligations under the Loan Agreements.

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**FINANCIAL STATEMENTS OF BROOKLYN LAW SCHOOL
AND INDEPENDENT AUDITOR'S REPORT**

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Brooklyn Law School

Financial Report
June 30, 2018

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Independent Auditor's Report

To the Audit Committee
Brooklyn Law School

Report on the Financial Statements

We have audited the accompanying financial statements of Brooklyn Law School (the Law School), which comprise the statement of financial position as of June 30, 2018, 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.

Auditor's 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 Law School'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 Law School'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 the Law School as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the Law School's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

New York, New York
October 26, 2018

Brooklyn Law School

Statement of Financial Position

Year Ended June 30, 2018

(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 1,090,528	\$ 3,670,723
Accounts and loans receivable	613,018	2,535,846
Accrued interest receivable	193,269	383,246
Pledges receivable – net	1,738,284	1,291,829
Prepaid expenses	803,741	622,369
Investments	237,372,819	233,423,409
Assets held by trustee under bond indenture agreement	3,328,600	3,303,276
Assets held under annuity agreements	2,726,212	2,712,216
Property, plant and equipment – net of accumulated depreciation	102,728,953	104,528,733
Total assets	\$ 350,595,424	\$ 352,471,647
Liabilities and Net Assets		
Liabilities:		
Line of credit	\$ 17,000,000	\$ 10,000,000
Accounts payable and accrued expenses	11,359,894	11,548,340
Interest payable	1,051,150	1,051,150
Tuition and other fees collected in advance	845,860	853,768
Accrued postretirement benefits payable	6,998,933	6,532,799
Bonds payable	39,215,307	39,297,165
Total liabilities	76,471,144	69,283,222
Net assets:		
Net assets without donor restrictions:		
Net investment in plant	63,802,525	64,319,152
Other	168,828,866	179,579,987
Net assets without donor restrictions	232,631,391	243,899,139
Net assets with donor restrictions	41,492,889	39,289,286
Total net assets	274,124,280	283,188,425
Total liabilities and net assets	\$ 350,595,424	\$ 352,471,647

See notes to financial statements.

Brooklyn Law School

Statement of Activities

Year Ended June 30, 2018

(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018		2017	
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Comparative Total
Revenues and gains:				
Student tuition and fees (net of scholarships of \$24,648,848 and \$25,933,959 in 2018 and 2017, respectively)	\$ 24,418,321	\$ -	\$ 24,418,321	\$ 25,594,555
Return on endowment made available for operations	18,986,220	2,225,513	21,211,733	22,298,489
Rental properties income	7,606,588	-	7,606,588	7,458,127
Gifts and bequests	1,178,156	1,600,369	2,778,525	1,953,222
Other revenue	561,187	-	561,187	532,984
	52,750,472	3,825,882	56,576,354	57,837,377
Net assets released from restrictions for operating purposes	2,332,130	(2,332,130)	-	-
Total revenues and gains	55,082,602	1,493,752	56,576,354	57,837,377
Expenses:				
Instruction	13,373,554	-	13,373,554	13,426,292
Academic support	4,502,550	-	4,502,550	4,410,968
Student services	3,681,222	-	3,681,222	3,376,572
Institutional support	10,689,480	-	10,689,480	10,595,863
Student aid	1,334,826	-	1,334,826	1,212,598
Housing expense	1,674,744	-	1,674,744	1,917,263
Fringe benefits	9,061,830	-	9,061,830	8,829,473
Operations expense	5,635,200	-	5,635,200	4,205,826
Depreciation and amortization expense	6,003,172	-	6,003,172	5,058,592
Interest expense	2,392,717	-	2,392,717	2,046,573
Total expenses	58,349,295	-	58,349,295	55,080,020
Results of operations	(3,266,693)	1,493,752	(1,772,941)	2,757,357
Nonoperating results:				
Return on endowment	12,843,332	2,220,423	15,063,755	22,060,070
Total return on endowment	12,843,332	2,220,423	15,063,755	22,060,070
Return on endowment made available for operations	(18,986,220)	(2,225,513)	(21,211,733)	(22,298,489)
Gifts and bequests for long-term purposes	-	671,306	671,306	551,500
Change in value of split-interest agreements	-	43,635	43,635	312,910
Employee separation costs	(1,526,568)	-	(1,526,568)	(219,011)
Gain on sale of building	-	-	-	71,817,852
Other benefit costs	(331,599)	-	(331,599)	528,845
Change in net assets	(11,267,748)	2,203,603	(9,064,145)	75,511,034
Net assets:				
Beginning	243,899,139	39,289,286	283,188,425	207,677,391
Ending	\$ 232,631,391	\$ 41,492,889	\$ 274,124,280	\$ 283,188,425

See notes to financial statements.

Brooklyn Law School

Statement of Cash Flows Year Ended June 30, 2018

(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (9,064,145)	\$ 75,511,034
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	6,003,172	5,058,592
Net gain on disposition of property and equipment	-	(71,778,042)
Change in value of split-interest agreements	43,635	312,910
Change in pledge discount	42,084	13,892
Change in allowance for bad debt	2,550	(541,319)
Amortization of bond premium/discount	(81,857)	(81,857)
Net gain on investments	(10,892,661)	(18,525,342)
Other postretirement related changes other than net periodic costs	158,454	(673,034)
Contributions restricted for long-term purposes	(731,056)	(507,980)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts and loans receivable	1,922,828	(1,555,696)
Decrease (increase) in accrued interest receivable	189,977	(104,030)
(Increase) decrease in pledges receivable	(491,089)	902,465
Decrease in prepaid expenses	(181,372)	(30,532)
Decrease in accounts payable and accrued expenses	987,526	254,623
(Decrease) in tuition and other fees collected in advance	(7,908)	(147,876)
Increase in accrued postretirement benefits payable	307,680	313,222
Net cash used in operating activities	(11,792,182)	(11,578,970)
Cash flows from investing activities:		
Purchase of investments	(112,430,677)	(140,780,107)
Proceeds from sale of investments	119,373,927	77,146,713
Purchases of property and equipment	(5,379,364)	(8,041,388)
Proceeds from sale of building	-	73,860,174
Increase in net assets held under annuity agreements	(57,631)	(643,864)
Net cash provided by investing activities	1,506,255	1,541,528
Cash flows from financing activities:		
Increase in assets held by trustee under bond indenture agreement	(25,324)	(8,829)
Contributions restricted for long-term purposes	731,056	507,980
Proceeds from line of credit	7,000,000	10,000,000
Net cash provided by financing activities	7,705,732	10,499,151
Net (decrease) increase cash and cash equivalents	(2,580,195)	461,709
Cash and cash equivalents:		
Beginning	3,670,723	3,209,014
Ending	\$ 1,090,528	\$ 3,670,723
Supplemental disclosure of cash flow information:		
Interest paid	\$ 2,392,717	\$ 2,128,430
Supplemental schedules of noncash investing activities:		
Purchase of equipment through capital leases	\$ 674,942	\$ 364,691
Purchase of property and equipment included in accounts payable	\$ 2,364,777	\$ 3,855,501
Asset retirement costs included in property and accrued expenses	\$ 700,200	\$ 900,000

See notes to financial statements.

Brooklyn Law School

Notes to Financial Statements

Note 1. Organization

Brooklyn Law School (the Law School), founded in 1901, has served as a training ground for distinguished members of the bar and bench. The Law School is an independent, nonprofit educational institution accredited by the Board of Regents of the State of New York. It is also fully accredited by the American Bar Association through the Council of its Section on Legal Education and Admission to the Bar, and is a member of the Association of American Law Schools.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Law School have been prepared on the accrual basis of accounting.

Results of operations: The Law School reports, as results of operations, revenue and gains, less expenses for recurring items, including the appropriation of the portion of cumulative endowment return made available for operations. Nonoperating results include return on endowment investments, gifts and bequests restricted by donors for endowment or other long-term purposes, employee separation costs, proceeds from the sale of assets and other benefit costs. Recently adopted accounting pronouncements effected reported results of operations as discussed below.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Cash and cash equivalents: The Law School considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts designated by the board for endowment or held by trustee under bond indenture agreements. The Law School maintains cash in bank accounts which, at times, may exceed federally insured limits. The Law School has not experienced any losses in such accounts.

Pledges receivable: Pledges receivable are discounted at U.S. Treasury Bond rates for applicable bonds of similar maturity at the time they are received and recorded at fair value, net of an estimate for uncollectable pledges. Discount rates used ranges from 2.3% to 4.24%. The Law School evaluates pledges receivable for collectability on a case-by-case basis.

Investments: Investments are reported at fair value. Income earned from investments is accounted for as an increase in net assets without donor restrictions except where use of the income earned is limited by donor-imposed restrictions and is therefore reported in the net assets with donor restrictions. If a restriction is met in the same period, the income is reflected as without donor restrictions. Donated securities are recorded at fair value at the date of the gift.

Assets held by trustee under bond indenture agreement: Assets held by trustee include investments, comprised principally of cash and U.S. Treasury obligations, held under the bond indenture agreement relating to the Law School's insured revenue bonds.

Brooklyn Law School

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment: Property, plant and equipment are reflected at cost, net of accumulated depreciation. Depreciation is recognized over the estimated useful lives of the respective assets using the straight-line method. Building and building improvements have useful lives of 20-40 years; furniture and equipment have useful lives of 3-5 years. Leasehold improvements are depreciated over the life of the lease. The Law School capitalizes all furniture, equipment purchases and building improvements over \$5,000. Fully depreciated assets are written off in the year following the year in which they became fully depreciated. The Law School recognizes the anticipated costs of asset retirement obligations, such as the cost of asbestos removal, when it can reasonably estimate the fair value of the liability. Such costs are amortized over the remaining useful life.

Tuition and other fees collected in advance: Student tuition and fees are reported as revenue when earned.

Contributions and classification of net assets: The Law School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets either through time and purpose stipulations or by donor-imposed stipulations that expire by passage of time or otherwise removed by actions of the Law School. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income taxes: The Law School is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Law School is subject to taxes on unrelated business income.

Fair value measurements: Under the Financial Accounting Standards Board's (FASB) authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Law School uses various methods, including market, income and cost approaches. Based on these approaches, the Law School often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Law School utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Law School is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Brooklyn Law School

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single-dealer quotes not corroborated by observable market data.

For the year ended June 30, 2018, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is based on quoted market prices, when available, or market prices provided by recognized broker-dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

The statement of activities presents investment income, consisting of interest and dividend income. Interest income is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade-date basis. The fair value of stocks, bonds and Treasury Bills are based on quoted market prices.

Endowments: The Law School is subject to FASB Accounting Standards Codification (ASC) Topic 958-205 on the recognition of endowments for not-for-profit entities. ASC Topic 958-205 provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). It also improves disclosures about the organization's endowment funds (both donor-restricted and board-designated funds) whether or not the organization is subject to UPMIFA.

Risks and uncertainties: The Law School 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 of investments reported in the statement of financial position.

Prior year summarized comparative information: The accompanying financial statements include certain prior year summarized comparative information in total. 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 Law School's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Reclassification: Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

Subsequent events: The Law School evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluations are performed through the date the financial statements are issued, which was October 26, 2018, for these financial statements.

Brooklyn Law School

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recently adopted accounting pronouncements: In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Law School has this ASU in the year ended June 30, 2018. The impact to the financial statements include a change in the net asset classification from unrestricted, temporarily restricted and permanently restricted to with donor restrictions and without donor restrictions, additional disclosure on liquidity analysis (see Note 3) and an expanded disclosure on the functional expense allocation (see Note 16). The adoption of this ASU also resulted in the reclassification of \$548,355 and \$561,291 in investment expenses from operating expenses to return on endowment for the years ended June 30, 2018 and 2017, respectively. The ASU has been applied retrospectively to all periods presented.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation – Retirement Benefits (Topic 715)*. The Law School has adopted this ASU in the year ended June 30, 2018. The impact to the financial statements include that costs other than service costs totaling \$173,145 and \$144,189 have been reclassified from fringe benefits expense to other benefit costs for the years ended June 30, 2018 and 2017, respectively. The ASU has been applied retrospectively to all periods presented.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20)*. The Law School has adopted ASU No. 2018-14 in the year ended June 30, 2018. The impact to the financial statements includes a removal of the disclosure of the amount not yet recognized as a component of net periodic benefit cost and the effects of a one-percentage change in the assumed healthcare cost trend rates on the (a) aggregate of the service and interest cost components of net periodic benefit costs, and (b) benefit obligation for postretirement health care benefits in Note 10.

The adoption of these accounting pronouncements did not change previously reported total net assets or change in total net assets as of for the year ended June 30, 2017. The adoption did result in a reduction in total operating expenses of \$705,480 for the year ended June 30, 2017 and a corresponding increase in results of operations. The impact on the results for the year ended June 30, 2018 is a \$721,500 reduction in operating expenses and increase in results of operations. There was no impact on total net assets or change in net assets as of and for the year ended June 30, 2018.

Recently issued accounting pronouncements: In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Under the new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard is effective for fiscal years beginning after December 15, 2017. The Law School is currently evaluating the impact of adoption of the new standard on the financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019. The Law School is currently evaluating the impact of adoption of the new standard on the financial statements.

Brooklyn Law School

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In August 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions made*. The guidance in this ASU clarifies how a not-for-profit organization determines whether a resource provider is participating in an exchange transaction. The new standard is effective for annual reporting periods beginning after June 15, 2018. The Law School is currently evaluating the impact of adoption of the new standard on the financial statements.

Note 3. Liquidity and Availability of Financial Assets

The Law School regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for operations. The Law School has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit. Only 12% of the Law School's \$237 million of investments are not convertible to cash within the next 12 months. The Law School's management has been proactive in monetizing its surplus real estate facilities to increase the liquidity of its assets.

As of June 30, 2018, the following financial assets are available to meet annual operating needs of the 2019 fiscal year:

Financial assets, at June 30, 2018	
Cash and cash equivalents	\$ 1,090,528
Accounts and loans receivable	613,018
Accrued interest receivable	193,269
Pledges receivable – net	1,738,284
Investments	237,372,819
Total financial assets, at June 30, 2018	<u>241,007,918</u>
Less those unavailable for general expenditures within one year:	
Pledges receivable – greater than one year (net)	1,174,186
Investments – not convertible to cash in the next 12 months	29,065,970
Donor-restricted assets	36,194,396
Total financial assets unavailable within one year	<u>66,434,552</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 174,573,366</u></u>

Note 4. Pledges Receivable

Outstanding pledges receivable were as follows as of June 30, 2018 and 2017:

	2018	2017
Pledges due:		
In less than one year	\$ 564,098	\$ 772,880
In one to five years	1,258,546	558,675
Allowance for uncollectible pledges	(8,500)	(5,950)
Discount on multiyear pledges receivable	(75,860)	(33,776)
Pledges receivable, net	<u>\$ 1,738,284</u>	<u>\$ 1,291,829</u>

Brooklyn Law School

Notes to Financial Statements

Note 5. Net Assets With Donor Restrictions

Net assets with donor restrictions were as follows as of June 30, 2018 and 2017:

	2018	2017
Academic support	\$ 2,829,168	\$ 2,177,358
Scholarships, loans and prizes	14,904,087	14,990,220
Time-restricted – to be used for general purposes	3,349,523	2,912,576
Time-restricted – to be used for special purposes	929,774	375,215
Academic support – held in perpetuity	1,793,460	1,793,460
Scholarships, loans and prizes – held in perpetuity	17,686,877	17,040,457
	<u>\$ 41,492,889</u>	<u>\$ 39,289,286</u>

Note 6. Investments

The following table summarizes the Law School's investments as of June 30, 2018 and 2017:

	2018	2017
Cash and cash equivalents	\$ 14,409,289	\$ 17,296,689
Limited partnerships	29,065,970	26,624,792
Debt instruments	50,964,414	56,576,444
Stocks	9,899,144	25,611,502
Exchange-traded funds	84,820,809	67,432,757
Mutual funds	48,213,193	39,881,225
Investments, at fair value	<u>\$ 237,372,819</u>	<u>\$ 233,423,409</u>

Note 7. Property, Plant and Equipment

Property, plant and equipment, net, consists of the following as of June 30, 2018 and 2017:

	2018	2017
Land	\$ 7,128,551	\$ 7,128,551
Building and building improvements	147,518,312	144,418,776
Leasehold improvements	5,786,033	5,408,412
Furniture and equipment	4,215,799	3,852,330
Artwork	88,230	77,350
	<u>164,736,925</u>	<u>160,885,419</u>
Less accumulated depreciation	<u>(62,007,972)</u>	<u>(56,356,686)</u>
	<u>\$ 102,728,953</u>	<u>\$ 104,528,733</u>

Brooklyn Law School

Notes to Financial Statements

Note 7. Property, Plant and Equipment (Continued)

Furniture and equipment includes equipment acquired by capital lease of \$995,936 and \$511,848, and accumulated depreciation of \$327,381 and \$146,147 for the years ended June 30, 2018 and 2017, respectively.

The Law School's management has identified the existence of asbestos in certain of its buildings. On the occasion of major renovation, demolition or sale of such buildings, the Law School may incur obligations for the removal of asbestos. The Law School recognized approximately \$1,130,000 of asbestos removal costs during the year ended June 30, 2015, and additional costs, totaling \$770,000 during the year ended June 30, 2017. The Law School amortized approximately \$123,000 for both of the years ended June 30, 2018 and 2017. The total remaining cost of approximately \$700,000 is expected to be amortized over the next two years.

Note 8. Line of Credit

During fiscal 2017, the Law School entered into a line of credit for \$25,000,000. The Law School had an outstanding bank borrowing of \$17,000,000 and \$10,000,000 as of June 30, 2018 and 2017, respectively. Interest on the line of credit is 3.325% as of June 30, 2018. The line of credit matures on May 31, 2019.

Note 9. Bonds Payable

Bonds payable consist of the following at June 30:

	2018	2017
Series 2009 Bonds, interest at 5.75% payable semi-annually. Principal payable in various annual amounts July 1, 2030 to July 1, 2033, including unamortized discount of \$91,455 and \$97,761 for the years ended June 30, 2018 and 2017, respectively.	\$ 22,248,545	\$ 22,242,239
Series 2012 A Bonds, interest at various rates from 4% to 5%. Principal in various annual amounts July 1, 2026 to July 1, 2030, net unamortized premium of \$1,437,007 and \$1,588,087 for the years ended June 30, 2018 and 2017, respectively.	17,792,007	17,943,087
	40,040,552	40,185,326
Less deferred bond issuance costs	(825,245)	(888,161)
	<u>\$ 39,215,307</u>	<u>\$ 39,297,165</u>

The Series 2009 Bonds are subject to optional redemption prior to maturity at the option of Dormitory Authority of the State of New York (DASNY) on or after July 1, 2019, in any order, in whole or in part at any time, at a price of par, plus accrued interest to the redemption date. The series 2012 A Bonds are subject to optional redemption prior to maturity at the option of DASNY on or after July 1, 2022, in any order, in whole or in part at any time, at a price of par, plus accrued interest to the redemption date.

Brooklyn Law School

Notes to Financial Statements

Note 9. Bonds Payable (Continued)

In connection with the issuance of the bonds, the Law School entered into a loan agreement (the Agreement) with DASNY to borrow an amount equal to the proceeds from the issuance of the bonds. Under the terms of the Agreement, the Law School makes monthly payments sufficient to cover principal amortization and interest on the bond issue, the maintenance of required debt service reserve funds and payment of administrative fees and the reimbursement of certain expenditures to DASNY. The bonds are secured by a first lien on the residence hall and a portion of tuition and fees charged to students is pledged by the Law School to meet debt service requirements. Also, the bonds require the Law School to maintain total tuition and fees at certain levels and to meet certain ratios of expendable net assets to indebtedness.

The future principal payments with respect to the above bonds as of June 30, 2018, are approximately as follows:

Years ending June 30:	
2027 and thereafter	\$ 38,695,000
Add unamortized premium	1,437,007
Less unamortized discount	(91,455)
Less unamortized issuance costs	(825,245)
	<u>\$ 39,215,307</u>

Assets held by the trustee at June 30, 2018, represent the unspent proceeds of the Series 2009 and 2012 A Bonds together with certain reserve funds required by the Agreement.

The Law School incurred interest expense on bonds payable of approximately \$2,102,000 for both of the years ended June 30, 2018 and 2017, respectively.

Note 10. Employee Benefits

The Law School has a plan that provides for postretirement benefits other than pensions (the Plan). The Plan provides certain major medical benefits for retired employees with at least 15 years of service who retire at or after age 62 as follows:

June 30	2018	2017
Projected postretirement benefit obligation	<u>\$ 6,511,700</u>	<u>\$ 6,039,777</u>
Change in benefit obligation:		
Obligation at beginning of year	\$ 6,039,777	\$ 6,394,287
Service cost, including expenses	256,962	246,779
Interest cost	251,804	219,569
Actuarial loss (gain)	129,829	(698,380)
Benefit payments and expected expenses	(166,672)	(122,478)
Obligation at end of year	<u>\$ 6,511,700</u>	<u>\$ 6,039,777</u>

Brooklyn Law School

Notes to Financial Statements

Note 10. Employee Benefits (Continued)

Change in Plan assets:

Fair value of Plan assets at beginning of year	\$ -	\$ -
Employer contributions	166,672	122,478
Benefit payments and actual expenses	(166,672)	(122,478)
Fair value of Plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>

Funded status at end of year	<u>\$ (6,511,700)</u>	<u>\$ (6,039,777)</u>
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Amounts recognized in the statements of financial position consist of accrued postretirement benefits payable

	<u>\$ 6,511,700</u>	<u>\$ 6,039,777</u>
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Components of net periodic benefit cost:

Service cost	\$ 256,962	\$ 246,779
Interest cost	251,804	219,569
Amortization of prior service credit	(161,712)	(161,712)
Amortization of net loss	83,052	86,332
	<u>430,106</u>	<u>390,968</u>

Changes in postretirement costs other than net period benefit cost:

Net loss (gain)	129,829	(698,380)
Amortization of prior service credit	161,712	161,712
Amortization of net loss	(83,052)	(86,332)
	<u>208,489</u>	<u>(623,000)</u>
Total benefit costs	<u>\$ 638,595</u>	<u>\$ (232,032)</u>

The service cost component of net periodic benefit costs is included in fringe benefits in the statement of activities. Other components of net periodic benefits costs and change in postretirement benefit costs other than net period benefit cost are reported as other benefit costs. Other benefit costs also includes costs for the top hat severance plan of \$50,034 for the years ended June 30, 2018 and 2017.

Weighted-average assumptions to determine benefit obligations for postretirement at:

	<u>2018</u>	<u>2017</u>
Discount rate used for net benefit cost	3.85%	3.58%
Discount rate used for benefit obligation	4.13%	3.85%

Brooklyn Law School

Notes to Financial Statements

Note 10. Employee Benefits (Continued)

The following benefit payments, which reflect expected future service as appropriate are expected to be paid:

Years ending June 30:

2019	\$	182,714
2020		196,031
2021		211,480
2022		218,976
2023		231,572
2024-2028		1,375,584

The Law School contributed to the Teachers Insurance and Annuity Association of America (the TIAA Plan) an amount equal to 10% of the base salaries of academic and nonacademic personnel who have completed two years of service. The TIAA Plan provides for immediate and full vesting of the contributions, which for the years ended June 30, 2018 and 2017, were approximately \$2,096,000 and \$1,971,000, respectively.

The Law School has committed to provide housing during retirement to a former employee. As of June 30, 2018 and 2017, approximately \$487,000 and \$493,000, respectively, is included as a liability in accrued postretirement benefits payable on the statement of financial position.

The Law School has an employment agreement with one employee that establishes a minimum compensation through June 30, 2018. That employee, together with other tenured faculty, is employed subject to the Law School's tenure regulations.

The Law School has voluntary separation costs for five employees at a cost of \$1,526,568 and three employees at a cost of \$219,011 for the years ended June 30, 2018 and 2017, respectively.

Note 11. Net Assets Released From Restrictions

Net assets released from donor restrictions for operating and non-operating purposes during the years ended June 30, 2018 and 2017, were as follows:

	2018	2017
Operating:		
Program restrictions:		
Academic support, scholarships, loans and prizes	\$ 2,332,130	\$ 2,132,812
Nonoperating:		
Time restrictions	-	75,000
	<u>\$ 2,332,130</u>	<u>\$ 2,207,812</u>

Brooklyn Law School

Notes to Financial Statements

Note 12. Income Taxes

The Law School files tax and information returns with the Internal Revenue Service and with New York State. Tax years subsequent to 2015 remain subject to examination by taxing authorities.

Management evaluated the Law School's tax positions and concluded that the Law School had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

At June 30, 2018, the Law School has no unrecognized tax benefits and has recognized no interest or penalties related to taxes during either of the years ended June 30, 2018 and 2017.

Note 13. Net Assets Held Under Charitable Remainder Trust Agreements

The Law School is the remainder beneficiary of a charitable remainder annuity trust that holds property in Brooklyn, New York. The instrument provides that, for its lifetime, the trust will distribute \$70,000 per calendar year to the beneficiary. The Law School is the remainder beneficiary for income and will receive the assets of the trust upon termination.

The Law School is the remainder beneficiary of a charitable remainder unitrust established in November 1999. The trust instrument provides that, for its lifetime, the beneficiary will receive quarterly distributions of 8% of the fair value of the trust assets as of the beginning of the calendar year.

The Law School is the remainder beneficiary of a charitable remainder annuity trust established in December 2012. The trust instrument provides that, for its lifetimes, the beneficiaries will receive quarterly distributions of 9.3% of the initial fair value of the trust assets valued as of the date of the transfer.

The Law School is the remainder beneficiary of a charitable remainder unitrust established in December 2015. The trust instrument provides that, for its lifetimes, the beneficiaries will receive quarterly distributions of 10% of the fair value of the trust assets as of the beginning of the calendar year.

Note 14. Commitments and Contingencies

Self-insurance arrangements: The Law School entered into agreements with various other New York State college and university organizations to pool the costs related to workers' compensation benefits effective September 1, 1996. Under the terms of a participation agreement, each member is jointly and severally liable for the workers' compensation and obligations of The New York College & University Risk Management Group (the Group), irrespective of the subsequent termination of the membership in the Group, the insolvency or bankruptcy of another member in the Group or other facts or circumstances.

Contributions to the Group are based upon the actual payroll of each Group member and adjusted for loss experience based upon a loss experience of New York State private carriers.

The Group entered into an excess premium insurance agreement covering all individual claims with a loss value in excess of \$750,000. Under the Group's by-laws, all claims with a total loss value under the greater of \$25,000 or 8% of standard contributions are the responsibility of the individual member. Group members are partially responsible for any claims that are greater than \$25,000 under a claim-sharing formula.

During the years ended June 30, 2018 and 2017, the Law School contributed approximately \$153,000 and \$146,000, respectively, to the Group.

Brooklyn Law School

Notes to Financial Statements

Note 14. Commitments and Contingencies (Continued)

Beginning September 1, 2013, the Law School entered into a partial self-insured plan for its health benefits. The estimated self-insurance liability is based upon a review by the Law School of claims filed and claims incurred but not reported. The plan is subject to both specific and aggregate excess coverage as established on a yearly basis. The liability associated with claims incurred but not reported was approximately \$313,000 and \$329,000 at June 30, 2018 and 2017, respectively, and is recorded in accrued liabilities in the statement of financial position.

Leases: The Law School has entered into multiple capital leases for technology equipment. For the years ended June 30, 2018 and 2017, the Law School paid \$207,735 and \$100,731 in capital lease costs, respectively. The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments.

Years ending June 30:	
2019	\$ 226,007
2020	226,007
2021	152,227
2022	119,359
2023	<u>23,186</u>
Total minimum future lease payments	746,786
Less the amount representing interest	(71,843)
Present value of net minimum lease payments	<u>\$ 674,943</u>

In November 2016, the Law School entered into an operating lease agreement for office space. Rent expense for the year ended June 30, 2018 and 2017, amounted to approximately \$2,242,000 and \$930,000, respectively. Deferred rent payable of approximately \$898,000 and \$756,000 is included in accounts payable and accrued expenses as of June 30, 2018 and 2017, respectively. This amount represents the difference between the cumulative amounts for rent expense recognized on a straight-line basis over the term of the lease as compared to the cumulative required amounts under the lease. At June 30, 2018, the future minimum annual rental commitments under the lease are as follows:

Years ending June 30:	
2019	\$ 2,120,042
2020	2,140,542
2021	2,165,313
2022	2,196,063
2023	2,226,815
2024 and thereafter	<u>20,374,465</u>
Total future payments required	<u>\$ 31,223,240</u>

Litigation: The Law School is a defendant in legal action arising out of bankruptcy claim where the trustee seeks to recover certain tuition payments. The Law School intends to vigorously defend all litigation and claims initiated against it. Management and legal counsel have estimated and accrued a litigation reserve of approximately \$28,000 for both fiscal years ended June 30, 2018 and 2017.

Brooklyn Law School

Notes to Financial Statements

Note 15. Fair Value of Financial Instruments

The following table presents the Law School's fair value hierarchy for those investments and financial instruments measured at fair value on a recurring basis as of June 30, 2018:

Description	Fair Value 2018	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment cash	\$ 14,409,289	\$ 14,409,289	\$ -
Limited partnerships:			
Private equity funds ⁽¹⁾	29,065,970	-	-
Total – limited partnerships	29,065,970	-	-
Debt instruments:			
Individual bonds	10,502,913	-	10,502,913
Bond funds	40,461,501	40,461,501	-
Total – debt instruments	50,964,414	40,461,501	10,502,913
Stocks:			
U.S. large-cap	7,610,703	7,610,703	-
U.S. small-cap	2,288,441	2,288,441	-
Total – stocks	9,899,144	9,899,144	-
Exchange-traded funds:			
U.S. large-cap	36,639,662	36,639,661	-
U.S. mid-cap	13,909,910	13,909,910	-
International equity	17,974,250	17,974,250	-
Real estate	12,903,768	12,903,768	-
Commodities	3,393,220	3,393,220	-
Total – exchange-traded funds	84,820,809	84,820,809	-
Mutual funds:			
U.S. large-cap	8,979,485	8,979,485	-
International equity	39,233,708	39,233,708	-
Total – mutual funds	48,213,193	48,213,193	-
Subtotal – investments	237,372,819	197,803,936	10,502,914
Money market funds:			
U.S. treasury bills	14,731	14,731	-
U.S. treasury bills	3,313,869	-	3,313,869
Subtotal – assets held by trustee	3,328,600	14,731	3,313,869
Total	\$ 240,701,419	\$ 197,818,667	\$ 13,816,783

Brooklyn Law School

Notes to Financial Statements

Note 15. Fair Value of Financial Instruments (Continued)

The following table presents the Law School's fair value hierarchy for those investments and financial instruments measured at fair value on a recurring basis as of June 30, 2017:

Description	Fair Value 2017	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment cash	\$ 17,296,689	\$ 17,296,689	\$ -
Limited partnerships:			
Private equity funds ⁽¹⁾	26,624,792	-	-
Total – limited partnerships	26,624,792	-	-
Debt instruments:			
Individual bonds	25,310,140	-	25,310,140
Bond funds	31,266,305	31,266,305	-
Total – debt instruments	56,576,445	31,266,305	25,310,140
Stocks:			
U.S. large-cap	21,734,001	21,734,001	-
U.S. small-cap	3,877,500	3,877,450	-
Total – stocks	25,611,501	25,611,501	-
Exchange-traded funds:			
U.S. large-cap	14,936,683	14,936,683	-
U.S. mid-cap	9,745,207	9,745,207	-
International equity	28,631,482	28,631,482	-
Commodities	14,119,385	14,119,385	-
Total – exchange-traded funds	67,432,757	67,432,757	-
Mutual funds:			
U.S. large-cap	8,136,077	8,136,077	-
International equity	31,745,148	31,745,148	-
Total – mutual funds	39,881,225	39,881,225	-
Subtotal – investments	233,423,409	181,488,477	25,310,140
Money market funds:			
U.S. treasury bills	1,059,749	1,059,749	-
U.S. treasury bills	2,243,527	-	2,243,527
Subtotal – assets held by trustee	3,303,276	1,059,749	2,243,527
Total	\$ 236,726,685	\$ 182,548,226	\$ 27,553,667

(1) In accordance with guidance provided by FASB ASU 2015-07, Subtopic 820-10, investments that are measured at fair value using the net asset value (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Brooklyn Law School

Notes to Financial Statements

Note 15. Fair Value of Financial Instruments (Continued)

The following table summarizes the investment strategies and liquidity provisions of the limited partnership investments held as of June 30, 2018:

Alternative Investment	Fair Value June 30, 2018	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity fund ^(a)	\$ 94,896	\$ -	Illiquid	N/A
Private equity fund ^(b)	28,971,074	-	Annually	1 year

The following table summarizes the investment strategies and liquidity provisions of the limited partnership investments held as of June 30, 2017:

Alternative Investment	Fair Value June 30, 2017	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity fund ^(a)	\$ 298,994	\$ -	Illiquid	N/A
Private equity fund ^(b)	26,325,798	-	Annually	1 year

(a) This includes two private equity funds with investments in the medical and dental devices segment of the orthopedics industry. These investments can never be redeemed. Distributions are expected when the underlying assets are liquidated.

(b) The investment objective is to achieve capital appreciation in a wide range of asset classes through proprietary asset allocation and careful selection of third-party investment.

The fair value of money market funds, mutual funds and limited partnerships is based on the net asset value invested by the investment manager.

The fair value of stocks, bonds and Treasury Bills is based on quoted market prices.

The following is a description of the valuation methodology used for an asset measured at fair value on a nonrecurring basis. There have been no changes to the methodology used at June 30, 2018 and 2017.

Pledges receivable: Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a U.S. Treasury Bond rate applicable at the time at which the promise was received. Pledges receivable reported at fair value were \$1,692,131 and \$611,764 for the years ended June 30, 2018 and 2017, which the Law School classifies as Level 3 in the fair value hierarchy.

Brooklyn Law School

Notes to Financial Statements

Note 16. Functional Allocation of Expenses

Certain expenses are attributable to more than one program or supporting function. The following expenses are allocated consistently based on employee headcount:

- Depreciation
- Interest
- Occupancy costs
- Fringe benefits

Expenses classified by function are detailed below for the year ended:

	June 30, 2018						Total
	Instruction	Academic Support	Student Services	Institutional Support	Student Aid	Housing	
Compensation	\$ 15,503,020	\$3,493,183	\$4,333,261	\$ 12,242,683	\$ -	\$ 596,380	\$ 36,168,527
Space and occupancy	1,947,065	865,331	969,905	2,486,515	-	993,506	7,262,322
Supplies, services, systems and equipment	88,584	471,450	127,142	1,703,574	-	323,372	2,714,122
Scholarships and other student awards	-	82,500	-	-	1,334,826	-	1,417,326
Depreciation and amortization	1,150,005	473,531	575,002	1,420,594	-	2,384,040	6,003,172
Interest	738,895	304,251	369,448	912,753	-	67,370	2,392,717
Other expenses	491,191	1,503,152	573,923	1,514,275	-	8,281	4,090,822
	<u>\$ 19,918,760</u>	<u>\$7,193,398</u>	<u>\$6,948,681</u>	<u>\$ 20,280,394</u>	<u>\$1,334,826</u>	<u>\$4,372,949</u>	<u>\$ 60,049,008</u>

The above allocation includes amounts for separation costs and other components of net period benefit cost of \$1,526,568 and \$173,145, respectively.

Expenses classified by function are detailed below for the year ended:

	June 30, 2017						Total
	Instruction	Academic Support	Student Services	Institutional Support	Student Aid	Housing	
Compensation	\$ 15,773,147	\$3,423,891	\$4,126,449	\$ 10,328,676	\$ -	\$ 592,028	\$ 34,244,191
Space and occupancy	1,579,820	630,542	765,490	1,798,366	-	1,180,975	5,955,193
Supplies, services, systems and equipment	135,249	462,986	146,241	1,843,701	-	349,665	2,937,842
Scholarships and other student awards	-	66,400	-	-	1,212,598	-	1,278,998
Depreciation and amortization	893,225	334,959	434,206	992,470	-	2,403,732	5,058,592
Interest	666,154	249,808	323,825	740,171	-	66,615	2,046,573
Other expenses	447,906	1,461,670	457,216	1,481,950	-	73,089	3,921,831
	<u>\$ 19,495,501</u>	<u>\$6,630,256</u>	<u>\$6,253,427</u>	<u>\$ 17,185,334</u>	<u>\$1,212,598</u>	<u>\$4,666,104</u>	<u>\$ 55,443,220</u>

The above allocation includes amounts for separation costs and other components of net period benefit cost of \$219,011 and \$144,189, respectively.

Brooklyn Law School

Notes to Financial Statements

Note 17. Endowment

The Law School's endowment consists of approximately 230 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of New York adopted a version of UPMIFA effective September 17, 2010. The Law School is subject to the New York Not-for-Profit Corporation Law. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Law School to retain as a fund of perpetual duration. As of June 30, 2018, the Law School did not have any underwater funds.

Endowment net asset composition by type of fund as of June 30, 2018, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Unrestricted funds designated for endowment	\$ 199,694,340	\$ -	\$ 199,694,340
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	19,519,695	19,519,695
Accumulated investment gains	-	18,158,784	18,158,784
	<u>\$ 199,694,340</u>	<u>\$ 37,678,479</u>	<u>\$ 237,372,819</u>

Endowment net asset composition by type of fund as of June 30, 2017, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Unrestricted funds designated for endowment	\$ 196,470,896	\$ -	\$ 196,470,896
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	18,788,639	18,788,639
Accumulated investment gains	-	18,163,874	18,163,874
	<u>\$ 196,470,896</u>	<u>\$ 36,952,513</u>	<u>\$ 233,423,409</u>

Brooklyn Law School

Notes to Financial Statements

Note 17. Endowment (Continued)

Changes in endowment net assets for the fiscal years ended June 30, 2018 and 2017, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2016	\$ 117,200,785	\$ 34,063,886	\$ 151,264,671
Investment return	18,980,640	3,079,431	22,060,071
Contributions and other amounts designated for endowment	81,447,029	955,460	82,402,489
Appropriation of endowment assets for expenditure	(21,152,224)	(1,146,264)	(22,298,488)
Other changes:			
Foreign tax fees	(5,334)	-	(5,334)
Subtotal	<u>79,270,111</u>	<u>2,888,627</u>	<u>82,158,738</u>
Endowment net assets, June 30, 2017	196,470,896	36,952,513	233,423,409
Investment return	12,843,332	2,220,423	15,063,755
Contributions and other amounts designated for endowment	9,370,485	731,056	10,101,541
Appropriation of endowment assets for expenditure	(18,986,220)	(2,225,513)	(21,211,733)
Other changes:			
Foreign tax fees	(4,153)	-	(4,153)
Subtotal	<u>3,223,444</u>	<u>725,966</u>	<u>3,949,410</u>
Endowment net assets, June 30, 2018	<u>\$ 199,694,340</u>	<u>\$ 37,678,479</u>	<u>\$ 237,372,819</u>

Return objectives and risk parameters: The Law School has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Law School must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the overriding objective is to maintain purchasing power. That is, net of spending, the objective is to grow the aggregate portfolio value at the rate of inflation over the Law School's investment horizon.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, the Law School relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Law School targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Brooklyn Law School

Notes to Financial Statements

Note 17. Endowment (Continued)

Spending policy and how the investment objectives relate to spending policy: The Law School's policy is to appropriate for distribution each year 4.5% of its endowment funds' average fair value over the prior three years preceding the fiscal year in which the distribution is made. In establishing this policy, the Law School considered the long-term expected return on its endowment. During the years ended June 30, 2018 and 2017, the Board of Trustees approved additional appropriations of \$13,500,000 and \$17,200,000, respectively. Over the long-term, the Law School expects the current spending policy to allow its donor-restricted endowment to grow at the rate of inflation. This is consistent with the Law School's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. Investment income on board-designated endowment funds is appropriated as needed.

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

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

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

Arbitrage Rebate Fund means the fund so designated 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 attributable to the issuance of the Series 2019A Bonds or the Series 2019B Bonds, as more particularly described in Schedule B to each Loan Agreement and made a part thereof.

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, Vice-Chair, Secretary and Assistant Secretaries, Treasurer and Assistant Treasurers, Executive Director, Deputy Executive Director, Chief Financial Officer, Managing Director of Public Finance and Portfolio Monitoring, Managing Director of Construction and General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the Institution, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Institution to perform such act or execute such document; and (iii) in the case of the Trustee, any officer within the corporate trust department of the Trustee having direct responsibility for the administration of

Appendix C

the applicable series of Bonds, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

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

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

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

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

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

Continuing Disclosure Agreement means the agreement entered into in connection with the issuance of the Series 2019 Bonds, by and among the Institution, Digital Assurance Certification LLC, as disclosure dissemination agent, and the Trustee, providing for continuing disclosure.

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

Cost or **Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expenses 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 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 Credit Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

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

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 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 contained in the Resolution.

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

Debt Service Reserve Fund means the fund, if any, so designated, created and established pursuant to the Resolution.

Debt Service Reserve Fund Requirement means, unless otherwise provided in the applicable Series Resolution, as of any particular date of computation, an amount equal to the greatest amount required in the then

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current or any future calendar year to pay the sum of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of a Series payable during such year, excluding interest accrued thereon prior to July 1 of the next preceding year, except that if, upon the issuance of a Series of Bonds, such amount would require moneys, in an amount in excess of the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, to be deposited therein, the Debt Service Reserve Fund Requirement shall mean an amount equal to the maximum amount permitted under the Code to be deposited therein from the proceeds of such Bonds, as certified by an Authorized Officer of the Authority; **provided, however**, that for purposes of this definition (a) the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of interest and principal payable on July 1 of the year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due, (b) it shall be assumed that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate, bears interest during any year at the higher of (1) the lesser of (x) a fixed rate of interest equal to that rate, as estimated by an Authorized Officer of the Authority, after consultation with the remarketing agent, if any, or with an investment banking firm which is regularly engaged in the underwriting of or dealing in bonds of substantially similar character, on a day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, which such Variable Interest Rate Bond would have had to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond and (y) if the Authority or the Institution has in connection with such Variable Interest Rate Bond entered into an Interest Rate Exchange Agreement which provides that the Authority or the Institution is to pay to another person an amount determined based upon a fixed rate of interest on the Outstanding principal amount of the Variable Interest Rate Bonds to which such agreement relates, the fixed rate of interest set forth in or determined in accordance with such agreement, and (2) a rate, not less than the initial rate of interest on such Variable Interest Rate Bond, set forth in or determined pursuant to a formula set forth in the Resolution, and (c) if a Variable Interest Rate Bond shall be converted to a fixed rate Bond for the remainder of the term thereof and as a result of such conversion a deficiency shall be created in the Debt Service Reserve Fund, the Debt Service Reserve Fund Requirement shall be calculated so as to exclude the amount of such deficiency and the Debt Service Reserve Fund Requirement shall be increased in each of the five (5) years after the date of such conversion by an amount which shall be equal to twenty per centum (20%) of the aforesaid deficiency.

Defeasance Security means:

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

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

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

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

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on 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 has the meaning given to such term in each Loan Agreement.

Exempt Obligation means:

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

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

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

Facilities means the land, buildings and improvements of the Institution located (i) at 250 Joralemon Street, Brooklyn, New York, and (ii) at 205 State Street, Brooklyn, New York, and "**Facility**" means either of the foregoing (i) or (ii), as applicable.

Facility Provider means the issuer of any Reserve Fund 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.

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Fiscal Year means a twelve-month period beginning on July 1 of a calendar year and ending on June 30 of the next succeeding calendar year, or such other twelve-month period as the Institution may elect as its fiscal year.

Government Obligation means:

- (i) a direct obligation of the United States of America;
- (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;
- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and
- (v) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

Indebtedness means, without duplication, the indebtedness of the Institution relating to the Series 2019 Bonds and any other 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.

Institution means Brooklyn Law School, a corporation duly organized and existing under the laws of the State, which is 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.

Intercreditor Agreement means an agreement by and among, *inter alia*, the Authority, the Trustee, and creditors of the University, 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 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 thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority or the 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.

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

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 such Bonds tendered for purchase in accordance with the terms of a Series Resolution authorizing such Bonds or a Bond Series Certificate relating to such Bonds, which is issued or provided by:

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

Loan Agreement means the Series 2019A Loan Agreement or the Series 2019B Loan Agreement.

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

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

Mortgage means a mortgage, if any, granted by the Institution to the Authority, 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 a Loan Agreement, as such Mortgage may be amended or modified from time to time.

Mortgaged Property means the land or interest therein described in each Mortgage, 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;

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

Parity Indebtedness means, with respect to each Loan Agreement, any Indebtedness incurred by the Institution, other than the indebtedness evidenced by such Loan Agreement, which is secured by a parity lien on or security interest in all or any portion of the Pledged Revenues or by a mortgage on or security interest in one or both Facilities or any portion thereof, or both, including the Indebtedness incurred by the Institution in connection with the other Loan Agreement.

Parity Intercreditor Agreement means the Intercreditor Agreement relating to the Series 2019A Bonds and the Series 2019B Bonds and any Intercreditor Agreement among the Authority, the Trustee and the holder or holders of any Indebtedness incurred by the Institution, other than the Indebtedness under this Loan Agreement, which is secured by a security interest in the Pledged Revenues or any portion thereof or by a mortgage on or security interest in one or both Facilities or any portion thereof, or both, in form acceptable to the Authority, the Trustee and the holder or holders of such other Indebtedness, and which provides (i) that the shared liens upon or security interests in the Pledged Revenues or Facilities shall be of equal priority, and (ii) that any cash proceeds realized by any of the parties thereto as a consequence of the sale of, collection out of or other realization, including foreclosure, upon all or any part of the Facilities or the realization upon any pledge of or security interest in the Pledged Revenues shall be held for the equal benefit of all of the parties thereto and shall be applied, first, to the reasonable costs and expenses incurred in connection with the collection thereof, and then to payment to the Trustee and the holder or holders of such other Indebtedness on a *pro rata* basis, based on the unpaid principal amount of the Indebtedness and interest due and payable at the time of calculation under a Loan Agreement and under the instruments or agreements evidencing such other Indebtedness, but not in excess of, the principal of and interest on such Indebtedness then due and unpaid thereunder.

Parity Pledges means, with respect to each Loan Agreement, the security interests in the Pledged Revenues or any portion thereof or a mortgage on or security interest in one or both Facilities or any portion thereof, or both, granted pursuant to the other Loan Agreement or any other Parity Indebtedness incurred by the Institution in accordance with such 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 Obligation;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating

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

(iv) 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 a Project or any Mortgaged Property 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) Workers', mechanics' or similar liens, provided that any such lien is being contested in good faith;
- (iv) 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 reasonably be expected to be held;
- (v) 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 reasonably be expected to be held;
- (vi) Any instrument recorded pursuant to Section 21 of the applicable Loan Agreement, regarding use and possession of the Project;
- (vii) Any Mortgage securing the applicable Loan Agreement;
- (viii) Any mortgage, lien, security interest or other encumbrance permitted by Section 13(a) of the applicable Loan Agreement, permitting certain mortgages and security interests provided a parity Mortgage or security interest is granted to the Authority to secure the Institution's obligations under such Loan Agreement; and
- (ix) Such other encumbrances, defects, and irregularities to which the prior written consent of the Authority or the Trustee, as applicable, has been obtained.

Permitted Investments means:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;

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(iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter of credit, contract, agreement or surety bond issued by it, are 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 the tuition and fees charged by the Institution to students for academic instruction, the right to receive the same and the proceeds thereof.

Project means a "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of a Series of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or pursuant to a Bond Series Certificate or, with respect to the Series 2019A Bonds or the Series 2019B Bonds, the Project described in Schedule C to the applicable Loan Agreement.

Provider means the issuer or provider of a Credit Facility or a Liquidity Facility.

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

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

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

the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; **provided, however**, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

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

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

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

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

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

Redemption Price, when used with respect to a Bond 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.

Refunded Bonds means the Authority's outstanding Brooklyn Law School Revenue Bonds, Series 2009 and Brooklyn Law School Revenue Bonds, Series 2012A.

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Related Agreements means each Interest Rate Exchange Agreement or Mortgage, 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.

Resolution means the Brooklyn Law School Revenue Bond Resolution, adopted by the Authority October 29, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

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

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

Serial Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds or a Bond Series Certificate, and any Bonds 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 Resolution means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

Series 2019 Bonds means the Series 2019A Bonds and the Series 2019B Bonds, collectively.

Series 2019A Bonds means the Authority's Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt).

Series 2019A Loan Agreement means the Loan Agreement, dated as of April 10, 2019, by and between the Authority and the Institution, relating to the Series 2019A Bonds, as the same may be amended, supplemented or otherwise modified as permitted by such Loan Agreement and by the Resolution.

Series 2019A Resolution means the Series 2019A Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds, Series 2019A, adopted by the Authority on April 10, 2019.

Series 2019B Bonds means the Authority's Brooklyn Law School Revenue Bonds, Series 2019B (Taxable).

Series 2019B Loan Agreement means the Loan Agreement, dated as of April 10, 2019, by and between the Authority and the Institution, relating to the Series 2019B Bonds, as the same may be amended, supplemented or otherwise modified as permitted by such Loan Agreement and by the Resolution.

Series 2019B Resolution means the Series 2019B Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds, Series 2019B, adopted by the Authority on April 10, 2019.

Sinking Fund Installment means, with respect to a Series of Bonds, as of any date of calculation:

(i) 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

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

Standby Purchase Agreement means, with respect to a Series of Bonds, an agreement pursuant to which a person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

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 the Resolution.

Tax Certificate means the certificate executed by an Authorized Officer of the Authority and an Authorized Officer of the Institution including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Series 2019A Bonds in which the Authority and the Institution make 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.

Valuation Date means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on

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

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on: (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or (ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate; **provided, however,** that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond 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.

**SUMMARY OF CERTAIN PROVISIONS
OF THE LOAN AGREEMENTS**

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS

The following is a brief summary of certain provisions of the Loan Agreements. Each provision summarized is included in both the Series 2019A Loan Agreement and the Series 2019B Loan Agreement, except as otherwise indicated. This summary does not purport to be complete and reference is made to each Loan Agreement for full and complete statements of such and all provisions. The headings below are not part of the Loan Agreements but have been added for ease of reference. Defined terms used herein shall have the meaning ascribed to them in Appendix C.

Construction of the Project

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution, the Series Resolution and 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 related to such Project. 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.

(Section 5)

Amendment of the Project

The Institution, with the prior written consent of the Authority, which consent will not be unreasonably withheld, may amend the Project to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing, furnishing and equipping of the Project which the Authority is authorized to undertake. After the 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. The Institution shall deliver to the Authority copies of such change orders as the Authority may from time to time request. The Institution shall provide such moneys as in the reasonable judgment of the Authority may be required for the cost of completing the Project in excess of the moneys in the Construction Fund established for such Project, whether such moneys are required as a result of an increase in the scope of the Project or otherwise. Such moneys shall be paid 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 are required.

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Resolution or the Series Resolution or the Loan Agreement, including moneys in the Debt Service Fund (other than money required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), 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 applicable Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the applicable Bonds the Authority Fee agreed to by the Authority and the Institution in connection with issuance of such Bonds;

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(ii) On or before the date of delivery of the applicable 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 such Bonds, and other costs in connection with the issuance of such Bonds;

(iii) 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 applicable Outstanding Bonds becomes due, one-sixth (1/6) of the interest coming due on such Bonds on the immediately succeeding interest payment date on such Bonds; provided, however, that, if with respect to such Outstanding 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;

(iv) 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 the applicable Outstanding Bonds becomes due, one-twelfth (1/12) of the principal and Sinking Fund Installment on such Bonds coming due on such July 1; provided, however, that, if with respect to such 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, if any, and Sinking Fund Installments, if any, 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;

(v) At least forty-five (45) days (or such shorter period as the Authority may permit) prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or contracted to be purchased, other than Bonds being redeemed pursuant to Sinking Fund Installments in accordance with clause (iv) above, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(vi) On December 10 and June 10 of each Bond Year the portion of the Annual Administrative Fee payable on such date as determined in accordance with Schedule A to the Loan Agreement;

(vii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (A) for the Authority Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to the 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 "**Covenant as to Insurance**" and "**Taxes and Assessments**" below and other provisions of the Loan Agreement related 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 applicable Bonds or the financing or construction of the Project, (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 any Mortgage or of the Resolution in accordance with the terms thereof, and (E) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution or under the applicable Series Resolution;

(viii) 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 the provisions of the Loan Agreement summarized under the heading "**Defaults and Remedies**" below;

(ix) In the case of the Series 2019A Loan Agreement, 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 Series 2019A 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 such 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;

(x) 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

(xi) To the extent not otherwise set forth in the Loan Agreement, 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 applicable Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Resolution and the applicable Series Resolution, whether at maturity, upon acceleration, redemption or otherwise.

Subject to the provisions of the Loan Agreement and of the Resolution and the applicable Series Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to the provisions of the Loan Agreement summarized in subparagraph (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 of the maturity to be so redeemed or (ii) the Trustee, at the direction of the Authority, has purchased one or more Bonds of the 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.

(b) Notwithstanding any provisions in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this subparagraph), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the Institution's indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on the applicable 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 such 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 E 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 the applicable Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of such 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 the applicable 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 applicable 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 contained in the Loan Agreement 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

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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 the provisions of the Loan Agreement 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 the 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 it is not then in 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 the applicable Bonds in accordance with the Resolution. Upon any voluntary payment by the Institution or any payment made pursuant to the 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 the applicable Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with Section 12.01(b) of the Resolution 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 applicable Bonds Outstanding, or to pay or provide for the payment of all such Bonds Outstanding in accordance with Section 12.01(b) of the Resolution, the Authority agrees, in accordance with the instructions of the Institution, to direct the Trustee to purchase or redeem all such Bonds Outstanding, or to cause all such Bonds Outstanding to be paid or to be deemed paid in accordance with Section 12.01(b) of the Resolution.

(g) If the Institution elects to purchase the applicable Bonds, with the written consent of the Authority, the Institution shall give written notice to the Authority and the Trustee whenever such Bonds are to be purchased at the election of the Institution, which written notice shall include the 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)

Additional Indebtedness

The Institution may incur Indebtedness, other than the Indebtedness evidenced by the Loan Agreement, that is (i) unsecured, (ii) not secured by a security interest in the Pledged Revenues or any portion thereof or a mortgage on or security interest in either Facility or any portion thereof, (iii) secured by a security interest in all or any portion of the Pledged Revenues or a mortgage on or security interest in either Facility or both Facilities, or any portion thereof, or both, that is subject and subordinate to the lien or security interest securing the Loan Agreement, or (iv) Parity Indebtedness, subject to the prior execution and delivery of a Parity Intercreditor Agreement.

(Section 10)

Security Interest in Pledged Revenues

As security for the payment of all liabilities and the performance of all obligations of the Institution, for value received, 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.

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 Parity Pledges, and that the Pledged Revenues pledged and 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 after the date of the Loan Agreement it shall not 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 or equal to the pledge made by the Loan Agreement, except as otherwise permitted pursuant to Section 10 of the Loan Agreement.

(Section 11)

Collection of Pledged Revenues

Subject to the provisions summarized in the following paragraph, commencing on the date on which the applicable Bonds are first issued and delivered and continuing until no such Bonds are Outstanding, the Institution shall deliver to the Trustee for deposit in accordance with the provisions of the Resolution summarized in Appendix E under the heading "**Deposit of Revenues and Allocation Thereof**," all Pledged Revenues (**other than the amounts subject to the Parity Pledges**) 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, (ii) the principal and Sinking Fund Installments of the applicable Outstanding Bonds payable on and prior to the next succeeding July 1, and (iii) the Redemption Price or purchase price of such 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 paragraph, but the Institution shall continue to deliver to the Trustee for deposit in accordance with the provisions of the Resolution summarized in Appendix E 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 Parity Pledges**).

Notwithstanding anything to the contrary in the provisions of the Loan Agreement summarized in the preceding paragraph, 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 the applicable 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 provisions of the Loan Agreement summarized in the preceding paragraph to deliver Pledged Revenues to the Trustee.

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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)

Negative Pledge

The Institution covenants that it will not incur any Indebtedness secured by any mortgage on or other security interest in a Facility or any portion thereof, unless the Indebtedness under the Loan Agreement shall be secured by a Mortgage on or security interest in the same Facility or such portion thereof that, in the discretion of the Institution, is prior and superior to, or of equal priority with, such mortgage or security interest, concurrently and for so long as such additional Indebtedness shall be outstanding and so secured, pursuant to documentation acceptable to the Authority including, if such mortgages or security interests are of equal priority, a Parity Intercreditor Agreement. For the avoidance of doubt, any reference to a Mortgage or to Mortgaged Property in the Loan Agreement shall be of no force and effect until such time, if ever, as a mortgage on any portion of a Facility is granted by the Institution.

(Section 13)

Warranty of Title; Utilities and Access

The Institution warrants and represents to the Authority that (i) it has good and marketable title to the Project, and, from and after the time the Institution grants any Mortgage, it shall have good and marketable title to the Mortgaged Property, 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 any Mortgaged Property and for utilities required to serve the Project and any Mortgaged Property, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction by the Institution of the Project.

The Institution warrants, represents and covenants that the Project and any Mortgaged Property from and after the time the Authority is granted a Mortgage thereon (i) is and will be kept free from any encumbrances, liens or commitments of any kind, other than Permitted Encumbrances, (ii) is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation) and (iii) to the extent applicable, has and will 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 any Related Agreements, (B) to incur the indebtedness contemplated by the Loan Agreement and any Related Agreement and (C) to make the pledge of and grant the security interest in the Pledged Revenues given by the Loan Agreement and to mortgage any Mortgaged Property, (ii) the Loan Agreement and any Related Agreement shall 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 any Related Agreement, including, but not limited to, the pledge of and security interest in the Pledged Revenues made or granted pursuant to the Loan Agreement and the mortgaging of any Mortgaged Property,

do not and will 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 are and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto, other than the Parity Pledges, prior to, or of equal rank with, 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 the applicable Bonds under the Loan Agreement 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 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. Under the Series 2019A Loan Agreement, the Institution also agrees that 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 Series 2019A 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 the Loan Agreement.

(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 by the Loan Agreement, 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.

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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, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement shall be permitted unless (1) in the case of the Series 2019A Loan Agreement, the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Series 2019A 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, the Continuing Disclosure Agreement and any 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, of the Continuing Disclosure Agreement and any 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 the Loan Agreement.

(Section 19)

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 and any Mortgaged Property, (ii) the operation of the Project and any Mortgaged Property and supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project and any Mortgaged Property; provided, however, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of the Project and any Mortgaged Property by persons other than the Institution or its students, staff or employees in furtherance of the Institution's corporate purposes, if, in the case of the Series 2019A Loan Agreement, such use will not adversely affect the exclusion of interest on any Series 2019A Bonds from gross income for federal income tax purposes.

(Section 21)

Sale of the Project

The Institution covenants that it will not transfer, sell or convey the Project or any part thereof or interest therein, including development rights, without the prior approval of the Authority, unless (a) in the case of the Series 2019A Loan Agreement, in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Series 2019A Bond from gross income for federal income tax purposes and (b) the Institution pays to the Trustee either for deposit into the Debt Service Fund, or, pursuant to the Resolution, 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 or refinanced with the proceeds of the applicable 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 and any Mortgaged Property 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 any Mortgaged Property or a portion thereof. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project or any Mortgaged Property which may have been financed by the proceeds of the sale of the applicable 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 or any Mortgaged Property except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards.

(Section 24)

Covenant as to Insurance

The Institution agrees to maintain or cause to be maintained insurance with insurance companies or by means or 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.

(Section 25)

Damage or Condemnation

In the event of a taking of the Project or any Mortgaged Property or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, all property casualty insurance, condemnation or eminent domain proceeds shall, if in excess of \$250,000 and 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 provided below.

- (i) If within one hundred twenty (120) days (or such longer period as the Authority and the Institution may agree) after the Authority receives actual notice or knowledge of the taking or damage, 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

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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 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 the Trustee for deposit in the Debt Service Fund and the proceeds then held in the Construction Fund shall be transferred to the Debt Service Fund, whereupon such proceeds shall be applied to the purchase or redemption of applicable 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, any Mortgaged Property or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing the Project, any Mortgaged Property and its equipment. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to an Authorized Officer of the Authority within ten (10) days after written demand by the Authority, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; provided, however, that the good faith contest of such impositions shall be deemed to be in complete compliance with the requirements of the Loan Agreement if the Institution sets aside such reserves as may be required by good accounting practice. 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, any Mortgaged Property 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 (i) the interests or security of the Authority under the Loan Agreement or under the Resolution, the applicable Series Resolution or any Mortgage; (ii) the ability of the Authority to enforce its rights thereunder; (iii) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Resolution, the applicable Series Resolution or any Mortgage; or (iv) 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

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 as described in subsection (B) below) 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 or with the Resolution or the Series Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amounts necessary to pay the principal, Sinking Fund Installment, or Redemption Price, if any, of, and interest on, the applicable Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Resolution and the applicable Series Resolution, whether at maturity, upon acceleration, redemption or otherwise; or

(ii) the Institution defaults in the due and punctual performance of any other covenant contained in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Institution by the Authority or the Trustee or, if such default is not 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 or Holders of the applicable Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof; or

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

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

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

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

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

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

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

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(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, which in the judgment of the Authority will adversely affect the rights of the Holders of the applicable 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; or

(xii) the occurrence and continuance of an event of default under a Mortgage; or

(xiii) the occurrence and continuance of an event of default relating to any Parity Indebtedness of the Institution.

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 the applicable 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 or of any Mortgage;

(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 the applicable Outstanding Bonds on the next interest payment date therefor and may continue to do so commencing on each such interest payment date to the extent of amounts due on such 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 by the Loan Agreement 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 the Project, and (D) in connection with the construction of the Project undertaken by the Authority pursuant to the provisions summarized in 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 summarized in 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 provisions summarized in this subparagraph (vi) during the term of the Loan Agreement;

(vii) realize upon any security interest in the fixtures, furnishings and equipment, including any one or more of the following actions: (i) enter the Project or any Mortgaged Property and take possession of any such fixtures, furnishings and equipment; (ii) sell, lease or otherwise dispose of any such fixtures, furnishings and equipment either together with a sale, lease or other disposition of any Mortgaged Property pursuant to the Loan Agreement or to any Mortgage, or separately, whether or not possession has been secured; **provided, however,** that if sold, leased or otherwise disposed of separately, such sale, lease or other disposition shall be in commercially reasonable manner and upon five (5) days prior written notice to the Institution of the time and place of such sale; and

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(viii) take any action necessary to enable the Authority to realize on its liens under the Loan Agreement or under any Mortgage 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 the Loan Agreement 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 applicable Series 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 summarized in Appendix E under the heading "**Security for Deposits and Investment of Funds**" 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)

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 the Loan Agreement relating to financial obligations of the Institution in any material respect.

(Section 35)

Arbitrage; Tax Exemption

The provisions summarized in the following two paragraphs are included in the Series 2019A Loan Agreement only:

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 Series 2019A Bonds, which would cause the Series 2019A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the Series 2019A 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 the Series 2019A 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 the Series 2019A Bonds will not cause interest on the Series 2019A Bonds to be included in the gross income of the owners of such Series 2019A Bonds for purpose 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.

(Section 36 of the Series 2019A Loan Agreement)

Cooperation in Proceedings

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

(Section 36)

Certificate as to Representations and Warranties

The obligations of the Authority under the Loan Agreement and the delivery of the applicable Bonds are conditioned upon the receipt by the Authority at or prior to delivery such 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 such Bonds as if made on the date of delivery of such 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, 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 after the date of the Loan Agreement 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 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)

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Termination

Except as otherwise set forth therein, the Loan Agreement shall remain in full force and effect until no applicable 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. 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 and the release or surrender of any security interests granted by the Institution to the Authority pursuant to the Loan Agreement.

(Section 45)

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2019 Bonds. This summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. The headings below are not part of the Resolution but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix C 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 Brooklyn Law School 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 such Bonds of a Series, and the pledge and assignment to the Trustee made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any 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 occurrence 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 any Mortgage, together with all rights, powers, security interests, privileges, options and other benefits of the Authority under such Loan Agreement, 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 any 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 Bondholders of such Series, and to perform all other necessary and appropriate acts under such Loan Agreement or any Mortgage, subject to the following conditions: that (i) that the Holders of such Bonds of a Series, 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; (ii) that, unless and until the Trustee is assigned the applicable Loan Agreement and any 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 or any 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), the Authority, however, to remain liable to observe and perform all the conditions and covenants, in such Loan Agreement, provided to be observed and performed by it; and (iii) that any grant, pledge and assignment of money, revenues, accounts, rights or other property of the Institution made with respect to the applicable Loan Agreement pursuant to this Section of the Resolution shall secure, in the case of such Loan Agreement, only the payment of the amounts payable under such Loan Agreement.

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Any grant, pledge or assignment made pursuant to this Section of the Resolution shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by the Authority as soon as practicable after the occurrence of an event of default under the Resolution, but in no event more than thirty (30) days thereafter. The Trustee shall accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee in form and substance reasonably satisfactory to the Authority. 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 or remedy available under such Loan Agreement or any Mortgage for the enforcement of the obligations of the Institution to which the Authority has retained such right.

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 this Section of the Resolution, all of the Authority's estate, right, title, interest and claim in, to and under a Loan Agreement or any 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 this Section of the Resolution. The Trustee shall execute such instruments as the Authority may reasonably require to effect or evidence such re-grant, re-assignment or release.

(Section 1.04)

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

(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 written notice to the Trustee and each applicable Provider 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 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 money for payment of the Redemption Price is available on the redemption date, such notice shall not be given unless prior to the date such notice is to be given, the Authority shall have paid or caused

to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds of such Series to be so redeemed.

(Section 4.02)

Redemption Other Than at Authority's Election or Direction

Whenever by the terms of the Resolution the Trustee is required to redeem Bonds of a Series through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of such Series, Sub-Series and maturities to be redeemed in the manner summarized in the following paragraph, give the notice of redemption and pay out of money 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 Bonds of a Series 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 summarized in this Section of the Resolution) which end in the same digit or in the same two digits. If in such a case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; **provided, however**, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of the Resolution, 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 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) the principal amount of each Bond to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the

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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 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 the Bonds. If directed in writing by an Authorized Officer of the Authority, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date; **provided, however**, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

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

(Section 4.05)

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution, the Bonds of a Series or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, Sub-Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such

registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are 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 the registered Bond so surrendered, Bonds of like Series, Sub-Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, money 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 money 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, Sub-Series and maturity to be so purchased having been given by the Institution to the Authority, the Trustee, and each applicable Provider, the Trustee shall select the particular Bonds of such Series, Sub-Series and maturity to be so purchased in the same manner as provided by 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 and each applicable Provider. 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.

Pledge of Revenues; Funds and Accounts

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 subject to the adoption of a Series Resolution, pledged and assigned 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 Resolution and the Series Resolution. 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

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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.

(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;
Debt Service Reserve 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 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.

(Section 5.02)

Application of Money 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 money paid to the Authority pursuant to the Resolution and all amounts paid by the Institution which by the terms of the Loan Agreement are required to be deposited in the Construction Fund.

Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money 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.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the money, 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 such Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

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

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 Debt Service Reserve Fund Requirement; and

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

(Section 5.04)

Deposit of Revenues and Allocation Thereof

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

First: To the Debt Service Fund (i) in the case of Revenues received during the 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 Resolution 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 Resolution on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

Third: To the Debt Service Reserve Fund, if any, the amount, if any, necessary to make the amount on deposit therein the Resolution equal to the Debt Service Reserve Fund Requirement;

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

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Fifth: 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 by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the applicable 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 the provisions summarized in this paragraph.

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. Any amounts paid to the Institution shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Loan Agreement.

(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 Resolution shall be irrevocably pledged to and applied to such payments.

(b) In the event that on the fourth Business Day preceding any interest payment date the amount in the Debt Service Fund shall be less than the amounts, respectively, required for payment of interest on the Outstanding Bonds of a Series, for the payment of principal of such Outstanding Bonds, for the payment of Sinking Fund Installments of such Outstanding Bonds due and payable on such interest payment date or for the payment of the purchase price or Redemption Price of such Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, the Trustee shall withdraw from the applicable Debt Service Reserve Fund, if any, and deposit to the Debt Service Fund such amounts as will increase the amount in the Debt Service Fund to an amount sufficient to make such payments. The Trustee shall notify the Authority, each Provider and the Institution of a withdrawal from the Debt Service Reserve Fund.

(c) Notwithstanding the provisions of paragraph (a) of this Section, the Authority may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, 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. In addition, the Institution pursuant to the Loan Agreement may deliver, at any time subsequent to July 1 of any Bond Year, but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is

scheduled to be due, to the Trustee for cancellation one or more Term Bonds of the Series and maturity to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; **provided, however**, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(d) Any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date, **provided, however**, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(e) Money 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 money 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 Resolution, at the Redemption Prices specified in the applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Debt Service Reserve Fund

(a) (1) The Trustee shall deposit to the credit of the Debt Service Reserve Fund such proceeds of the sale of Bonds of a Series, if any, as shall be prescribed in the applicable Series Resolution or the applicable Bond Series Certificate, and any Revenues, moneys, Government Obligations and Exempt Obligations as, by the provisions of the Loan Agreement are delivered to the Trustee by the Institution for the purposes of the Debt Service Reserve Fund.

(2) In lieu of or in substitution for moneys, Government Obligations or Exempt Obligations, the Authority may deposit or cause to be deposited with the Trustee a Reserve Fund Facility for the benefit of the Holders of the Bonds of a Series for all or any part of the Debt Service Reserve Fund Requirement.

(b) Moneys held for the credit of the Debt Service Reserve Fund shall be withdrawn by the Trustee and deposited to the credit of the Debt Service Fund at the times and in the amounts required to comply with the provisions of the Resolution; provided that no payment under a Reserve Fund Facility shall be sought unless and until moneys are not available in the applicable Debt Service Reserve Fund and the amount required to be withdrawn from the Debt Service Reserve Fund cannot be withdrawn therefrom without obtaining payment under such Reserve Fund Facility; provided further, that, if more than one Reserve Fund Facility is held for the credit of the Debt Service Reserve Fund at the time moneys are to be withdrawn therefrom, the Trustee shall obtain payment under each such Reserve Fund Facility, pro rata, based upon the respective amounts then available to be paid thereunder. The Trustee shall provide notification as set forth in the Resolution of any withdrawal of moneys from the Debt Service Reserve Fund or payment of a Reserve Fund Facility immediately upon such withdrawal or payment.

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With respect to any demand for payment under any Reserve Fund Facility deposited in the Debt Service Reserve Fund, the Trustee shall make such demand for payment in accordance with the terms of such Reserve Fund Facility at the earliest time provided therein to assure the availability of moneys on the interest payment date for which such moneys are required.

(c) (1) Moneys and investments held for the credit of the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement, upon direction of an Authorized Officer of the Authority, shall be withdrawn by the Trustee and (i) deposited in the Arbitrage Rebate Fund, Debt Service Fund or Construction Fund, (ii) paid to the Institution or (iii) applied by the Authority to pay the principal or Redemption Price of and interest on bonds of the Authority issued in connection with the Institution pursuant to resolutions other than the Resolution, in accordance with such direction; **provided, however**, that no such amount shall be withdrawn and deposited, paid or applied unless in the opinion of Bond Counsel such deposit, payment or application will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes.

(2) Notwithstanding the provisions of the Resolution, if, upon a Bond of a Series having been deemed to have been paid in accordance with the defeasance provisions of the Resolution or redeemed prior to maturity from the proceeds of Bonds, bonds, notes or other obligations issued for such purpose, the moneys and investments held for the credit of the Debt Service Reserve Fund will exceed the Debt Service Reserve Fund Requirement, then the Trustee shall, simultaneously with such redemption or a deposit made in accordance with the defeasance provisions of the Resolution, withdraw all or any portion of such excess from the Debt Service Reserve Fund upon the direction of an Authorized Officer of the Authority and either (i) apply such amount to the payment of the principal or Redemption Price of and interest on such Bond in accordance with the irrevocable instructions of the Authority, or (ii) either (x) fund any reserve for the payment of the principal and sinking fund installments of or interest on the bonds, notes or other obligations, if any, issued to provide for payment of such Bond if, in the opinion of Bond Counsel, application of such moneys to the use authorized in provisions summarized in this clause (x) will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes, (y) pay such amount to the Authority for deposit to the Construction Fund if, in the opinion of Bond Counsel, application of such moneys to the payment of Costs of the Project will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes, or (z) apply such amount to such other purpose as may be approved in writing by the Authority if, in the opinion of Bond Counsel, application of such amount to such purpose will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes; provided that after such withdrawal the amount remaining in the Debt Service Reserve Fund shall not be less than the Debt Service Reserve Fund Requirement.

(d) Subject to the limitation described in the definition of Debt Service Reserve Fund Requirement, if upon a valuation, the moneys, investments and Reserve Fund Facilities held for the credit of the Debt Service Reserve Fund are less than the applicable Debt Service Reserve Fund Requirement, the Trustee shall immediately notify the Authority and the Institution of such deficiency and the Institution shall, as soon as practicable, but in no event later than fifteen (15) days after receipt of such notice, deliver to the Trustee moneys, Government Obligations, Exempt Obligations or Reserve Fund Facilities the value of which is sufficient to increase the amount in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. If the Institution has not made timely payment, the Trustee shall immediately notify the Authority of such non-payment.

(Section 5.07)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money 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, money 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.

Money 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. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse, pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid, in proportion to the respective amounts advanced by each such Provider, and, then, 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 money 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 5.08)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund and the applicable Debt Service Reserve Fund, if any, 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 or to make provision pursuant to the Resolution for the payment of the 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 therewith.

(Section 5.09)

Transfer of Investments

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

(Section 5.10)

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 Held by the Trustee

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

(b) In lieu of the investments of money in obligations authorized in paragraph (a) summarized 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 the Resolution. 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 of paragraphs (a), (b) and (c) of this Section of the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

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

(Section 6.02)

Particular Covenants

Payment of Principal and Interest

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

(Section 7.01)

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 created by the Resolution and by the applicable Series Resolution 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 a Series of Bonds, including but not limited to the objects and purposes for which proceeds of such Bonds were expended and the respective amounts expended for such objects and purposes. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of the Institution, the Trustee or of any Holder of a Bond of a Series or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each 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 the applicable 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 of a Series or any beneficial owner of a Book Entry Bond requesting the same.

(Section 7.05)

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Creation of Liens

Except as permitted by the Resolution or by a Series Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds of a Series on the proceeds from the sale of such Bonds, the 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 incurred 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 a Loan Agreement in the manner and at the times provided in such Loan Agreement; **provided, however**, that the Authority may (i) delay or defer enforcement of one or more provisions of 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 or deferment 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 Money in the Construction Fund

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

(Section 7.08)

Offices for Payment and Registration of Bonds

The Authority shall at all times maintain an office or agency in the State where Bonds 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 the 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.

(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 such Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in the Resolution, be given in the same manner required by 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 such 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 Resolution, a Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of the Resolution, 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 this 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 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.

For the purposes of the Resolution, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. 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 Resolution section 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)

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Notice as to Event of Default under Loan Agreement

The Authority shall notify the Trustee in writing that an “Event of Default” under a Loan Agreement, as such term is defined in such 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 and under a Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution and by the provisions of a Series Resolution, of the Revenues, or any pledge of any other money, 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 any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;
- (g) To modify or amend a Project; or
- (h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent

The provisions of the Resolution and 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 Bondholders of the applicable Series in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Resolution or a Series Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained 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 in the Resolution or permitted 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 to each applicable 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 in the Resolution, 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, a Paying Agent or a Provider shall become effective without the written consent of the Trustee, the Paying Agent or Provider affected thereby.

(Section 9.03)

Amendments of Resolution

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution or of any Series Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution, (i) of the Holders of at least a majority in principal amount of the Bonds of a Series Outstanding 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 particular 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 the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the Resolution section summarized herein, 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

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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 above to take effect when and as provided in this paragraph. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders 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 the Resolution 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. 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 a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds of a Series issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee 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 such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed.

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

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds 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 consent of the Holders of all of the Bonds of a Series then Outstanding, 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)

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 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 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 such Bonds or in the 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 summarized in paragraph (c) above, then and in every such case the Trustee may, 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, by a notice in writing to the Authority, declare the principal of and interest on all of the

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Outstanding Bonds of such Series to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable, 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 such 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 twenty-five per centum (25%) in principal amount of the Bonds of such Series not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money 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) money 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 the 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 the 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 this Section of 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 the Series affected by the Resolution, 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 in the applicable Series Resolution granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of a Series Resolution or of the Bonds, with interest on overdue payments of the principal or of interest on the 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 money 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 a Series affected thereby, shall have made written

request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall 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 by the Resolution declared 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 of the Series Resolution or to enforce any right under the Resolution or under the Series Resolution except in the manner provided in the Resolution and in the Series 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

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

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above. All Outstanding Bonds of any Series or any maturity within such Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph (a) above 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 money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received the written consent to such defeasance of each applicable Provider which has given written notice to the Trustee and the Authority that amounts advanced under the Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (iv) 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,

Appendix E

irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by the Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. 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 the Bonds of like Series, Sub-Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution.

(Section 12.01)

**FORM OF APPROVING OPINION
OF BOND COUNSEL**

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FORM OF APPROVING OPINION OF BOND COUNSEL

Upon delivery of the Series 2019 Bonds in definitive form, Bryant Rabbino LLP, New York, New York, Bond Counsel to DASNY, proposes to render its final approving opinion in substantially the following form:

May __, 2019

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

Ladies and Gentlemen:

We have acted as Bond Counsel to the Dormitory Authority of the State of New York (the “Authority”), a body corporate and politic of the State of New York (the “State”), constituting a public benefit corporation created and existing under the Dormitory Authority Act, being Chapter 524 of the Laws of New York of 1944, as amended (the “Dormitory Authority Act”), in connection with the issuance of the Authority’s \$16,855,000 aggregate principal amount of Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt) (the “Series 2019A Bonds”) and \$18,115,000 aggregate principal amount of Brooklyn Law School Revenue Bonds, Series 2019B (Taxable) (the “Series 2019B Bonds”) and, together with the Series 2019A Bonds, the “Bonds”).

The Bonds are issued under and pursuant to the Dormitory Authority Act and the Brooklyn Law School Revenue Bond Resolution (the “Bond Resolution”), adopted by the Authority on October 29, 2008, as supplemented by the Series 2019A Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds (the “Series 2019A Resolution”) and the Series 2019B Resolution Authorizing Up To \$40,000,000 Brooklyn Law School Revenue Bonds (together with the Series 2019A Resolution and the Bond Resolution, the “Resolutions”), each adopted by the Authority on April 10, 2019. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Resolutions and the Bond Series Certificate of the Authority fixing the terms and details of the Bonds.

We are of the opinion that:

1. The Authority has been duly created and is validly existing under the Dormitory Authority Act and has the right, power and authority to adopt the Resolutions and the Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their respective terms.

Appendix F

2. The Resolutions create the valid pledge which they purport to create of the proceeds of the sale of the Bonds, the applicable Revenues and all funds and accounts established by the Resolutions and relating to the Bonds other than the Arbitrage Rebate Fund relating to the Series 2019A Bonds, including the investments thereof and the proceeds of such investments, if any, subject only to the provisions of the Resolutions permitting the application thereof to the purposes and on the terms and conditions set forth in the Resolutions.

3. The Authority is duly authorized and entitled to issue the Bonds, and the Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, entitled to the benefit of the Resolutions.

4. The Bonds are not a debt of the State of New York, and the State of New York is not liable thereon, nor shall the Bonds be payable out of funds of the Authority other than those pledged for the payment of the Bonds.

5. Each of the Loan Agreement relating to the Series 2019A Bonds, dated as of April 10, 2019 (the "Series 2019A Loan Agreement"), between the Authority and Brooklyn Law School (the "Law School"), and the Loan Agreement relating to the Series 2019B Bonds, dated as of April 10, 2019, between the Authority and the Law School (together with the Series 2019A Loan Agreement, the "Loan Agreements"), has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the Law School and the enforceability of the same against the Law School, constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

6. Under existing statutes and court decisions, (i) interest on the Series 2019A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2019A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2019A Bonds in order that interest on the Series 2019A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2019A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2019A Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority, the Law School and others in connection with the Series 2019A Bonds, and we have assumed compliance by the Authority and the Law School with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2019A Bonds from gross income under Section 103 of the Code. In addition, we have relied on the opinion of counsel to the Law School regarding, among other matters, the current qualifications of the Law School as an organization

described in Section 501(c)(3) of the Code. For any Series 2019A Bonds having original issue discount (“OID”), OID that has accrued and is properly allocable to the owners of such Series 2019A Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Series 2019A Bonds.

7. Interest on the Series 2019B Bonds is included in gross income for Federal income tax purposes pursuant to the Code.

8. Under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in paragraphs 6, 7 and 8, we express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. We render this opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2019A Bonds, or the exemption from personal income taxes of interest on the Bonds under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Bonds, the Resolutions and the Loan Agreements may be limited by bankruptcy, insolvency and other laws affecting creditors’ rights or remedies heretofore or hereafter enacted and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed Series 2019A Bond and an executed Series 2019B Bond and, in our opinion, the forms of said Bonds and their execution are regular and proper.

Yours truly,

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FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

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FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

DORMITORY AUTHORITY OF THE STATE OF NEW YORK BROOKLYN LAW SCHOOL REVENUE BONDS, SERIES 2019A (TAX-EXEMPT) AND SERIES 2019B (TAXABLE)

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of May 23, 2019, is executed and delivered by Brooklyn Law School (the “Obligated Person”), The Bank of New York Mellon, New York, New York, as trustee (the “Trustee”), and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

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

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

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

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

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

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

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

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

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

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

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

“Financial Obligation” means a (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

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

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

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

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

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

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

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

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

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

Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

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

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 120 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2019, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

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

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;

- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, IRS notices or events affecting the tax status of the securities;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Tender offers;
 - 13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 14. Merger, consolidation, or acquisition of the Obligated Person, if material;
 - 15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 - 16. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
 - 17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”
 8. “consultant reports;” and
 9. “other financial/operating data;”
- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds as described in “**APPENDIX A**” under the headings “**OPERATING INFORMATION**” and “**FINANCIAL INFORMATION**” relating to: (1) *student admissions*, similar to that set forth in the table under the heading “**Admissions**,” (2) *student enrollment*, similar to that set forth in the table under the heading “**Enrollment**,” (3) *student charges and financial aid*, similar to that set forth in the table under the heading “**Student Charges and Financial Aid**,” (4) *tuition of the Obligated Person*, similar to that set forth in the table under the subheading “**Competition**,” (5) *faculty*, similar to that set forth in the table under the heading “**Faculty**,” (6) *restricted and designated net assets*, similar to that set forth in the table designated “Summary of Changes in Net Assets Fiscal Year Ended June 30,” under the heading “**Finances**,” (7) *investment information*, similar to that set forth in the table under the heading “**Investments**,” and (8) *outstanding long-term indebtedness*, similar to that set forth in the table under the heading “**Outstanding Long-Term Debt**,” together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed the Securities and Exchange Commission or available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;
7. Modifications to rights of the security holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(13) of this Section 4: For the purposes of the event described in subsection (a)(13) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
16. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
17. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, the Trustee shall promptly notify the Obligated Person and

also may notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such

Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Obligated Person hereby appoints DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this

Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and it shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee has undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4 hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under Section 4 hereof. DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person or the Trustee and the assumption by any such successor of the covenants of the Obligated Person or the Trustee hereunder;

(iv) to add to the covenants of the Obligated Person or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[remainder of page left intentionally blank]

The Disclosure Dissemination Agent, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

BROOKLYN LAW SCHOOL,
Obligated Person

By: _____
Name: _____
Title: _____

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Brooklyn Law School
Name of Bond Issue: Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt)
and Series 2019B (Taxable)
Date of Issuance: May 23, 2019
Date of Official Statement: May 15, 2019

Series 2019A

<u>Maturity</u>	<u>CUSIP No.</u>
2033	64990GMJ8

Series 2019B

<u>Maturity</u>	<u>CUSIP No.</u>
2026	64990GMK5
2027	64990GML3
2028	64990GMM1
2029	64990GMN9
2030	64990GMP4

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Dormitory Authority of the State of New York
Obligated Person(s): Brooklyn Law School
Name of Bond Issue: Brooklyn Law School Revenue Bonds, Series 2019A (Tax-Exempt)
and Series 2019B (Taxable)
Date of Issuance: May 23, 2019

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of May 23, 2019, by and among the Obligated Person, The Bank of New York Mellon, New York, New York, as Trustee, and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Obligated Person

cc: Obligated Person
Trustee

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Tender offers;"
13. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
15. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
16. _____ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
17. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of May 23, 2019 by and among the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of May 23, 2019 by and among the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly.

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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