



DAC Bond

\$17,185,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK INSTITUTE OF TECHNOLOGY REVENUE BONDS
SERIES 2020A (FEDERALLY TAXABLE)**

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

Payment and Security: The New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable) (the "Series 2020A Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of July 1, 2020, between New York Institute of Technology (the "Institute", "NYIT" or "New York Institute of Technology") and DASNY, and (ii) all funds and accounts established in connection with the Series 2020A Bonds. The Series 2020A Bonds are to be issued under DASNY's New York Institute of Technology Revenue Bond Resolution, adopted July 20, 2016 (the "Resolution"), the Series Resolution authorizing the Series 2020A Bonds, adopted June 24, 2020 (the "Series 2020A Resolution") and the Bond Series Certificate, dated as of July 16, 2020, relating to the Series 2020A Bonds (the "Series 2020A Bond Series Certificate"). The Resolution, the Series 2020A Resolution and the Series 2020A Bond Series Certificate are collectively referred to herein as the "Resolutions."

The Loan Agreement is a general obligation of the Institute and requires the Institute to pay, in addition to the fees and expenses of DASNY and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), amounts sufficient to pay, when due, the principal and Redemption Price of and interest on the Series 2020A Bonds. The obligations of the Institute to make such payments under the Loan Agreement will be secured by a pledge of certain revenues pursuant to a Security Agreement, dated as of July 1, 2020, between the Institute and DASNY, and a mortgage on certain property of the Institute (the "2020A Mortgage"). See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS."

The Series 2020A Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2020A Bonds. DASNY has no taxing power.

Description: The Series 2020A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2020A Bonds will bear interest at the rates and pay interest and mature at the times shown on the inside cover hereof.

Interest (due January 1, 2021 and each July 1 and January 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2020A 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 2020A Bonds, by wire transfer to the holder of such Series 2020A 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 2020A Bonds will be payable at the principal corporate trust office of the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2020A Bonds, by wire transfer to the holder of such Series 2020A Bonds as more fully described herein.

The Series 2020A 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 2020A Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2020A Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2020A 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 2020A BONDS – Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2020A Bonds are subject to redemption or purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Matters: Interest on the Series 2020A Bonds is included in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Bryant Rabbino LLP, as Bond Counsel, is of the opinion that under existing statutes, interest on the Series 2020A 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 and the City of Yonkers). See "PART 12 – TAX MATTERS" herein regarding certain other tax considerations.

The Series 2020A Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2020A 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 Institute by its counsel, Cullen and Dykman LLP, Garden City, 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 2020A Bonds in definitive form in New York, New York, on or about July 29, 2020.

Morgan Stanley

\$17,185,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK INSTITUTE OF TECHNOLOGY REVENUE BONDS, SERIES 2020A (FEDERALLY TAXABLE)

Serial Bonds

<u>Due</u>		<u>Interest</u>		<u>CUSIP</u>
<u>July 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>	<u>Number</u> [†]
2024	\$1,045,000	2.724%	100%	64990G3C4
2025	2,485,000	2.874	100	64990G3D2
2026	2,560,000	3.104	100	64990G3E0
2027	2,635,000	3.254	100	64990G3F7
2028	1,600,000	3.407	100	64990G3G5

\$6,860,000 3.607% Term Bond Due July 1, 2030, Price 100% CUSIP Number[†] 64990G3H3

[†] CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above have been assigned by an independent company not affiliated with DASNY and are being provided solely for the convenience of owners of the Series 2020A Bonds only at the time of issuance of the Series 2020A Bonds. Neither DASNY nor the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

No dealer, broker, salesperson or other person has been authorized by DASNY, the Institute or the Underwriter to give any information or to make any representations with respect to the Series 2020A 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 Institute or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be a sale of the Series 2020A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. 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 information set forth herein relating to DASNY under the heading "DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the Institute and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the Institute nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institute, (2) the sufficiency of security for the Series 2020A Bonds or (3) the value or investment quality of the Series 2020A Bonds.

The Institute has reviewed the parts of this Official Statement describing the Institute, covenants, Bondholders' Risks, the principal and interest requirements, the Refunding Plan, the estimated sources and uses of funds, "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY WITH INDEPENDENT AUDITORS' REPORT THEREON" and "APPENDIX F – REFUNDED BONDS." As a condition to delivery of the Series 2020A Bonds, the Institute will certify that as of the date of this Official Statement and of delivery of the Series 2020A 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 Institute makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

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

References in this Official Statement to the Act, the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement are on file with DASNY and the Trustee.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020A BONDS, THE UNDERWRITER OF THE SERIES 2020A BONDS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2020A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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DORMITORY AUTHORITY – STATE OF NEW YORK
REUBEN R. McDANIEL, III – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$17,185,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK INSTITUTE OF TECHNOLOGY REVENUE BONDS
SERIES 2020A (FEDERALLY TAXABLE)

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and New York Institute of Technology (the “Institute”, “NYIT” or “New York Institute of Technology”) in connection with the offering by DASNY of \$17,185,000 principal amount of its New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable) (the “Series 2020A Bonds”).

The following is a brief description of certain information concerning the Series 2020A Bonds, DASNY and the Institute. A more complete description of such information and additional information that may affect decisions to invest in the Series 2020A Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in “APPENDIX A – CERTAIN DEFINITIONS” attached hereto.

Purpose of the Issue

The Series 2020A Bonds are being issued for the purpose of providing funds which, together with other available money, will be used (i) to refund a portion of the outstanding maturities and principal amounts of the Dormitory Authority of the State of New York New York Institute of Technology Revenue Bonds, Series 2016A (Federally Taxable) (the “Series 2016A Bonds”), and (ii) to pay the Costs of Issuance incidental to the issuance of the Series 2020A Bonds. The portion of the Series 2016A Bonds that shall be refunded with proceeds of the Series 2020A Bonds are hereinafter referred to as the “Refunded Bonds”. See “PART 7 – THE REFUNDING PLAN”, “PART 8 – ESTIMATED SOURCES AND USES OF FUNDS” and “APPENDIX F – REFUNDED BONDS” attached hereto. The portion of the Series 2016A Bonds that shall remain Outstanding following the issuance of the Series 2020A Bonds are hereinafter referred to as the “Prior Bonds”.

Authorization of Issuance

The Series 2020A Bonds are to be issued under DASNY’s New York Institute of Technology Revenue Bond Resolution, adopted July 20, 2016 (the “Resolution”), the Series Resolution authorizing the Series 2020A Bonds, adopted June 24, 2020 (the “Series 2020A Resolution”) and the Bond Series Certificate, dated as of July 16, 2020, relating to the Series 2020A Bonds (the “Series 2020A Bond Series Certificate”). The Resolution, the Series 2020A Resolution and the Series 2020A Bond Series Certificate are collectively referred to herein as the “Resolutions.” In addition to the Series 2020A Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the Institute and to refinance other indebtedness of the Institute. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. Subject to compliance with the conditions to the Institute’s ability to incur additional debt, 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 prior to or after the scheduled delivery date of the Series 2020A Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Issuance of Additional Bonds” and “PART 3 – THE SERIES 2020A BONDS.”

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, healthcare, governmental and not-for-profit institutions. See “PART 9 – DASNY.”

The Institute

The Institute is a private, non-profit, comprehensive institution of higher education, chartered by the Board of Regents of the University of the State of New York in 1955. The Institute operates two campuses in metropolitan New York and is host to more than 9,750 students worldwide, attending classes in New York, Arkansas, Vancouver, China and Abu Dhabi. See “PART 5 – THE INSTITUTE” and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY WITH INDEPENDENT AUDITORS’ REPORT THEREON” attached hereto.

The Series 2020A Bonds

The Series 2020A Bonds are dated their date of delivery and bear interest from such date (payable January 1, 2021 and on each July 1 and January 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2020A BONDS – Description of the Series 2020A Bonds.”

Payment of the Series 2020A Bonds

The Series 2020A Bonds are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the Institute under the Loan Agreement, dated as of July 1, 2020, between the Institute and DASNY (the “Loan Agreement”), which payments are pledged and assigned to the Trustee. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Payment of the Series 2020A Bonds.”

The Series 2020A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2020A Bonds except for DASNY’s responsibility to make payments from money received from the Institute pursuant to the Loan Agreement and from amounts held in the funds and accounts established by the Series 2020A Resolution and pledged to the payment of or to secure payment of the Series 2020A Bonds.

Security for the Series 2020A Bonds

The Series 2020A Bonds are secured by the pledge of the Revenues, the proceeds of such Series 2020A Bonds until disbursed in accordance with the Resolution and all funds and accounts established by the Resolution and the Series 2020A Resolution in connection with the Series 2020A Bonds.

The Loan Agreement is a general obligation of the Institute. As security for its obligations under the Loan Agreement, the Institute will enter into a Security Agreement, dated as of July 1, 2020, between the Institute and DASNY (the “Security Agreement”), pursuant to which the Institute will grant to DASNY a security interest in all receipts, revenues, income and other moneys received or receivable by or on behalf of the Institute, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Institute (the “Pledged Revenues”); provided, however, that Pledged Revenues shall not include any restricted grants, scholarships, fellowships or revenues of the medical clinic received or receivable by or on behalf of the Institute. Upon the issuance of the Series 2020A Bonds, DASNY will pledge and assign to the Trustee for the benefit of the Bondholders its security interest in the Pledged Revenues pursuant to an Assignment dated as of the date of issuance of the Series 2020A Bonds from DASNY to the Trustee (the “Assignment”). The Loan Agreement permits the Institute to incur certain additional Indebtedness secured by a pledge of, or security interest in, the Pledged Revenues that is of equal priority with the pledge securing its obligations under the Loan Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Security for the Series 2020A Bonds” and “– Issuance of Additional Bonds,” “PART 5 – THE INSTITUTE – Outstanding Indebtedness” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” attached hereto.

The Institute’s obligations to DASNY under the Loan Agreement will be further secured by a mortgage (the “2020A Mortgage”) on certain property of the Institute, as more particularly described under “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Security for the Series 2020A Bonds – *The Mortgage*” herein (the “Mortgaged Property”) and by security interests in certain fixtures, furnishings and equipment now or hereafter located in or used in connection with the Mortgaged Property. Upon the issuance of the Series 2020A Bonds, DASNY will assign the 2020A Mortgage and such security interests to the Trustee for the benefit of the Holders of the Series 2020A Bonds pursuant

to an Assignment of Mortgage, dated as of the date of issuance of the Series 2020A Bonds. The Loan Agreement permits the Institute to incur certain additional Indebtedness secured by a lien on the Mortgaged Property that is of equal priority with the 2020A Mortgage. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Security for the Series 2020A Bonds” and “– Issuance of Additional Bonds,” “PART 5 – THE INSTITUTE – Outstanding Indebtedness” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” attached hereto.

Covenants

The Institute covenants in the Loan Agreement that, so long as the Series 2020A Bonds remain Outstanding, it will demonstrate at the end of each Fiscal Year that the Debt Service Coverage Ratio for such Fiscal Year was at least equal to 1.2:1.0. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Covenants – Debt Service Coverage Covenant” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” attached hereto.

The Institute also covenants in the Loan Agreement that, except to the extent permitted by the Loan Agreement, it will not issue, incur, assume or guarantee any Indebtedness. For a summary of the circumstances in which the Institute may incur such Indebtedness, see “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Covenants – Additional Indebtedness.”

PART 2– SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2020A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Security Agreement, the Assignment, the Parity Intercreditor Agreement, the 2020A Mortgage, the Resolution, the Series 2020A Resolution and the Series 2020A Bond Series Certificate. Copies of the Loan Agreement, the Security Agreement, the Assignment, the Parity Intercreditor Agreement, the 2020A Mortgage, the Resolution, the Series 2020A Resolution and the Series 2020A Bond Series Certificate are on file with DASNY and the Trustee. See also “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2020A Bonds

The Series 2020A Bonds will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2020A Bonds are payable solely from the Revenues, which consist of payments to be made by the Institute pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2020A Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2020A Bonds.

The Loan Agreement obligates the Institute to make payments to satisfy the principal, Purchase Price and Redemption Price of and interest on the Outstanding Series 2020A Bonds. Payments made by the Institute in respect of interest on the Series 2020A Bonds are to be made on the 10th day of each month, commencing on September 10, 2020 to and including December 10, 2020, in an amount equal to one-fourth (1/4th) of the interest coming due on January 1, 2021, and on the tenth (10th) day of each month thereafter, commencing January 10, 2021, in an amount equal to one-sixth (1/6th) of the interest coming due on the Series 2020A Bonds on the immediately succeeding interest payment date therefor. Payments by the Institute in respect of principal of the Series 2020 Bonds, whether at maturity or through mandatory Sinking Fund Installments, are to be made on the 10th day of each month commencing September 10, 2023 to and including June 10, 2024, in an amount equal to one-tenth (1/10th) of the principal and Sinking Fund Installments coming due on July 1, 2024, and on the tenth (10th) day of each month thereafter, commencing July 10, 2024, in an amount equal to one-twelfth (1/12th) of the principal and Sinking Fund Installment on the Series 2020A Bonds coming due on the next succeeding July 1. The Loan Agreement also obligates the Institute to pay, except in the case of an optional redemption or a purchase in lieu of optional redemption which is subject to the condition that sufficient money is available on the redemption date or the purchase date, on or prior to the date any applicable notice of optional redemption or purchase in lieu of optional redemption is given, the amount, if any, required to pay the Purchase Price or Redemption Price of such Series 2020A Bonds. See “PART 3 – THE SERIES 2020A BONDS – Redemption Provisions” and “– Purchase in Lieu of Optional Redemption.”

DASNY has directed, and the Institute has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal and Redemption Price of and interest on the Series 2020A Bonds.

The Loan Agreement and the obligation of the Institute to make payments under the Loan Agreement are general obligations of the Institute. The obligations of the Institute to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments are not to 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 Institute may otherwise have against DASNY, the Trustee or any Bondholder for any cause whatsoever.

Security for the Series 2020A Bonds

The Series 2020A Bonds are secured by the pledge of the Revenues, the proceeds of the Series 2020A Bonds until disbursed in accordance with the Resolution and, except as otherwise provided in the Resolution, all funds and accounts established by the Series 2020A Resolution. Pursuant to a Parity Intercreditor Agreement (described and defined below) between DASNY and Manufacturers and Traders Trust Company, as Trustee for the Prior Bonds and Trustee for the Series 2020A Bonds, the Mortgages (as defined below) and security interests in the Pledged Revenues granted under the Security Agreement and the Series 2016A Loan Agreement (as defined in the Parity Intercreditor Agreement) shall be of equal priority for as long as any Prior Bonds remain Outstanding.

The Series 2020A Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2020A Bonds except for DASNY's responsibility to make payments from money received from the Institute pursuant to the Loan Agreement, from money realized upon a foreclosure of or other realization on the 2020A Mortgage or any security interest in the personal property securing the Loan Agreement, and from amounts held in the funds and accounts established by the Series 2020A Resolution and pledged therefor.

The Pledged Revenues

As security for its obligations under the Loan Agreement, the Institute will grant to DASNY, pursuant to the Security Agreement, a security interest in the Pledged Revenues which, pursuant to the Series 2020A Resolution, DASNY will pledge and assign to the Trustee for the benefit of the Holders of the Series 2020A Bonds. The Loan Agreement permits the Institute to incur certain additional Indebtedness secured by a pledge of, or security interest in, the Pledged Revenues that is of equal priority with the pledge securing its obligations under the Loan Agreement. As security for its obligations under the Series 2016A Loan Agreement, the Institute has granted to DASNY a security interest in the Pledged Revenues. Pursuant to a Parity Intercreditor Agreement between DASNY and Manufacturers and Traders Trust Company, as Trustee for the Prior Bonds and Trustee for the Series 2020A Bonds, the security interests in the Pledged Revenues granted under the Security Agreement and the Series 2016A Loan Agreement shall be of equal priority for as long as any Prior Bonds are Outstanding.

The Loan Agreement permits the Institute to incur certain additional Indebtedness secured by a security interest in the Pledged Revenues that is of equal priority with the security interests in the Pledged Revenues granted under the Security Agreement and the Series 2016A Loan Agreement.

The Mortgage

The Institute's obligations to DASNY under the Loan Agreement will be further secured by the 2020A Mortgage on the Mortgaged Property and by security interests in certain fixtures, furnishings and equipment now or hereafter located in or used in connection with the Mortgaged Property. The Institute's entire Old Westbury Campus (as defined below), excluding the deSeversky Mansion and surrounding land, will be subject to the 2020A Mortgage. The campus is located in both the incorporated Villages of Brookville and Old Westbury, Town of Oyster Bay, County of Nassau (the "Old Westbury Campus"). The Mortgaged Property is approximately 221.92 acres or 9,667,042 square feet of land, improved by administration buildings, educational buildings and classroom halls, library, health center facilities, athletic facilities and fields. Upon the issuance of the Series 2020A Bonds, DASNY will assign the 2020A Mortgage and such security interests to the Trustee for the benefit of the Holders of the Series 2020A Bonds. The Institute's obligations to DASNY under the 2016A Loan Agreement are also secured by a mortgage (the "2016A Mortgage" and, together with the 2020A Mortgage, the "Mortgages") on the Mortgaged Property and by security interests in certain fixtures, furnishings and equipment now or hereafter located in or used in connection with the Mortgaged Property. Pursuant to a Parity Intercreditor Agreement between DASNY and Manufacturers and Traders Trust Company, as Trustee for the Prior Bonds and Trustee for the Series 2020A Bonds, the security granted under the Mortgages shall be of equal priority for as long as any Prior Bonds remain Outstanding.

The Loan Agreement permits the Institute to incur certain additional Indebtedness secured by a lien on the Mortgaged Property that is of equal priority with the Mortgages.

Covenants

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

Debt Service Ratio Covenant

The Institute covenants to charge and maintain during each Fiscal Year, student tuition, fees and other charges sufficient to provide a Debt Service Coverage Ratio of 1.2:1.0. The Debt Service Coverage Ratio requirement shall be tested annually based on the annual audited financial statements of the Institute. Within one hundred twenty (120) days after the end of the Institute's Fiscal Year, the Institute is to file with DASNY and the Trustee a certificate of an Authorized Officer of the Institute stating whether for the preceding Fiscal Year the Debt Service Coverage Ratio requirement is satisfied, and setting forth the calculation upon which such statement is based. If in two consecutive Fiscal Years the Institute does not satisfy the Debt Service Coverage Ratio requirement, or if for any Fiscal Year the Debt Service Coverage Ratio falls below 1:1, the Institute shall prepare a Management Plan that addresses the fees and tuition, operations and management of the Institute and any other matter it deems appropriate as will enable the Institute to comply with the Debt Service Coverage Ratio covenant. Failure to maintain the required Debt Service Coverage Ratio, however, shall not constitute an Event of Default under the Loan Agreement. The Institute's Debt Service Coverage Ratio for the Fiscal Year ended August 31, 2019 was 3.61:1.0.

Additional Indebtedness

Except as otherwise described below, the Institute covenants that it will not issue, incur, assume or guarantee any Indebtedness.

In order to issue, incur, assume or guarantee Long-Term Indebtedness, the Institute must, at the time of issuance, have a Long-Term Indebtedness rating not lower than investment grade (BBB-/Baa3) from at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), and that rating must be maintained from at least one NRSRO after the issuance of the additional Long-Term Indebtedness, and: (1) the amount issued in any year is less than or equal to 10% of the value of the Institute's net assets without donor restrictions plus net assets with donor restrictions for purpose or time as reported on the most recent annual audited financial statements of the Institute, or (2) if the amount of such new Long-Term Indebtedness issued is in excess of 10% of the value of the Institute's net assets without donor restrictions plus net assets with donor restrictions for purpose or time as reported on the most recent annual audited financial statements of the Institute, the Institute must provide a certificate of an Authorized Officer of the Institute and pro forma calculations to DASNY and the Trustee demonstrating that the Institute's required Debt Service Coverage Ratio would be met, based on the annual audited financial statements of the Institute for the most recently ended Fiscal Year, except as noted below, taking into account the additional debt and debt service. For purposes of calculating the pro forma Debt Service Coverage Ratio requirement for purposes of clause (2) above, the Institute's projected Maximum Annual Debt Service will be used instead of Annual Debt Service to determine compliance. In the event the project to be financed with such additional Long-Term Indebtedness is expected to generate additional revenues, such revenues, net of anticipated expenses, may be included in the pro forma calculations of the Debt Service Coverage Ratio requirement.

Long-Term Indebtedness issued, incurred, assumed or guaranteed in accordance with the conditions described above may be secured by a security interest in the Pledged Revenues and/or a lien on the Mortgaged Property on a parity with the security interest in the Pledged Revenues securing the Loan Agreement and/or the lien of the 2020A Mortgage, subject to the prior execution and delivery of a parity intercreditor agreement.

Notwithstanding the foregoing, the Institute may issue, incur, assume or guaranty (i) Non-Recourse Indebtedness without limitation provided that any assets pledged as collateral or for the repayment of such Indebtedness must have been acquired by the Institute after the issuance of the Series 2020A Bonds, (ii) Refunding Indebtedness without limitation so long as the Annual Debt Service on Long Term Indebtedness would not be increased in any future Fiscal Year and (iii) Short-Term Indebtedness without limitation if during any 12-month period there will be no outstanding Short-Term Indebtedness for a period of not less than 30 days. For a more complete description of the financial covenants of the Institute contained in the Loan Agreement, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT" attached hereto.

Events of Default and Acceleration

The following are events of default under the Resolution with respect to the Series 2020A Bonds: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Bond; (ii) a default by DASNY in the payment of interest on any Series 2020A Bond; (iii) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Series 2020A Bonds or in the Resolution or the Series 2020A Resolution which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if DASNY fails to commence within 30 days and diligently prosecute the cure thereof; or (iv) DASNY has notified the Trustee that an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the Institute under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the Institute under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Series 2020A Bonds, must declare the principal of and interest on all the Outstanding Series 2020A Bonds to be due and payable. At any time after the principal of the Series 2020A Bonds have been declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee with the written consent of the Holders of not less than 25% in principal amount of Series 2020A Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, is to annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the Institute within five days, and to the Holders of the Series 2020A Bonds within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice. However, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2020A Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2020A Bonds.

Issuance of Additional Bonds

In addition to the Series 2020A Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other indebtedness of the Institute. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the applicable Series Resolution. Subject to compliance with the conditions to the Institute's ability to incur additional debt, 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 prior to or after the scheduled delivery date of the Series 2020A Bonds. The Loan Agreement also permits the Institute, under certain conditions, to incur Parity Indebtedness, which is secured by the Pledged Revenues on a parity with the pledge securing the Series 2020A Bonds and/or by a lien on the Mortgaged Property on a parity with the lien of the 2020A Mortgage subject to the prior execution and delivery of a parity intercreditor agreement. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Covenants" and "PART 5 – THE INSTITUTE - Capital Plans."

The Parity Intercreditor Agreement

In connection with the issuance of the Series 2020A Bonds, DASNY will enter into a Parity Intercreditor Agreement, dated as of the date of issuance of the Series 2020A Bonds (the "Parity Intercreditor Agreement") with Manufacturers and Traders Trust Company, in its capacity as Trustee for the Prior Bonds and Trustee for the Series 2020A Bonds. Pursuant to the Parity Intercreditor Agreement, the parties will agree that, for as long as any Prior Bonds remain Outstanding, each Mortgage and security interest in, pledge of and lien upon the Pledged Revenues made or given to secure the Institute's obligations under any of the applicable loan agreements shall be of equal priority with each other. Each secured party may declare or decline to declare, to the extent it has the right to do so under the applicable loan agreements, an event of default under any loan agreement to which it is a party, including by assignment. All readily identifiable proceeds of the Mortgages or Pledged Revenues shall be treated as being subject to and disposed of in accordance with the priorities established by the Parity Intercreditor Agreement. The Parity Intercreditor Agreement provides that the proceeds of any

Mortgages or Pledged Revenues received by a secured party shall be held in trust, in a segregated account, for the benefit of the secured parties. Any such proceeds will be distributed, after reimbursement for any costs and expenses of foreclosing, realizing upon or preserving or protecting the Mortgages or Pledged Revenues, to each secured party, pro rata, based on the unpaid principal amount of the indebtedness and interest due and payable at the time of calculation under each of the loan agreements, but not in excess of the principal of and interest on such indebtedness, or other financial obligations then due and unpaid thereunder. For a more complete description of the priorities of the Mortgages and Pledged Revenues established by the Parity Intercreditor Agreement, see “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” attached hereto.

General

The Series 2020A Bonds will not be a debt of the State and the State will not be liable on the Series 2020A Bonds. DASNY has no taxing power. DASNY has never defaulted in the timely payment of principal of or interest on its bonds or notes. See “PART 9 – DASNY.”

PART 3 – THE SERIES 2020A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2020A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2020A Resolution, the 2020A Bond Series Certificate and the Loan Agreement, copies of which are on file with DASNY and the Trustee. See also “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto for a more complete description of certain provisions of the Series 2020A Bonds.

Description of the Series 2020A Bonds

General

The Series 2020A Bonds will be issued pursuant to the Resolution and the Series 2020A Resolution.

The Series 2020A Bonds will be dated their date of delivery, and will bear interest from such date (payable January 1, 2021 and on each July 1 and January 1 thereafter) at the rates, and will mature at the times set forth on the inside cover page of this Official Statement. Interest on the Series 2020A Bonds will accrue based upon a 360-day year of twelve 30-day months. The Series 2020A Bonds will be issued as fully registered bonds. The Series 2020A Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2020A Bonds will be payable by check or draft mailed to the registered owners thereof or, at the option of the registered owner of at least \$1,000,000 of such Series 2020A 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 Record Date. The principal or Redemption Price of the Series 2020A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of Manufacturers and Traders Trust Company, the Trustee and Paying Agent. As long as the Series 2020A Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “Book-Entry Only System” herein. For a more complete description of the Series 2020A Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

The Series 2020A 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 2020A 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 2020A Bonds, payments of the principal, Sinking Fund Installments and Redemption Price of and interest on the Series 2020A 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 2020A 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 2020A Bonds, the Series 2020A Bonds will be exchangeable for fully registered Series 2020A 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” herein and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

For a more complete description of the Series 2020A Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Redemption Provisions

The Series 2020A Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2020A Bonds are subject to redemption at the option of DASNY and at the request of NYIT on any date in whole or in part, at the Make-Whole Redemption Price. The “Make-Whole Redemption Price” is the greater of:

(1) 100% of the principal amount of the Series 2020A Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the Stated Maturity Date of such Series 2020A Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2020A Bonds are to be redeemed, discounted to the date on which such Series 2020A Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (described below) plus 45 basis points, plus, in each case, accrued interest on such Series 2020A Bonds to be redeemed to but not including the redemption date. The Trustee may retain, at the expense of the Institute, 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 Institute may conclusively rely on such accounting firm’s or financials advisor’s calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither the Trustee nor DASNY nor the Institute will have any liability for their reliance.

“Treasury Rate” means, with respect to any redemption date for a particular Series 2020A Bond, 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 five Business Days, but no more than 60 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 Stated Maturity Date of the Bonds to be redeemed; provided, however, that if the period from the redemption date to such Stated 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.

On or prior to the redemption date of Series 2020A Bonds called for optional redemption, DASNY, at its option, may elect that, upon payment of the Redemption Price of the Series 2020A Bonds to have been redeemed, all or a portion of such Series 2020A Bonds may be considered as having been purchased in lieu of optional redemption, in which case such Series 2020A Bonds will remain outstanding. See “– *Purchase in Lieu of Optional Redemption*” for a discussion of purchase in lieu of redemption.

Mandatory Redemption

The Series 2020A Bonds maturing on July 1, 2030, are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of the Series 2020A Bonds specified for each of the years shown below:

Series 2020A Bonds Maturing on July 1, 2030

<u>Year</u>	<u>Principal Amount</u>
2028	\$1,125,000
2029	2,815,000
2030 [†]	2,920,000

[†]Final maturity.

There will be credited against and in satisfaction of all or a portion of a Sinking Fund Installment payable on any date, the principal amount of Series 2020A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed pursuant to an optional redemption, (C) purchased by the Institute or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2020A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2020A Bonds so purchased payable on the next succeeding July 1. Series 2020A Bonds redeemed pursuant to an optional redemption, purchased by DASNY or the Institute (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 2020A Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Selection of Bonds to be Redeemed

The Series 2020A Bonds will be redeemed in such denominations so that the Series 2020A Bonds remaining outstanding will, to the extent possible, only be in authorized denominations. If less than all Series 2020A Bonds are to be redeemed prior to maturity, the particular maturity or maturities of such Series 2020A Bonds to be redeemed will be specified to the Trustee by DASNY, at the request of the Institute. If less than all of the Series 2020A Bonds of a maturity are called for redemption, such Series 2020A Bonds of a maturity will be redeemed in part, on a pro rata pass-through distribution of principal basis; provided that, so long as the Series 2020A Bonds are held in book-entry only form, the selection for redemption of such Series 2020A Bonds of a maturity will be made on a pro-rata pass-through distribution of principal basis in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2020A Bonds will be selected for redemption in accordance with DTC procedures, by lot or in such other manner as is in accordance with applicable DTC operational arrangements. None of DASNY, the Institute or the Underwriter can provide any assurance that DTC, DTC's direct and indirect participants, or any other intermediary will allocate partial redemptions among beneficial owners of the Series 2020A Bonds of a maturity on a pro rata pass-through distribution of principal basis.

Notice of Redemption; Conditional Notices

The Trustee is to give notice of the redemption of the Series 2020A Bonds in the name of DASNY which notice is to be given 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 2020A Bonds which are to be redeemed, at their last known addresses appearing on the registration books. The failure of any owner of a Series 2020A Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series 2020A Bond. If directed in writing by an Authorized Officer of DASNY, the Trustee shall publish or cause to be published such notice in an Authorized Newspaper not less than 30 days nor more than 45 days prior to the redemption date, but such publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2020A Bonds.

If, on the redemption date, money for the redemption of the Series 2020A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, is 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 2020A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2020A Bonds will no longer be considered to be Outstanding under the Resolution and the Series 2020A Resolution.

DASNY's obligation to redeem the Series 2020A Bonds at its option may be conditioned upon the availability on the redemption date of sufficient money to pay the Redemption Price, including accrued interest to the redemption date, of the Series 2020A Bonds to be redeemed.

Purchase in Lieu of Optional Redemption

On or prior to the redemption date of Series 2020A Bonds called for optional redemption, DASNY, at its option, may elect that, upon payment of the Redemption Price of the Series 2020A Bonds to have been redeemed (in such case, the "Purchase Price"), all or a portion of such Series 2020A Bonds may be considered as having been purchased in lieu of optional redemption, in which case such Series 2020A Bonds will remain outstanding.

Notice of Purchase; Conditional Notices. If the Institute elects to purchase Series 2020A Bonds, the Institute will give written notice to DASNY and the Trustee of such election, which notice shall set forth the maturity and the principal

amount of the Series 2020A Bond to be purchased. The Trustee will cause notice of the purchase of Series 2020A Bonds to be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the purchase date set forth in such notice. Each notice of purchase of Series 2020A Bonds is to state (i) the condition, if any, to such purchase, (ii) such other conditions as the Institute shall prescribe, (iii) the Series 2020A Bonds to be purchased, (iv) the purchase date or dates, and (v) that the Series 2020A Bonds to be purchased are to be delivered to the Trustee on the purchase date and that Series 2020A Bonds to be purchased not so delivered will be deemed duly tendered to the Trustee for purchase on the purchase date.

The Institute's obligation to purchase the Series 2020A Bonds may be subject to the condition that on the Purchase Date sufficient money is available for payment of the Purchase Price, including accrued interest to the Purchase Date, of the Series 2020A Bonds to be purchased.

Effect of Notice. Notice of purchase having been given in the manner described above, then, the Series 2020A Bonds to be purchased shall be tendered for purchase on the purchase date, and thereafter, if sufficient money to pay the Purchase Price of such Series 2020A Bonds is held by the Trustee, the Purchase Price of the Series 2020A Bonds or portions thereof so called for purchase will become due and payable on the date set for purchase, upon presentation and surrender of such Series 2020A Bonds to be purchased at the office or offices specified in such notice, and, in the case of Series 2020A 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. If such money is not available on the purchase date, such Series 2020A Bonds will continue to be registered in the name of the registered owner on the purchase date and the registered owners will be entitled to receive the payments of the principal of and interest on such Series 2020A Bonds in accordance with their respective terms.

Selection of Bonds to be Purchased. If less than all of the Outstanding Series 2020A Bonds of like maturity are to be purchased, the Trustee is to select the Series 2020A Bonds to be purchased, by lot, using such method of selection as it considers proper in its discretion in the same manner as prescribed in the Resolution for the selection of Series 2020A Bonds for redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020A Bond certificate will be issued for each maturity of the Series 2020A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020A 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 2020A 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 2020A Bonds, except in the event that use of the book-entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2020A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020A 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 2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2020A 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 or 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 Underwriter, the Trustee, the Institute or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2020A Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2020 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2020A Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2020A Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2020A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2020A Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2020A Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2020A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Direct or Indirect Participant, and may desire to make arrangements with such Direct or Indirect Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NONE OF DASNY, THE TRUSTEE, THE INSTITUTE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2020A BONDS.

So long as Cede & Co. is the registered owner of the Series 2020A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2020A Bonds (other than under the caption “PART 12 – TAX MATTERS” herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2020A Bonds.

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

For every transfer and exchange of Series 2020A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE, THE INSTITUTE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR 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 2020A 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 2020A 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 2020A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2020A BONDS; OR (VI) ANY OTHER MATTER.

PART 4 – PRINCIPAL AND INTEREST REQUIREMENTS

The following table sets forth the amounts, after giving effect to the issuance of the Series 2020A Bonds, required to be paid by the Institute during each twelve month period ending June 30 of the Bond Years shown for the payment of debt service on the currently outstanding indebtedness of the Institute, excluding debt service on the Refunded Bonds, the principal of and interest on the Series 2020A Bonds and the total debt service on all indebtedness of the Institute, including the Series 2020A Bonds.

12 Month Period Ending on June 30	Series 2020A Bonds			Total Debt Service on other Outstanding Indebtedness ⁽¹⁾	Total Debt Service ⁽²⁾
	Principal Payments	Interest Payments	Total ⁽²⁾		
2021	-	\$522,939	\$522,939	\$1,996,789	\$2,519,727
2022	-	567,042	567,042	2,458,072	3,025,114
2023	-	567,042	567,042	2,455,267	3,022,309
2024	\$1,045,000	567,042	1,612,042	1,410,850	3,022,893
2025	2,485,000	538,576	3,023,576	-	3,023,576
2026	2,560,000	467,158	3,027,158	-	3,027,158
2027	2,635,000	387,695	3,022,695	-	3,022,695
2028	2,725,000	301,952	3,026,952	-	3,026,952
2029	2,815,000	206,861	3,021,861	-	3,021,861
2030	2,920,000	105,324	3,025,324	-	3,025,324

⁽¹⁾ Excludes debt service on the Refunded Bonds

⁽²⁾ Totals may not foot due to rounding.

PART 5– THE INSTITUTE

New York Institute of Technology is a private, non-profit, comprehensive institution of higher education, chartered by the Board of Regents of the University of the State of New York in 1955. New York Institute of Technology offers approximately 90 degree programs, including undergraduate, graduate and professional degrees, in more than 50 fields of study. During the fall and spring of the 2019-2020 academic year, the Institute hosted more than 9,750 students worldwide, attending classes in New York (Long Island and New York City campuses), Arkansas, Vancouver, China and Abu Dhabi.

New York Institute of Technology currently operates six academic colleges and schools: The College of Arts and Sciences; College of Engineering and Computing Sciences; College of Osteopathic Medicine (“NYITCOM”); the School of Architecture and Design; School of Health Professions; and the School of Management. The Institute also offers degree-granting programs in collaboration with selected foreign universities as well as non-credit programming and professional development opportunities.

New York Institute of Technology operates two campuses in the metro New York region; a suburban campus in Old Westbury in Nassau County and the second in Manhattan at 61st Street and Broadway (combined as the “New York campuses”). The Institute previously operated a campus in Central Islip in Suffolk County, but that campus has been closed since 2017. The Institute also operates a location of its medical school on the campus of Arkansas State University in Jonesboro, Arkansas and academic programs internationally in Canada, China and the United Arab Emirates (collectively, the “global sites.”). The global sites in China (with the exception of a joint program it operates with JUFU) and the United Arab Emirates are in teach-out mode and scheduled to be closed by the end of the 2020-2021 academic school year.

New York Institute of Technology enrolls students on its New York campuses from nearly all 50 states and more than 90 countries, but the Institute is primarily a commuter school that competes predominantly with other regional public and private institutions located in the area.

New York Institute of Technology has more than 104,000 alumni who have graduated from its New York campuses and global sites, and consistently receives high rankings for its academic programs and diversity by respected rankings agencies such as *U. S. News & World Report*, *the Chronicle of Education*, and *the Times Higher Education/Wall Street Journal*.

- For the past decade, New York Institute of Technology has been consistently ranked among the Best Regional Universities (North) by U.S. News & World Report, which also recognized the Institute in 2020 as a Top Performer in Social Mobility, Best College for Veterans, and #3 for Greatest Ethnic and Economic Diversity (North).
- In the 2020 U.S. News & World Report rankings, the Institute’s College of Engineering and Computing Sciences is among the Top 38 Engineering Schools in the U.S. and has been included among the nation’s Best Online Graduate Engineering Programs (Energy Management) for the past several years.
- In the past year, New York Institute of Technology’s rankings in the Wall Street Journal/Times Higher Education annual survey, which focuses on Student Success, moved up to No. 266 nationally vs. No. 396 the previous year. The 130-point jump puts the Institute in the top third of the 801 universities represented in the rankings and #33 in New York State.
- The Institute was ranked #7 in the nation among all U.S. private, nonprofit four-year colleges and universities in enhancing Social and Economic Mobility and raising students from the lowest 20% of the economic strata to the top 20% in 2018, according to the Chronicle of Higher Education.

The Mission of New York Institute of Technology

The mission of New York Institute of Technology is to provide students with a career-oriented professional education; give all qualified students access to opportunity; and support research and scholarship that benefit the larger world.

- “Career-oriented professional education” is evidenced by the Institute’s accredited programs in medicine, architecture, engineering, business, and health that prepare graduates for professional careers; its hands-on instruction through which students gain practical experience while still in school; and its faculty who are active practitioners in their fields. New York Institute of Technology’s core curriculum provides a strong foundation of written and oral communication skills, mathematical reasoning, and technological literacy so that graduates can pursue self-directed learning throughout their careers and lives.

- “Access to opportunity” involves maintaining class sizes appropriate to effective student-faculty interaction, providing students with a wide range of academic offerings and support services, flexible course scheduling, various technologically enriched delivery systems for distributed learning, a moderate tuition structure accompanied by a broad range of financial aid programs, and initiatives for students from historically disadvantaged groups through programs such as the Higher Education Opportunity Program and the Science and Technology Entrance Program.
- “Support research and scholarship that benefit the larger world” includes research in endeavors ranging from bioengineering, cancer research, and molecular genetics, to cybersecurity, and sustainability, all geared toward improving the quality of life.

Strategic Plan

The arrival in June 2017 of Henry C. “Hank” Foley, Ph.D., as New York Institute of Technology’s fourth president brought with it an opportunity to review and re-chart the Institute’s focus and strategic direction. Under Dr. Foley’s leadership, the Institute’s first priority is investing available resources and attention in its core business and ensuring the success of the students at its main campuses in the U.S. A series of “Campus Conversations” provided a wealth of information about how New York Institute of Technology could achieve this while promoting the best work of its faculty and staff.

Working with the campus community, President Foley mapped out a broad vision for New York Institute of Technology that will position the Institute as a leader among institutions in the New York metropolitan region that is nationally and internationally recognized for the quality of its programs and the success it fosters among its students, faculty, staff, and alumni. Such recognition and distinction will be grounded in the practical, hands-on, and data-driven approaches to problem-solving in which every member of the New York Institute of Technology community engages, whether it be in improving the human condition, or improving the quality and efficiency of services for faculty, staff, or students.

The vision for New York Institute of Technology’s future focuses on several key areas that include:

- Improving retention and graduation rates and positioning our graduates for success.
- Increasing faculty scholarship and growing externally funded research.
- Creating environments that allow students to engage with each other and with faculty.
- Supporting cutting-edge teaching and learning, and collaborations among disciplines.
- Revitalizing academic programs to be centered around hands-on learning, critical creativity, and designing and making solutions rather than studying about them.

With this stated institutional goal to provide an outstanding student experience, and become one of the best private institutions of higher education in metropolitan New York City and Long Island, a formal strategic planning process is underway which will articulate an expanded set of institutional objectives in detail and devise plans to advance the Institute’s vision. This process will be participatory, well communicated, and understood by all. The development of a new strategic plan is being co-led by the Provost and Vice President for Academic Affairs, and the Vice President for Medical Affairs and Health Sciences and Dean, College of Osteopathic Medicine. The target delivery date for the new strategic plan is December 2020.

Capital Plans

In recent years, the Institute has spent approximately \$10 million to \$15 million annually on capital projects at its New York campuses, primarily in the areas of infrastructure improvements, academic and research space renovations, and technology upgrades. During the 2020–2021 academic year the New York Institute of Technology capital budget is expected to provide up to \$20 million for the completion of some major academic projects (including NYITCOM’s new Simulation Center and Anatomy classroom). The fiscal year 2021 capital plan also addresses new teaching and operational needs for optimal functioning amid a pandemic-response mode. Specifically, the Institute is investing approximately \$11.6 million in interior and exterior space and technology improvements that provide wide flexibility for instructional delivery and conducting research and support for high levels of sanitization and social distancing in classrooms, work spaces, and public areas.

Prior to the onset of the COVID-19 pandemic, New York Institute of Technology had developed plans to construct a new Student Center facility on the Long Island campus and make changes to its New York City campus, with the intent to

fund the construction costs on both campuses through a combination of capital reserves and a future tax-exempt borrowing. Following the financial market turmoil that began in March 2020, the Institute halted its new construction plans for both New York campuses. Plans for new construction and any accompanying new borrowing are currently on hold, and may be revisited in spring 2021.

Accreditations

New York Institute of Technology has regional accreditation from the Commission on Higher Education of the Middle States Association of Colleges and Schools and has received the necessary approvals from local governing bodies at all of the Institute's global sites. Many New York Institute of Technology programs also enjoy specialized or professional accreditation including accreditation from the following organizations:

- AACSB International (The Association to Advance Collegiate Schools of Business)
- Accreditation Council for Occupational Therapy Education of the American Occupational Therapy Association
- Accreditation Review Commission on Education for the Physician Assistant, Inc.
- AOA Commission on Osteopathic College Accreditation
- Association for Childhood Education International
- Commission on Accreditation in Physical Therapy Education
- Commission on Collegiate Nursing Education
- Computing Accreditation Commission of the Accreditation Board for Engineering and Technology
- Council for Accreditation of Counseling & Related Educational Programs
- Council for Interior Design Accreditation
- Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology (ABET)
- Engineering Technology Accreditation Commission of ABET
- International Society for Technology Education
- National Architectural Accrediting Board
- National Association for the Education of Young Children
- National Council for Accreditation of Teacher Education
- Educational Leadership Constituent Council

New York Institute of Technology's global sites have received accreditation from the following agencies:

- United Arab Emirates Ministry of Higher Education and Scientific Research
- Ministry of Education (China)
- Ministry of Advanced Education, Skills and Training (British Columbia, Canada)

Governance and Administration

The governance structure promotes the mission, goals, and objectives of New York Institute of Technology and oversees the procurement and use of its resources and assets. The governance of the Institute is accomplished by cooperative interaction among several bodies and functions, principally:

- *The Board of Trustees.* Acting as a body, it is the final governing authority of New York Institute of Technology and its constituent parts.
- *The President and Senior Management.* This group consists of the President and Chief Executive Officer; Provost and Vice President for Academic Affairs; Vice President for Health Sciences and Medical Affairs; Vice President for Financial Affairs, Chief Financial Officer and Treasurer; General Counsel, Vice President for Human Resources and Secretary; Vice President for Enrollment Management; Vice President for Strategic Communication and External Affairs; Vice President for Development and Alumni Relations; Vice President for Information Technology and Chief Information Officer; Vice President for Capital Planning and Facilities Management; and Director of Athletics and Recreation.
- *Academic Deans.* Deans are responsible for education programs and degrees in their respective schools.
- *The Academic Senate.* This is a governing body that includes broad faculty representation as well as certain members of senior management. It develops programs and policy recommendations consistent with the mission, strategies, and objectives of the Institute, and advises the President and the Board of Trustees.

Board of Trustees

The Board of Trustees secures the leadership and facilities necessary to provide sound educational programs, establishes policies, monitors plans to implement those policies, ensures that adequate funds are available, and conserves the assets of New York Institute of Technology. Among other things, the Board approves the annual budget, faculty granting of tenure, the acquisition and disposition of real property, and investment of endowment assets. The Board meets at least quarterly, and its standing committees – Executive, Finance, Investment, Audit, Development, Nominating & Governance, and Program & Personnel – as well as an ad hoc committee on Building & Facilities, meet quarterly or as deemed necessary.

The number of trustees may range from a minimum of twelve to a maximum of twenty-five. Members of the Board of Trustees are elected for an initial two-year term and may be re-elected to subsequent terms of four years. No Trustee whose initial election to the Board occurred after December 1, 2005 may serve more than fourteen consecutive years as a Trustee, subject to possible extension by a supra-majority vote.

The following table lists the current members of the Board and their principal business affiliations.

Ms. Catherine Allen
Founder and CEO
The Santa Fe Group

Mr. Monte N. Redman (B.S. '81)
Former President and CEO
Astoria Bank

Mr. Philip Fasano (B.S. '80)
Chief Executive Officer
Bay Advisors LLC

Mr. Peter J. Romano, *Vice Chair* (B.Arch. '76)
President
Peter J. Romano & Company

Mr. Peter Ferentinos
Chief Executive Officer
Qualco, Inc.

Mr. Roger Sawhney, M.D.
Director
Kohlberg Kravis Roberts

Mr. Dan Ferrara, D.O. (D.O. '86)
Northeast Regional President
Alteon Health

Mr. Kevin D. Silva, *Chair*
Executive Vice President and Chief Human Resources Officer
Voya Financial

Mr. Itzhak Fisher (B.S. '82)
Founder and General Partner
Pereg Ventures

Ms. Deborah Verderame (B.Arch. '83)
Principal
Verderame | Cale, Architecture PLLC

Mr. Henry Iervolino (B.S. '82)
President & CEO
Triton Capital Management, LLC

Ms. Caroline Watteuw
Former Global Chief Technology Officer
PepsiCo

Mr. Michael J. Merlo, *Vice Chair*
Former Chief Credit Officer
Signature Bank

Mr. Robert Wild, Esq.
Chairman/Founding Partner
Garfunkel Wild, P.C.

Mr. Ted Moudis (B.Arch. '80)
Founder and Senior Principal
Ted Moudis Associates

Dr. Henry C. Foley, President, ex officio

Administration

The President of the Institute is also the chief executive officer charged with the responsibility for all academic, administrative, financial and other activities, and with the execution of all policies established by the Board of Trustees.

The vice presidents and director of athletics each report directly to the President. The Provost and Vice President, Academic Affairs is the chief academic officer, responsible for the academic activities of the Institute in New York and abroad, the faculty, library, and student affairs. The Vice President for Health Sciences and Medical Affairs and Dean, College of Osteopathic Medicine is responsible for all medical school, health science, and health professional education programs in New York and Arkansas, including academic matters, research, medical clinics and community outreach. The

two Vice Presidents have been jointly appointed to direct the development of New York Institute of Technology's new strategic plan.

The Chief Financial Officer and Treasurer is responsible for all financial as well as certain non-academic service areas of the Institute. The General Counsel, Vice President for Human Resources and Secretary is responsible for overseeing all legal and human resource matters for New York Institute of Technology. The Vice President for Development is responsible for alumni relations and works with the Board and President to solicit gifts to the Institute from individuals, corporations and foundations. The Vice President for Enrollment oversees student recruitment and admissions, financial aid, student accounts, and registration. The Vice President for Strategic Communication and External Affairs oversees marketing, events, and public relations. The Vice President for Information Technology and Chief Information Officer is responsible for information technology and data security. The Vice President for Capital Planning and Facilities Management and Chief Architect is responsible for capital improvements, facilities operations and security for New York Institute of Technology. The Director of Athletics and Recreation is responsible for the NCAA Division II sports, club sports and other student recreation.

The principal administrative officers of the Institute are:

Henry C. Foley, Ph.D., President and Chief Executive Officer. Henry C. "Hank" Foley, Ph.D., is the fourth president of New York Institute of Technology. He joined the Institute in June 2017 after serving as interim chancellor of the University of Missouri-Columbia. As MU's interim chancellor, Dr. Foley directed the university's research mission as well as led the quality and effectiveness of all academic programs. He joined the University of Missouri System in 2013 as executive vice president for academic affairs, where he was tasked with growing its academic and research expertise before being appointed interim chancellor in November 2015. Dr. Foley has also served as vice president for research and dean of the graduate school at The Pennsylvania State University ("Penn State"). In addition, he has held faculty appointments at MU, Penn State, and the University of Delaware. Dr. Foley earned a bachelor's degree in chemistry at Providence College, a master's degree in chemistry from Purdue University, and doctorate in physical and inorganic chemistry from Penn State. He has held faculty appointments in chemistry and chemical engineering at MU, Penn State, and the University of Delaware. An accomplished researcher who has dedicated more than 30 years to advancing the study of nanotechnology, Dr. Foley holds 16 patents, has written more than 150 articles and a textbook, and has mentored nearly 50 undergraduate and graduate thesis students.

Junius J. Gonzales, M.D., M.B.A., Provost and Vice President, Academic Affairs. Junius J. Gonzales joined the Institute in June 2018 and leads its programs in teaching, research, and service. He is responsible for academic planning, new initiatives in teaching and learning, research and scholarship, faculty development, and student success initiatives (such as enhancing high-impact practices). Immediately prior to joining New York Institute of Technology, Dr. Gonzales served in The University of North Carolina System as senior vice president for Academic Affairs beginning in January 2015, as well as interim president from January-March 2016. For four years, he served as provost and vice president of academic affairs at the University of Texas at El Paso (UTEP)—one of the nation's most recognized Hispanic Serving Institutions—where he championed student success and led UTEP to receive several national awards (Institute for Higher Education Policy's Champion for Access and Success, the Starfish 360 Award, and the New Media Consortium 2015 Center of Excellence Award). Dr. Gonzales earned a bachelor's degree from Brown University, an M.D. with honors from the University of Pennsylvania, and an M.B.A. with honors from the University of Maryland. A psychiatrist by training, he completed his residency at Massachusetts General Hospital and a post-doctoral fellowship at the National Institute of Mental Health.

Jerry Balentine, D.O., FACEP, Vice President for Health Sciences and Medical Affairs and Dean, College of Osteopathic Medicine. Jerry Balentine has served as vice president for health sciences and medical affairs since 2014, prior to which he served as chief medical officer and executive vice president of St. Barnabas Hospital and Healthcare System in the Bronx. He held numerous other positions at St. Barnabas since 1992, including medical director, co-director of the department of emergency medicine, and residency director. Dr. Balentine has been a faculty member at New York Institute of Technology College of Osteopathic Medicine since 2009, and was most recently acting chair of the emergency medicine division within the department of medicine. A graduate of Philadelphia College of Osteopathic Medicine, he completed his internship at St. Joseph's Hospital in Philadelphia and his emergency medicine residency at Lincoln Medical and Mental Health Center in the Bronx, where he served as chief resident. He earned his undergraduate degree from McDaniel College in Westminster, Md. Dr. Balentine has authored and edited many web and textbook chapters and is medical editor of newyorkmedicaljournal.org. He is also a medical author for the WebMD network, which includes MedicineNet, eMedicineHealth, RxList, and WebMD.

Barbara J. Holahan, CPA, M.B.A., Vice President for Financial Affairs, Chief Financial Officer and Treasurer.

Barbara J. Holahan was appointed vice president for financial affairs, chief financial officer, and treasurer in June 2019. Previously, she served as interim CFO and treasurer since late 2018, and as controller since 2014. Ms. Holahan currently oversees institutional financial planning functions including budget, controller's office, and treasury operations, and operational functions such as catering and dining services. Before joining the Institute, Ms. Holahan was controller at the Metropolitan Opera, and associate treasurer and associate controller at Columbia University. She began her career as an auditor at KPMG and has worked as an independent consultant for the Wildlife Conservation Society (Bronx Zoo and NY Aquarium) and controller at other New York City area non-profits, providing services in audit, accounting, compliance, process re-engineering, policy writing, and FEMA disaster recovery management. She has an M.B.A. from Molloy College and a B.S. in Accounting from the University of Richmond. She is a member of the AICPA and NYSSCPA.

Pennie Turgeon, M.B.A., Vice President for Information Technology and Chief Information Officer.

Pennie Turgeon assumed her role at New York Institute of Technology in October 2019. She is responsible for administrative and academic information systems, academic technology support, high-performance computing, media services, technology-enhanced classrooms, videoconferencing and web streaming, web applications development, computing labs, help desk services, networks, systems, telecommunications, data management/analytics, and security/privacy policies. From 2006–2019, Ms. Turgeon was the Vice President for IT and CIO at Clark University as well as the university's Chief Information Security/Privacy Officer. Prior to that, she was at Worcester Polytechnic Institute for 15 years where she built and cultivated technology-mediated learning environments as the Director of Academic Technology and Distance Learning. She also held positions at Texas Instruments as a systems developer and at IBM as a marketing sales assistant. Ms. Turgeon holds a B.S. from Worcester State University and an M.B.A. with a concentration in Management Information Systems from Worcester Polytechnic Institute.

Nada Marie Anid, Ph.D., Vice President for Strategic Communication and External Affairs.

Nada Marie Anid is vice president for strategic communications and external affairs, a new office created by New York Institute of Technology in May 2018 dedicated to articulating the Institute's mission as a premier polytechnic that fosters technology innovation and entrepreneurship. Prior to this role, Dr. Anid served as the first female dean of the New York Institute of Technology School of Engineering and Computing Sciences since 2009 and led the overhaul of the school's academic offerings and research facilities, and the recruitment of outstanding faculty in the areas of cybersecurity and IT, bioengineering, and clean energy and water. Her results-orientation was also manifested in her role of Interim VP for Enrollment Management at New York Institute of Technology. Before joining the Institute, Dr. Anid was professor, department chair and graduate director at Manhattan College and visiting professor at Columbia University, both in NYC. Dr. Anid serves on several nonprofit boards and is the recipient of numerous awards in recognition of her efforts to inspire women and underrepresented minorities to pursue education and career opportunities in STEM fields. She was recently named fellow of the American Institute of Chemical Engineers (AIChE) where she serves as member of the Foundation's Corporate Council and chair of the Public Affairs and Information Committee. Dr. Anid earned her Ph.D. in environmental engineering from the University of Michigan (Ann Arbor), and bachelor's and master's degrees in chemical engineering from KTH Royal Institute of Technology in Stockholm, Sweden.

Patrick Minson, M.B.A., M.P.A., Vice President for Development and Alumni Relations.

Patrick Minson has served as vice president for development and alumni relations since May 2018. From 2014 to May 2018, Mr. Minson served as the chief development officer at Wagner College in Staten Island, where he oversaw the implementation and strategic planning of a \$60 million capital campaign. Prior to that, Mr. Minson was the director of major gifts for The Children's Aid Society. He also spent several years at New York University as associate director of major gifts for the Stern School of Business and in several positions in the College of Dentistry. Mr. Minson has a Bachelor of Science from Boston College, an M.P.A. from NYU, and an M.B.A. from Wagner College.

Catherine Flickinger, J.D., General Counsel, Vice President for Human Resources and Secretary.

Catherine Flickinger, J.D., serves as general counsel at New York Institute of Technology. She oversees all legal and human resources matters for the Institute. Before coming to the Institute in 2011, she was Executive Vice President, General Counsel & Secretary at Hachette Filipacchi Media U.S. for more than 20 years. Prior to that, she was an Associate General Counsel at CBS Inc., after starting her career at the New York law firm, Cravath, Swaine & Moore. Ms. Flickinger earned her J.D. from Columbia University School of Law and her bachelor's degree from the University of Pennsylvania. In 2004, the New York County Lawyers' Association named Ms. Flickinger one of its 40 Outstanding Women of the Bar.

Joseph Posillico, Ed.D., CPA, Vice President for Enrollment Management. Prior to joining New York Institute of Technology as vice president for enrollment management in May 2019, Dr. Posillico served as senior vice president for Caldwell University, where he oversaw admissions, financial aid, marketing, communications, registrar, athletics, finance and facilities operations. He also served as acting president in June-July 2016, and vice president for enrollment management from February 2005 to December 2015. During his time at Caldwell, the university experienced significant increases in undergraduate enrollment and first-year retention. Prior to joining Caldwell, Dr. Posillico held positions of increasing responsibility at Adelphi University for nearly 14 years, including the role of assistant vice president for enrollment management from 2001 to 2005. He holds a bachelor's degree from St. John's University, a master's degree from Adelphi University, and an Ed.D. from Northeastern University.

Suzanne Musho, AIA, NCARB, Vice President for Capital Planning and Facilities Management & Chief Architect. Suzanne Musho joined New York Institute of Technology as vice president for capital planning and facilities management in December 2019. A seasoned professional and registered architect in New York, New Jersey, and Florida, she has more than 25 years of experience in strategic planning, construction management, design, and capital budgeting. In 2000, Ms. Musho founded Musho Architecture and Design, a New York City-based firm that specializes in commercial, residential, health care, and hospitality design. Since 2015, she has served as a vice president at Zubatkin Owner Representation, where she was responsible for multiple capital projects at the American Museum of Natural History, including its new building—the Richard Gilder Center for Science, Education, and Innovation. Prior to Zubatkin, Ms. Musho was chief architect and director of facilities and operations at The School at Columbia University, an independent K-8 school founded in 2003. Ms. Musho earned her Bachelor of Arts in Psychology with a minor in Design at the University of Buffalo, where she also earned a Master of Architecture. In addition, she has an M.B.A. Entrepreneurship Certificate from the NYU Stern Berkeley Innovations Labs as part of the MWBE Strategic Steps for Growth Program.

Daniel Vélez, M.S., Director of Athletics and Recreation. Daniel Vélez became New York Institute of Technology's director of athletics and recreation in September 2017. He joined the Institute two years prior as associate director for intercollegiate athletics and chief of staff, responsible for the department's day-to-day internal operations and business advancement. He served on the NCAA Division II Women's Soccer Regional Advisory Committee. In fall 2017, he was selected to the NCAA Division II Men's Lacrosse National Committee serving a one year term as the chair. Prior to joining New York Institute of Technology, Mr. Vélez was the associate athletic director for operations at Siena College in Loudonville, N.Y. He was the sport administrator for field hockey, women's swimming and diving, and men's and women's cross country. Additionally, he oversaw the financial and general reporting of Siena's Department of Athletics and led Siena's summer sports camps. He coordinated all team travel for Siena's 22 NCAA Division I sports and served on the MAAC Swimming and Diving Championship Committee, and contributed to developing and executing Phase 1 of Siena's Alumni Recreation Center renovation. He also served as Seton Hall University's assistant athletic director for facilities and operations. Mr. Vélez has a B.S. in education from Kutztown University and an M.S. in sports management from West Virginia University.

Academic Programs

New York Institute of Technology offers traditional (in-person and blended) academic programs, online programs and accelerated programs for day, evening, and weekend students. The Institute also provides non-credit and professional development programs. Undergraduate and graduate degree and certificate programs are offered at the New York campuses; certain degree programs are offered at the Institute's global sites. Students at the Institute's global sites are taught in English, have the same courses and degree requirements, and receive the same New York Institute of Technology diploma as students in New York. In total, the Institute offers approximately 90 degree programs.

New York Institute of Technology's academic programs are organized into six schools, each administered by a dean: College of Arts and Sciences; College of Engineering and Computing Sciences; College of Osteopathic Medicine; School of Architecture and Design; School of Health Professions; and the School of Management. New York Institute of Technology's core curriculum is interdisciplinary and liberal arts-based, promoting self-directed learning. Students are taught communication skills, mathematical reasoning, critical thinking, teamwork, and technological literacy in a cross-disciplinary context, giving students competencies essential for personal and career advancement.

New York Institute of Technology College of Osteopathic Medicine

The New York Institute of Technology College of Osteopathic Medicine, the first college of osteopathic medicine in New York state, and one of the largest medical schools in the U.S. with more than 1,700 students (1240 in Long Island and 460 in Arkansas), has been dedicated to training osteopathic physicians for more than 40 years. Founded in 1977, NYITCOM is a four-year, fully accredited professional program leading to the doctor of osteopathic medicine degree (D.O.).

A D.O. is a fully trained and licensed physician able to prescribe medicine, perform surgery, and utilize manipulative treatment. The osteopathic philosophy of treating the whole person is applied to prevention, diagnosis, and treatment of illness, disease, and injury. The medical school has established an extensive clinical education network encompassing hospitals in New York, New Jersey and Connecticut (New York metro area) and the Mississippi Delta Region (Arkansas).

In 2012, Arkansas State University (“A-State”) approached New York Institute of Technology with the idea of establishing an NYITCOM program at the Jonesboro, Arkansas campus aimed at producing physicians in generalist specialties (family medicine, internal medicine, pediatrics, general surgery, emergency medicine, and obstetrics/gynecology), who would practice in the medically underserved areas of Arkansas and the Mississippi Delta region. NYITCOM developed the partnership as part of its overarching vision to advance patient-centered, population-based osteopathic health care through transformative education and illuminating research. In August 2016, NYITCOM expanded beyond the New York campus and welcomed a class of 115 students to their first year of medical school in Jonesboro. By 2019, NYITCOM welcomed its fourth class as the Arkansas facility reached its steady-state enrollment of 460 students. The first class of NYITCOM D.O. students graduated in May 2020.

The College of Osteopathic Medicine’s 8,000 alumni practice in a broad range of specialties and are affiliated with nationally recognized hospitals with outstanding teaching traditions. Graduates practice as surgeons, cardiologists, pediatric endocrinologists, OB/GYNs, psychiatrists, gastroenterologists, emergency medical physicians, orthopedists, internists, dermatologists, neurologists, radiologists, anesthesiologists, urologists, and family physicians.

OPERATING INFORMATION

Faculty

The faculty includes 349 full-time members teaching on the New York campuses, in Arkansas and at the Institute’s global sites; 259 of the overall faculty hold doctorates. In addition, New York Institute of Technology has 586 part-time, or adjunct, faculty members. New York Institute of Technology’s relatively high ratio of part-time to full-time faculty gives the Institute flexibility to increase or decrease its faculty (and the costs related thereto) based upon the level of student enrollment.

The tables below set forth the faculty profile as of Fall 2019:

<u>School</u>	<u>Full-Time Faculty</u>	<u>Number Tenured</u>	<u>Number Holding Doctorates</u>
Arts & Sciences	89	58	66
Architecture & Design	23	18	3
Engineering & Computing Sciences	57	27	35
Health Professions	37	17	30
Management	47	23	29
NYITCOM	<u>96</u>	<u>0</u>	<u>96</u>
Total	349	143	259

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The following tables present ranking of the Institute’s full-time faculty and the number of part-time faculty at each school for Fall 2019:

	<u>Number</u>	<u>Distribution</u>
Professor	60	17.2%
Associate Professor	145	41.5%
Assistant Professor	136	39.0%
Instructor	<u>8</u>	<u>2.3%</u>
Total	349	100.0%

<u>School</u>	<u>Part-Time Faculty</u>
Arts & Sciences	210
Architecture & Design	70
Engineering & Computing Sciences	92
Health Professions	55
Management	80
NYITCOM	42
Professional Development & English Learning Institute	<u>37</u>
Total	586

Part-time faculty members are primarily employed in outside specialties related to their instructional work at New York Institute of Technology and bring their special knowledge and experience to students seeking careers in the same or similar field. While New York Institute of Technology could be characterized as primarily a teaching institution, faculty are encouraged to pursue sponsored research and all faculty are required to carry out research to be promoted or given tenure. New York Institute of Technology receives various instructional, training, and research grants.

Competition

New York Institute of Technology competes with a number of private and public higher education institutions in the New York City metropolitan area, primarily based on the particular academic program. For example, several institutions in the region offer similar programs in engineering, computer science, management, and health professions. Competitors for these degrees include schools such as Adelphi University, City College and Hunter College of the City University of New York, Hofstra University, New York University, St. John’s University, New Jersey Institute of Technology, Manhattan College and State University of New York’s Stony Brook University.

New York Institute of Technology also has a strong reputation in disciplines in which the competition is more limited and the demand from employers and students is high. For example, a relatively small number of universities in the Northeast offer undergraduate degrees in architecture, and New York Institute of Technology is the only school of architecture on Long Island. Competitors in this field of study in New York City include the City College of the City University of New York, Cooper Union for the Advancement of Science and Art, and Pratt Institute.

Student Enrollments

New York Institute of Technology students are highly career-oriented and often maintain full-time and part-time employment while they pursue their education. In some cases, they may take a semester off to work in order to assist in the funding of their education. Additionally, many New York Institute of Technology students rely on some form of financial aid such as grants, loans or scholarships to assist in meeting the costs of higher education. Consequently, New York Institute of Technology students frequently take longer to complete their degree requirements than do students at more traditional residential colleges. The Institute has been able to attract increasingly qualified students in recent years. Entering undergraduates for the 2019-20 academic year averaged 1,187 on the SATs.

Student enrollment at New York Institute of Technology for the complete academic years 2015-16 through 2019-20 is presented in the following tables. The tables show both the actual number of full-time and part-time students and the Full-Time Equivalents (FTE) relating to such enrollment for the undergraduate and graduate divisions, and NYITCOM. The student enrollment table also includes students enrolled at the New York Institute of Technology global sites.

For undergraduates, the FTE figure is a calculation of the total number of full-time students enrolled plus the total number of credits taken by part-time undergraduate students divided by 12. For graduate students, the total number of credits taken by students is divided by 9. FTE is intended to approximate the number of full-time undergraduate and graduate students who would be taking such credits, giving consideration to the course loads of part-time students. These figures include matriculated as well as non-degree students enrolled in credit-bearing courses for personal development or career advancement.

Total New York Institute of Technology Student Enrollment for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20*</u>
UNDERGRADUATE					
Full-time	4,582	4,628	4,720	4,409	4,018
Part-time	<u>513</u>	<u>468</u>	<u>625</u>	<u>518</u>	<u>425</u>
Total	5,095	5,096	5,345	4,927	4,443
Total FTE	4,907	4,934	5,129	4,739	4,270
Non-Degree					
Non-Degree Full-time	134	25	35	6	5
Non-Degree Part-time	<u>210</u>	<u>324</u>	<u>323</u>	<u>313</u>	<u>136</u>
Total Non-Degree	344	349	358	319	141
Total Non-Degree FTE	188	77	91	64	46
Total Undergraduate	5,439	5,445	5,703	5,246	4,584
Total Undergraduate FTE	5,095	5,011	5,220	4,803	4,316
GRADUATE					
Full-time	2,742	2,491	2,181	2,044	1,857
Part-time	<u>1,258</u>	<u>1,395</u>	<u>1,547</u>	<u>1,416</u>	<u>1,522</u>
Total	4,000	3,886	3,728	3,460	3,379
Total FTE	3,645	3,539	3,441	3,205	3,130
Non-Degree					
Non-Degree Full-time	10	11	7	10	8
Non-Degree Part-time	<u>125</u>	<u>66</u>	<u>65</u>	<u>73</u>	<u>46</u>
Total Non-Degree	135	77	72	83	54
Total Non-Degree FTE	67	39	34	55	36
Total Graduate	4,135	3,963	3,800	3,543	3,433
Total Graduate FTE	3,712	3,578	3,475	3,260	3,166
NYITCOM					
Full-time	<u>1,227</u>	<u>1,354</u>	<u>1,484</u>	<u>1,612</u>	<u>1,743</u>
Total NYITCOM FTE	1,227	1,354	1,484	1,612	1,743
TOTAL STUDENT ENROLLMENT					
Full-time	8,695	8,509	8,427	8,081	7,622
Part-time	<u>2,106</u>	<u>2,253</u>	<u>2,560</u>	<u>2,320</u>	<u>2,129</u>
Total Headcount	10,801	10,762	10,987	10,401	9,751
Total FTE	10,034	9,943	10,179	9,675	9,216

*Based on preliminary Academic Year 2019-20 enrollment data (excludes summer 2020)

The number of enrolled undergraduate and graduate students has decreased between academic years 2015-16 and 2019-20, due in part to the freezing of admissions for global programs in Abu Dhabi and China, beginning in fall 2017. At that time, New York Institute of Technology's Board of Trustees determined that those programs would be closed after completing instruction to matriculated students, following academic accreditation standards to provide a "teach-out" program, enabling all students to complete their degrees. Enrollment at New York Institute of Technology's New York campuses has fallen as a result of declining numbers of international students, fewer students graduating from high schools on Long Island and New York City, and an increasingly competitive environment for the enrollment of new students.

Since 2017, New York Institute of Technology has seen significant enrollment growth at two other campuses. The first of these is the 460-student due to NYITCOM's four-year expansion campus in Jonesboro, Arkansas. The second area of growth has been the graduate campus in Vancouver, Canada with enrollments of 165 in fiscal year 2017 rising to more than 740 students in fiscal year 2020.

New Student Enrollment - Undergraduate application and enrollment data for freshmen and transfer students and for graduate students at the New York campuses only are presented in the tables below. Undergraduate and graduate data on applications, acceptances, and enrollment are not provided for New York Institute of Technology's campuses in China, Abu Dhabi and Canada.

**New Undergraduate Freshman and Transfer Student
Application and Enrollment for the New York Campuses for Academic Years***

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Applicants	10,159	11,499	11,177	10,217	11,417
Acceptances	6,925	8,298	8,464	7,557	8,800
% of applicants accepted	68.2%	72.2%	75.7%	74.0%	74.5%
Enrolled transfer students	384	334	280	211	220
Full-time	379	333	279	165	180
Part-time	5	1	1	46	40
Enrolled freshmen	849	782	950	908	860
Full-time	829	766	934	860	827
Part-time	<u>20</u>	<u>16</u>	<u>16</u>	<u>48</u>	<u>23</u>
Total enrolled freshmen/transfers	1,233	1,116	1,230	1,119	1,080
% of accepted enrolled	17.8%	13.4%	14.5%	14.5%	12.7%

* Data is as of October 31 for fall term

Graduate Application and Enrollment for the New York Campuses for Academic Years*

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Applicants	8,913	6,828	5,642	4,790	4,451
Acceptances	3,732	2,789	2,214	1,933	1,990
% of applicants accepted	41.9%	40.8%	39.2%	40.4%	44.7%
Enrolled	1067	879	729	648	612
% of accepted enrolled	28.6%	31.5%	32.9%	33.5%	30.8%

* Data is as of October 31 for fall term.

Medical school enrollment - NYITCOM applications and enrollment at the New York and Arkansas campuses for the academic years 2015-16 (New York only) through 2019-20 are presented in the following table.

NYITCOM Application and First-Year Student Enrollment for Academic Years*

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Applicants	7,043	6,909	7,035	6,357	7,140
Acceptances	471	727	940	913	958
% of applicants accepted	6.7%	10.5%	13.4%	14.4%	13.4%
Enrolled	307	433	436	430	435
% of accepted enrolled	65.2%	59.6%	46.4%	47.1%	45.4%

* Data is as of October 31 for fall term.

The following table summarizes average Scholastic Aptitude Test (“SAT”) scores of entering freshman at the New York campuses for academic years 2015-16 through 2019-20:

SAT Scores of Entering Undergraduate Freshmen at the New York Campuses for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Average SAT Verbal	556	515	560	574	581
Average SAT Math	<u>616</u>	<u>554</u>	<u>578</u>	<u>594</u>	<u>606</u>
Total	1,172	1,069	1,138	1,168	1,187

Similar to actions taken at many other higher education institutions, in spring 2020, New York Institute of Technology announced that it is suspending the SAT requirement for admission to the Institute beginning in fall 2020, as a result of the COVID-19 pandemic.

Geographic distribution of students. New York Institute of Technology attracts students to its New York campuses from nearly all 50 states and more than 90 countries. As shown in the table below, more than 79% of undergraduate students at the New York campuses are from Connecticut, New Jersey, New York, and Pennsylvania. Approximately 5% of enrolled students are from other states and approximately 16% are from foreign countries. About 22% of graduate students at the New York campuses are international students from China, India and other Asian countries, enrolled in the School of Management or the College of Engineering & Computing Sciences. An additional 52% of graduate students come from Long Island and New York City, and 26% are from the rest of New York and other states. The majority of NYITCOM students attending the Old Westbury Campus come from New York State.

The table below shows the student profile for students at the New York campuses for Fall 2019.

	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
Nassau and Suffolk Counties (New York)	36.4%	27.8%	32.5%
New York City	30.6%	24.2%	27.7%
Rest of New York State, plus New Jersey, Pennsylvania and Connecticut	12.6%	16.8%	14.5%
Other states	4.6%	9.7%	6.9%
Other countries (i.e., India and China)	<u>15.8%</u>	<u>21.5%</u>	<u>18.4%</u>
Total	100.00%	100.00%	100.00%

Tuition, Fees and Financial Aid

The information under this subheading is for students attending the New York campuses only.

Tuition and Fees - Tuition charges and the mandatory college fee, which covers a variety of educational services and co-curricular activities, for full-time undergraduate students are summarized in the following table:

Tuition and Fee Charges for Full-time Undergraduate Students at the New York Campuses for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Architecture & Design, Engineering & Computing Sciences and Health Professions	\$34,300	\$36,020	\$36,740	\$37,785	\$38,920
Arts & Sciences and Management	\$33,480	\$35,160	\$35,870	\$36,890	\$38,010

The following table presents tuition charges for part-time undergraduate students.

Per Credit Tuition Charges for Part-time Undergraduates at the New York Campuses for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
All Programs	\$1,095	\$1,150	\$1,175	\$1,205	\$1,240

Graduate and NYITCOM student tuition charges are summarized in the following tables.

Per Credit Tuition Charge for Graduate Students at the New York Campuses for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
All Programs	\$1,155	\$1,215	\$1,250	\$1,285	\$1,320

Tuition Charges for College of Osteopathic Medicine for Academic Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Tuition	\$54,000	\$55,890	\$57,570	\$58,435	\$59,350
Fees, First Year	\$1,340	\$1,340	\$1,340	\$1,491	\$1,516

Institute Housing - Although many students rent private apartments in New York area or live with family, the Institute also leases residential facilities for some students attending its New York City and Long Island campuses. In academic year 2019-20, New York Institute of Technology leased 320 student beds on the State University of New York's Old Westbury ("SUNY – Old Westbury") campus and 269 student beds from private owners of student residential facilities in New York City. For the 2019-2020 academic year room and board fees averaged \$15,030 for the Long Island location and \$15,901 for the New York City locations. As part of its post-COVID-19 reopening plan, in June 2020, SUNY - Old Westbury announced that it will not house any students on its campus for the fall 2020 semester. New York Institute of Technology is exploring alternative housing options for its Long Island based students for the 2020 – 2021 academic year.

Financial Aid Programs - New York Institute of Technology is committed to enabling the most qualified students from diverse backgrounds to enroll. Approximately 95% of undergraduate and graduate students attending New York Institute of Technology receive some form of financial aid aggregating \$208 million in 2019, including NYITCOM. Financial aid is awarded to students as a comprehensive package comprising federal, state, and New York Institute of Technology-funded grants, scholarships, loans, and employment. New York Institute of Technology awards academic

excellence scholarships in an effort to reward its continuing students and promote higher retention levels. Five-year histories of financial aid for the New York campuses' undergraduate and graduate programs and NYITCOM are below:

**Financial Aid Awarded to Undergraduate & Graduate Students for the New York Campuses
for Fiscal Years Ended August 31
(\$000s)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Federal & alternative loans	\$51,207	\$50,580	\$54,260	\$52,533	\$49,910
Federal grants & programs	9,904	10,050	9,231	9,723	9,981
New York State grants	4,493	4,543	4,309	4,274	4,203
New York Institute of Technology grants & scholarships	<u>45,677</u>	<u>48,310</u>	<u>46,655</u>	<u>45,176</u>	<u>50,089</u>
Total Awards	<u>\$111,281</u>	<u>\$113,483</u>	<u>\$114,455</u>	<u>\$111,706</u>	<u>\$114,183</u>

**Financial Aid Awarded to All Students for NYITCOM
for Fiscal Years Ended June 30
(\$000s)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Federal & alternative loans	\$64,861	\$64,753	\$73,712	\$79,378	\$87,568
Federal grants & programs	2,266	2,585	881	1,311	1,448
New York Institute of Technology grants & scholarships	<u>2,989</u>	<u>2,449</u>	<u>3,221</u>	<u>4,197</u>	<u>5,290</u>
Total Awards	<u>\$70,116</u>	<u>\$69,787</u>	<u>\$77,814</u>	<u>\$84,886</u>	<u>\$94,306</u>

ANNUAL FINANCIAL STATEMENT INFORMATION

Selected Financial Data

New York Institute of Technology prepares its financial statements on an accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) in the United States of America. The Institute's financial statements also are presented in accordance with the Audit and Accounting Guide for Not-for-Profit Organizations published by the American Institute of Certified Public Accountants ("AICPA"). See "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto.

The financial information on the following page should be read in conjunction with the financial statements and accompanying notes and auditor's report included therein. The tables below provide Consolidated Statements of Financial Position and the Consolidated Statement of Activities for Net Assets Without Donor Restrictions of the Institute for the five fiscal years ended August 31, 2015, 2016, 2017, 2018, and 2019. In March 2019, the Board approved the recommendation to change New York Institute of Technology's fiscal year end from August 31 to June 30 for the ten-month period Sept. 1, 2019 through June 30, 2020. This was done to better align New York Institute of Technology's year end with the June 30 end date for all Federal financial aid programs, as well as NYITCOM's academic year, which begins on July 1.

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New York Institute of Technology
Consolidated Statements of Financial Position
Fiscal Years Ended August 31,
(\$000)

Assets	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Cash and cash equivalents	\$36,144	\$54,464	\$45,884	\$60,958	\$46,901
Grants receivable	15,909	4,129	2,890	3,293	6,345
Student accounts receivable, net	3,914	7,357	7,709	6,103	6,393
Student loans receivable, net	11,436	11,301	10,812	9,766	8,773
Contributions receivable, net	1,813	1,484	1,273	1,158	1,642
Investments, at FV	68,661	70,992	84,332	97,091	101,502
Investments in real estate, at FV	31,234	30,870	30,492	25,373	19,217
Other assets	4,355	3,908	6,060	6,456	6,548
Funds held in trust	7,783	157	1,258	1,410	1,343
Property, plant and equipment, net	<u>142,607</u>	<u>140,409</u>	<u>135,838</u>	<u>120,159</u>	<u>119,669</u>
Total assets	<u>323,856</u>	<u>325,071</u>	<u>326,548</u>	<u>331,767</u>	<u>318,333</u>
 Liabilities and Net Assets					
 Liabilities					
Accounts payable and accrued liabilities	37,019	35,704	43,011	34,080	37,523
Deferred tuition revenues	57,008	62,826	67,086	86,893	75,971
Refundable grants/US gov't loan funds	16,427	16,363	14,704	14,397	14,384
Postretirement health benefits	9,582	9,587	8,640	7,875	8,517
Bonds payable	<u>60,349</u>	<u>47,038</u>	<u>43,421</u>	<u>37,333</u>	<u>30,490</u>
Total liabilities	<u>180,385</u>	<u>171,518</u>	<u>176,862</u>	<u>180,578</u>	<u>166,885</u>
 Net assets					
Without donor restrictions	136,725	146,459	141,903	140,657	139,560
With donor restrictions	<u>6,746</u>	<u>7,094</u>	<u>7,783</u>	<u>10,532</u>	<u>11,888</u>
Total net assets	<u>143,471</u>	<u>153,553</u>	<u>149,686</u>	<u>151,189</u>	<u>151,448</u>
Total liabilities and net assets	<u>\$323,856</u>	<u>\$325,071</u>	<u>\$326,548</u>	<u>\$331,767</u>	<u>\$318,333</u>

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New York Institute of Technology
Statements of Activities for Net Assets Without Donor Restrictions
Fiscal Years Ended August 31,
(\$000)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating revenues					
Tuition and fees	\$264,689	\$277,514	\$275,187	\$286,473	\$294,548
Less: Scholarships and fellowships	<u>(43,892)</u>	<u>(46,712)</u>	<u>(47,462)</u>	<u>(53,136)</u>	<u>(59,215)</u>
Net tuition and fees	220,797	230,802	227,725	233,337	235,333
Grants and contracts	3,777	3,024	2,594	3,048	4,634
Government appropriations	653	813	771	780	755
Contributions	786	1,064	1,229	780	900
Training and public service	2,543	3,194	3,297	3,385	3,247
Endowment Investment return designated for operations					4,084
Investment return, net	(2,471)	2,044	6,691	4,484	576
Sales and services of auxiliaries	18,065	16,321	17,968	18,351	20,207
Other sources	9,898	6,471	6,021	3,373	4,711
Net assets released from restriction	<u>588</u>	<u>487</u>	<u>434</u>	<u>383</u>	<u>557</u>
Total operating revenues	254,636	264,220	266,730	267,921	275,004
Operating expenses					
Instruction	102,610	109,722	120,861	121,795	123,970
Academic support	16,067	18,048	22,634	22,816	24,964
Student services	24,112	27,781	29,136	27,567	27,499
Research, training and public service	11,970	12,590	10,496	12,563	12,709
Auxiliary enterprises	<u>17,740</u>	<u>18,686</u>	<u>18,708</u>	<u>18,958</u>	<u>20,148</u>
Total program services	172,499	186,827	201,835	203,699	209,290
Supporting services – institutional support	<u>62,159</u>	<u>62,818</u>	<u>60,750</u>	<u>57,976</u>	<u>57,967</u>
Total operating expenses	<u>234,658</u>	<u>249,645</u>	<u>262,585</u>	<u>261,675</u>	<u>267,257</u>
Change in net assets from operations	<u>19,978</u>	<u>14,575</u>	<u>4,145</u>	<u>6,246</u>	<u>7,747</u>
Nonoperating activities					
Endowment return, net					(2,192)
Realized and Unrealized gain (loss) on investments in real estate	1,261	(364)	(378)	11	(4,405)
Losses associated with campus redevelopment			(7,282)	(7,914)	(1,162)
Postretirement benefit changes	(1,573)	(1,833)	(894)	412	(1,086)
Other changes	—	<u>(2,644)</u>	<u>(147)</u>	—	—
Change in net assets from non- operating activities	<u>(312)</u>	<u>(4,841)</u>	<u>(8,701)</u>	<u>(7,491)</u>	<u>(8,845)</u>
Change in net assets	<u>\$19,666</u>	<u>\$9,734</u>	<u>(\$4,556)</u>	<u>(\$1,245)</u>	<u>(\$1,098)</u>

Certain amounts in fiscal years 2015 to 2019 have been reclassified to maximize reporting consistency across years.

FINANCIAL OPERATIONS

Management's Discussion of Financial Operations

Challenges Posed by COVID-19

In February and continuing into March 2020, the New York region was hit quite hard by COVID-19, the respiratory disease caused by the novel coronavirus. New York Institute of Technology decided in mid-March that it could not return to in-class, person-to-person teaching for the week following spring break. The Institute moved swiftly to remote, synchronous, online teaching using Zoom in response to the emergency. As New York City and Long Island became national epicenters for COVID-19, the Institute continued to use Zoom for over 1,200 courses and, because of fast action by faculty and IT staff, New York Institute of Technology was ready when Governor Cuomo issued his March 2020 "New York on PAUSE" Executive Order and asked every citizen to shelter in place. New York Institute of Technology also acted on important issues as they arose, such as instituting a pass/fail grade option, providing \$1.2 million in room and board refunds to residential students, extending the semester to decrease stress, and delivering computers and other technology support to students, faculty and staff who needed them.

From a financial management standpoint, New York Institute of Technology acted quickly to assess and reduce its financial risks. Beginning in early April 2020, the Institute assessed its workforce needs, assigned more than 250 staff furloughs (with full health benefits paid by the Institute), and eliminated more than 90 open positions. Another 35 positions were permanently closed after employees resigned, retired, or were terminated. Travel and discretionary budgets were reduced through the end of the academic year, and updated spending guidance was issued for all employees. In all, the net value of these actions reduced the Institute's costs by approximately 10% or \$5 million of the baseline expenses during the second quarter of 2020. The continuation of some of these cost reductions is expected to provide savings of approximately \$6.5 million in fiscal year 2021. For financial risk planning purposes, New York Institute of Technology also prepared multiple financial models to anticipate and measure the potential effects of multiple levels of drops in enrollment in fall 2020, especially with respect to international students.

As the pandemic arose during the heart of the fall admission cycle, New York Institute of Technology took many actions to ensure a successful admission season. The admission deposit deadline was moved from May 1 to June 1, and the new student deposit amount was lowered from \$400 to \$200. The admissions office hosted multiple virtual admitted student events for families, focused on specific schools and programs which included live or video presentations from deans, faculty, and current students. Virtual campus tours are always available to prospective students and provided multiple opportunities to "see" the facilities, "meet" with deans and admissions staff, and get their questions answered.

During May and June the Institute was presented with two likely sources of financial contraction for fiscal year 2021. The first of these was notification from New York State that Bundy Aid for the current year was on hold, resulting in a loss of \$800,000 in income without donor restrictions for fiscal year 2020. The Institute is assuming that this aid will not be reinstated for fiscal year 2021. The second reduction was when SUNY – Old Westbury as part of its post-COVID-19 reopening plan, announced that it will not house any students on its campus for the fall 2020 semester. New York Institute of Technology is exploring alternative housing options for approximately 150 to 200 Long Island based students for the 2020 – 2021 academic year. The potential loss of net revenue and increased costs may exceed \$500,000. The Institute will make further costs saving adjustments to offset these net revenue losses.

As fall registration opened up for new and continuing students, staff from numerous student service departments were engaged in assisting student enrollments for the fall semester. By June 1, 2020 new student deposits were at 805 compared to 889 at the same time for the prior year. Although lower than the prior year by approximately 9.5%, it was ahead of earlier expectations. Student enrollments as of June 1, 2020 were at 2,467 for our New York campuses, an increase from the prior year of approximately 13% which is due to a combination of beginning registration two weeks early and enrolling new first-year and transfer students earlier than in prior years. Students who have expressed interest but have not yet committed have indicated that their decisions may be made later this summer depending on class modality offered this fall. New York Institute of Technology has launched a marketing campaign encouraging local students who may be reluctant to attend an "away" school in the fall to consider New York Institute of Technology as an alternative to missing a semester or year of study. For international undergraduate students, New York Institute of Technology's deposits indicate some mild decline but generally are holding steady when comparing deposits to prior years. With no assurance that international students will be able to obtain visas and travel to the United States to attend classes in person, New York Institute of Technology is planning to provide dual-modality teaching and continue to provide online instruction for those students.

New York Institute of Technology based on approvals from New York State reopened all of its research labs on July 1, 2020 and NYITCOM is expected to reopen on August 6, 2020 for instructional activities. The Institute is hopeful that the campuses in both New York City and on Long Island will be allowed to reopen to all students by September 9, 2020 and that the Institute will be able to resume normal campus operations, with regular academic classes and student life activities. Whatever the situation, the Institute is well under way with rigorous and thorough planning needed to prepare for re-opening the campuses, subject to what will no doubt be more restrictive public health guidelines.

Using guidance and research from the CDC, New York State, and essential business protocols, New York Institute of Technology has developed a four-point plan to be ready for the semesters ahead. This plan, called “LEAD” for Layouts, Equipment, Academic Scheduling, and Disinfection, addresses multiple aspects of campus re-engagement. The LEAD plan also identifies required health methodologies for virus spread monitoring for re-opening. The Institute’s LEAD plan also includes a robust communication component to ensure that students, faculty and staff are informed and able to prepare for the new circumstances as they arise.

New York Institute of Technology envisions being able to open its campuses, but with appropriate social distancing and other recommended protective measures. For example, the Institute anticipates having to perform daily screenings, recommend isolation and quarantine as necessary, and clean and disinfect in accordance with health guidelines. Other new provisions include changes to classroom seating, enhanced and expanded technology to support online teaching, increased sanitization and other changes to infrastructure. At its core, New York Institute of Technology’s plan is to assure the safety of its students, faculty, and staff. Most U.S.-based courses in the fall semester will be taught in hybrid or remote format. Each teaching format includes some level of in-person contact, including one or more of the following features: direct instruction, advising, testing, and review. Both hybrid and remote instruction meet the requirements for international student residency as defined by the United States Department of Homeland Security, and will be adapted as needed to continue compliance.

Closure and Sale of Central Islip Campus

At the end of August 2017, the Institute permanently closed its Central Islip campus, located in Suffolk County, Long Island, New York. The campus had not been used to support academic programs for many years prior to its closure, and the Institute made plans to sell the property to generate funds to support its other New York campuses. Certain parts of the Central Islip campus were subject to state-imposed educational use restrictions, and upon sale of those parcels, the State was entitled to 40% of the net sales proceeds as consideration to release those restrictions. In fiscal year 2018, one land parcel was sold for \$4.5 million, net of all sales and closing costs, including the state share which was paid at closing. A second parcel was sold in fiscal year 2018 for a net sales price of \$1.8 million; there were no state claims on that sale. In December 2019, the Institute paid \$7.8 million in exchange for the State’s release of any and all remaining use restrictions.

In June 2020, the Institute sold a third parcel at a value of \$1.8 million, net of closing costs. Three additional Central Islip land sales are pending with a combined expected net sales value of \$23.3 million.

Funds received from the Central Islip property sales have been invested in the Institute’s “Capital Reserve Fund”, a pool of highly liquid investments (90% fixed income and 10% equities) that are managed separately from the endowment. The reserve fund was begun in 2017 with a \$5.0 million transfer from operations, and most additional funding has been from the Central Islip land sales and related transactions. In December 2019, the Institute withdrew \$7.8 million from the Capital Reserve to fund the final land use restriction payment to New York State. The Institute has no further cash obligation to the State for Central Islip land sales. As of July 1, 2020, the Capital Reserve fund has a balance of \$7.3 million, prior to the expected additional land sales in Central Islip for \$23.5 million.

Funds received from any future Central Islip property sales shall be immediately deposited and invested in the Institute’s “Capital Reserve Fund” and managed separately from the Institute’s endowment. Such funds shall be used exclusively to fund capital improvements and maintenance of the facilities at the New York campuses.

June 30 Fiscal Year End Change

In March 2019, the Board approved the recommendation to change New York Institute of Technology’s fiscal year end from August 31 to June 30 for the ten-month period Sept. 1, 2019 through June 30, 2020. This was done to better align New York Institute of Technology’s year end with the June 30 end date for all Federal financial aid programs, as well as NYITCOM’s academic year, which begins on July 1.

Additional reasons for the June 30 fiscal year end change included:

- To recognize that non-salary budget spending in summer is primarily in anticipation of preparing for fall semester, rather than closing out old year activities
- To allow for flexibility in the on-boarding process for new employees whose responsibilities coincide with the start of the academic year
- To realign insurance policies with the traditional academic year
- Financial accounting reconciliations for certain assets and liabilities, especially investments, student accounts receivable, and deferred tuition align more appropriately with a June 30 year end.

Investments

The Institute holds investments in two different investment pools. The first and largest is the endowment, which has funds invested in diverse financial vehicles including money market, mutual funds, debt, equity, hedge funds, limited partnership interests and real estate. The second and much smaller pool is the capital reserve fund, which is invested with a high liquidity profile of money market, mutual funds and equities. The endowment and capital reserve funds have separate investment profiles and policies. The Investment Committee of the Board of Trustees oversees the Institute’s investments and the Committee meets quarterly to review investment performance and current allocations against New York Institute of Technology’s investment policies. The Investment Committee reviews the investment policies periodically and presents any changes to the full Board of Trustees for approval.

The Investment Committee engages JP Morgan’s Endowments & Foundations Group (“JPM”) to act as custodian and chief investment advisor for the Institute’s investment portfolio. The JPM team reports to the Investment Committee. Working directly with the Investment Committee, JPM follows the Investment Committee’s directives on investment strategy for the investment pool. In line with that strategy, JPM researches and analyzes various investment opportunities and identifies alternative investment managers. JPM then brings their recommendations to the Committee for consideration and/or approval. On the Institute’s behalf, JPM performs a thorough due diligence process, including a review of both quantitative and qualitative factors. Documentation of that research, along with opportunities for questions and answers with the JPM team and the investment manager, are made available as desired by the Committee.

The Institute’s Investment Committee is solely responsible for making all investment decisions. The Institute receives monthly investment reports from JPM and quarterly reports directly from fund managers. If the Investment Committee believes that a fund is under-performing or no longer fits in with the Institute’s investment strategy, the Committee will make an assessment as to whether or not to keep the investment as permitted by the investment entrance and liquidation restrictions. To ensure that the valuing of alternative investments is performed properly, the Institute receives audited financial statements of the specific funds. In most cases, the year-ends of these funds are December 31st. The Institute performs other procedures to ensure the valuation from December through the fiscal year end is rolled forward properly. In certain cases, the funds are required to submit K-1s, which the Institute obtains and reviews for reasonableness.

The table below shows fair market value by investment class for the five years ended August 31:

**Investments at Fair Market Value
Fiscal Years Ended August 31
(\$000’s)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Money market	\$2,754	\$1,436	\$4,455	\$3,644	\$3,683
Mutual funds	18,430	22,011	26,623	23,001	23,833
Common stock	24,347	27,941	30,319	36,966	32,368
Corporate bonds	2,128	2,626	3,368	12,785	15,766
Hedge funds	15,877	12,146	14,058	14,563	16,251
Partnership and other	<u>5,125</u>	<u>4,832</u>	<u>5,509</u>	<u>6,132</u>	<u>9,601</u>
Total investments	<u>\$68,661</u>	<u>\$70,992</u>	<u>\$84,332</u>	<u>\$97,091</u>	<u>\$101,502</u>

As of May 31, 2020, based upon the most recent reports available to the Institute, total investment fair market value was approximately \$89.8 million. The decrease in the investment value since August 31, 2019 is approximately 11.9% however, this is subsequent to the distribution of approximately \$3.3 million which will be used in operations. The

endowment fund has more than 80% daily liquidity and the capital reserve fund which makes up approximately \$7.2 million of the May 31, 2020 total investment market value has 100% daily liquidity.

Endowment

Net assets of the Institute's endowment are classified based on the existence or absence of donor-imposed restrictions. The Institute complies with New York State's version of the Uniform Prudent Management of Institutional Funds Act. Endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment manager costs of 6.5% over the long term. To satisfy this objective, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends.) Actual returns in any given year may vary from this amount.

From 2015 to 2018, New York Institute of Technology recognized the total return of the endowment portfolio as part of its operating income. For the fiscal year ended August 31, 2019, the Board of Trustees adopted an Investment Spending Policy in order to provide a constant framework for compliance with NYS UPMIFA, a more consistent investment return for budgeting purposes, and a designed plan for achieving real growth of the endowment portfolio relative to inflation. The Investment Spending Policy stipulates that the distribution is to be 5.0% - 6.0% of a 3-year moving average investment market value. The exact percentage in the 5.0% - 6.0% range is determined annually by Senior Management during the budget planning cycle. The spending rate was 6.0% in fiscal year 2019 and is 5.5% in fiscal year 2020. The Investment Spending Policy states that spending is restricted on new endowment gifts or endowment accounts for which the investment market value is below the original gift value. The Board can elect to make special distributions from the portion without donor restrictions of New York Institute of Technology's investments at any time.

In 2019, the Institute ceased including real estate investments and donor restricted pledges as part of the reported endowment value. The endowment values reported below for 2015 to 2018 have been adjusted to exclude real estate investments and donor restricted pledges.

Endowment Net Assets
Fiscal Years Ended August 31
(\$000's)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Without donor restrictions	\$64,146	\$66,254	\$72,950	\$77,271	\$79,286
With donor restrictions	<u>5,110</u>	<u>5,665</u>	<u>6,448</u>	<u>8,167</u>	<u>8,623</u>
Total endowment	<u>\$69,256</u>	<u>\$71,919</u>	<u>\$79,398</u>	<u>\$85,438</u>	<u>\$87,909</u>

At May 31, 2020 the total endowment balance was \$83.8 million (interim and unaudited).

Fundraising

The Institute records contributions of cash and other assets when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either with donor restrictions or without donor restrictions, based upon the presence or absence of donor-imposed restrictions. The Institute reports gifts of cash or other assets as restricted support if they are received with donor restrictions that limit the use of the donated assets. The Institute reports pledges expected to be collected within one year at net realizable value. Pledges to be paid to the Institute over a period of years are recorded at their estimated present value using a risk-adjusted rate. The following table presents net contributions to the Institute for the five years ended August 31:

Contributions
Fiscal Years Ended August 31
(\$000's)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contributions	\$974	\$1,741	\$1,678	\$3,525	\$2,617

Property, Plant and Equipment

The Institute currently operates academic programs in Manhattan, Old Westbury in Nassau County, and Jonesboro in Arkansas. Property, plant and equipment at the Institute's global sites abroad (China and Abu Dhabi) are owned and maintained by the Institute's joint venture partners. The Vancouver, Canada campus operates out of leased spaces.

The Institute's Old Westbury Campus is on approximately 220 acres with 30 buildings containing 548,000 square feet. In addition to academic and student facilities, the Old Westbury Campus is the primary location for the Institute's administrative functions. In Manhattan, the Institute owns two buildings and leases additional space for a total of 182,000 square feet devoted to academic and student activities. In Arkansas, the Institute leases two buildings owned by the state university on the Jonesboro campus. The former Central Islip site has been closed since 2017 and parcels of the property have been sold. The remaining parcels of the former Central Islip campus have been designated for sale or donated to the local Township. Space is occasionally rented to other organizations and not-for-profit programs. The following table presents property, plant, equipment and accumulated depreciation for the five years ended August 31:

Property, Plant, and Equipment Fiscal Years Ended August 31 (\$000's)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Land	\$4,799	\$4,799	\$4,799	\$4,799	\$4,799
Buildings and leasehold improvements	199,144	204,237	214,205	203,047	209,370
Machinery, equipment, furniture & fixtures	63,107	70,391	78,855	82,314	90,120
Library books	3,257	3,513	3,801	3,801	3,801
Constructions in progress	<u>8,583</u>	<u>9,625</u>	<u>3,406</u>	<u>5,123</u>	<u>8,703</u>
	278,890	292,565	305,066	299,084	316,793
Less: Accumulated depreciation	<u>(136,283)</u>	<u>(152,156)</u>	<u>(169,228)</u>	<u>(178,925)</u>	<u>(197,124)</u>
Total	<u>\$142,607</u>	<u>\$140,409</u>	<u>\$135,838</u>	<u>\$120,159</u>	<u>\$119,669</u>

Insurance

The Institute maintains a program of risk and insurance protection covering its assets and operations and management of all owned or leased facilities. This insurance coverage includes general liability, all risk property insurance including business interruption, automobile, crime, workers' compensation, directors' and officers' liability, medical malpractice, cyber-security, and other insurance. Annual insurance policy renewals, risk management and loss prevention programs are coordinated by the offices of the General Counsel and the Chief Financial Officer.

New York Institute of Technology offers students an ACA-compliant health insurance plan through Aetna, a large national health care insurance provider. Health insurance is required for students enrolled at the New York and Arkansas campuses (i.e. full-time undergraduate students, student-athletes, residence hall occupants, School of Health Professions students, NYITCOM students, and international students holding an F-1 or a J-1 visa). If a domestic student has comparable health insurance coverage available, such as through a parent's plan, the student may be eligible to waive the coverage.

Outstanding Indebtedness and Leases

As of the date of this Official Statement, \$23,990,000 of Series 2016A Bonds is Outstanding. The Series 2020A bonds will refund a portion of the Institute's currently outstanding Series 2016A Bonds. It is expected that certain amounts due on the Series 2016A Bonds in maturities from 2021 through 2024, will remain outstanding after the issuance of the Series 2020A Bonds. Combined, the two issues are currently the entirety of the Institute's long-term debt.

The Institute has one unsecured line of credit of \$10,000,000 with a commercial bank. The line is subject to annual renewal with consent from both parties. As of May 31, 2020, New York Institute of Technology has borrowed \$8,900,000 on the line of credit, \$1,055,935 is reserved for open Standby Letters of Credit for security deposits that expire April 1, 2026, and the net amount available for borrowing is \$44,065. The interest rate on the \$10,000,000 line of credit is LIBOR plus 150 basis points. At May 31, 2020 the interest rate was 1.83%. The Institute complies with the loan agreement requirement to submit mid-year and annual financial statements.

The Institute leases space to support its academic and related needs. Cash payments for all leased spaces amounted to approximately \$17.2 million in fiscal year 2020, and are projected at \$16.1 million in fiscal year 2021. When projecting its current and long term debt capacity, the Institute considers its lease obligations and space needs for financial planning purposes.

In Manhattan, the Institute leases space in four buildings to support academic programming at a cost of \$10.9 million in fiscal year 2020, and \$11.2 million in fiscal year 2021. These leases have varying expiration dates from 2024 to 2033. Two dormitory spaces are also leased in Manhattan, with combined rents of \$3.6 million and \$3.9 million in fiscal years 2020 and 2021, respectively. Both leases expire by the end of fiscal year 2022, and renewal options are available. In fiscal year 2020, the Institute paid \$1.8 million to lease dormitory space on Long Island from SUNY-Old Westbury. SUNY-Old Westbury recently announced it will not house any students on its campus in the fall 2020 semester, and the Institute is considering alternate housing options.

Space is also leased to support operations at three other sites: Vancouver, Central Islip (medical clinic), and Arkansas. The combined cost of rents on those sites is \$1.0 million in each of fiscal years 2020 and 2021. Leases in Vancouver and at the medical clinic expire over the next two years, and the Institute is exploring renewal options at or near the existing locations. The Arkansas lease is valid through 2030.

Retirement Plan

The Institute has a contributory defined contribution retirement plan for substantially all full-time employees. Contributions are based on a percentage of the participants’ salaries. Total pension costs under this plan for the five years ended August 31 are (in \$000’s):

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Defined Contribution Retirement Plan	\$5,941	\$6,141	\$6,334	\$6,375	\$6,471

Labor Relations

As of May 31, 2020, there are 1,081 full-time U.S. academic, other professional, and support staff employees (excluding part-time employees and adjunct faculty) of whom about 314 are represented by three unions. The American Association of University Professors (“AAUP”) represents full-time and regular part-time faculty on the New York campuses, except for NYITCOM. The current contract between New York Institute of Technology and AAUP extends through August 31, 2022.

Facilities personnel are members of Building Material Teamsters Local 282 of the International Brotherhood of Teamsters and their contract with New York Institute of Technology extends through August 31, 2023. The custodial staff is represented by two chapters of Local 32BJ of the Service Employees International Union and their contracts with New York Institute of Technology extend through December 31, 2019 (with a Memorandum of Understanding with the Long Island chapter for a new contract through December 31, 2023). None of the estimated 59 full-time faculty and staff outside the United States are represented by unions. The Institute considers relations with its employees to be very good.

Litigation and Contingent Liabilities

New York Institute of Technology is a party in certain pending civil lawsuits claiming damages in connection with contractual and other matters. New York Institute of Technology does not currently expect the resolution of any pending or threatened disputes, singly or in the aggregate, to have a material adverse effect upon the financial position or operations of the Institute or its ability to fulfill its obligations under the Loan Agreement. Like numerous other universities across the country, New York Institute of Technology has been named in a purported class action suit seeking tuition refunds for the spring 2020 academic term as a result of the Institute’s transition to remote education in response to the COVID-19 pandemic. New York Institute of Technology has not yet been served, believes there are good defenses to this matter, and intends to contest any action vigorously.

PART 6 – BONDHOLDERS’ RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2020A Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2020A Bonds should analyze carefully the information contained in this Official Statement, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

General

The Series 2020A Bonds are payable from payments to be made by the Institute under the Loan Agreement. The ability of the Institute to comply with its obligations under the Loan Agreement depends primarily upon the ability of the Institute to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The Institute expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the Institute will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the Institute from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2020A Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the Institute to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the Institute to provide the services required by students, economic developments in the New York area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the Institute to provide for payments. The future financial condition of the Institute could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2019-2020 academic year, approximately 86% of the Institute’s undergraduates and 69% of all students enrolled at the New York campuses received some form of financial assistance. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the Institute.

Investment Income

The Institute’s investment program for endowment and similar funds operates under an investment policy statement and guidelines established by the Board, which delegates direct oversight for the investment program to the Investment Committee of the Board. The consolidated endowment pool is managed by external money managers appointed for the purpose by the Investment Committee. Although the portion of the Institute’s endowment funds without donor restrictions and the payout therefrom are available for debt service payments on the Series 2020A Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fund Raising

The Institute raises funds to finance its operations and capital development programs from a variety of benefactors. Although it plans to continue those efforts in the future, there can be no assurance that those efforts will be successful. Such efforts may be adversely affected by a number of factors, including general economic conditions and tax law changes affecting the deductibility of charitable contributions.

Government Funding

The federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modification and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the Institute could be adversely affected by these actions and the ability of the Institute to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Risks as Employer

The Institute is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the Institute bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Changes in Law

Changes in law may impose new or added financial or other burdens on the operations of the Institute. Developments may include: (i) legislative or regulatory requirements for maintaining status as an organization exempt from taxation as described in Section 501(c)(3) of the Code; or (ii) challenges to State and local exemptions from real property tax and other taxes. It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of not-for-profit corporations. There can be no assurance that future changes in the laws and regulations will not materially adversely affect the operations and financial condition of the Institute by requiring it to pay income or real property taxes (or other *ad valorem* taxes).

Additional Bonds

Additional Bonds may be issued under the Resolution and although separately secured, each applicable Loan Agreement may be secured on parity with the Series 2020A Bonds subject to compliance with the conditions contained in the Loan Agreement. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Additional Indebtedness

The Institute may issue, incur or assume additional indebtedness without limitation, subject to compliance with the conditions contained in the Loan Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS – Covenants” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT” attached hereto. Subject to compliance with such conditions, such Indebtedness may be secured by liens on the Pledged Revenues or the Mortgaged Property or both that are either subordinate to or of equal priority with the liens thereon securing the Institute’s obligations under the Loan Agreement. In addition, any such Indebtedness may be secured by a mortgage on or security interest in property not now securing the Loan Agreement of the Institute without granting to DASNY any security interest in such property to secure the Institute’s obligations under the Loan Agreement. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument will have the right to foreclose the lien on such property, and apply the money so collected to the payment of amounts due under such debt instrument. Any money so collected and applied will not be available for satisfying any of the Institute’s obligations under the Loan Agreement.

Certain Matters Relating to Enforceability of the Resolution and Loan Agreement

The obligation of the Institute to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors’ rights. If the Institute filed for the reduction of its debts in a proceeding under the federal Bankruptcy Code, the court could approve provisions modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. If the Institute should file a plan of reorganization (“Plan”), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor as provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In addition, there exists common law authority and authority under State statutes for the ability of the State courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which

renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the State Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Secondary Market for the Series 2020A Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2020A Bonds. From time to time there may be no market for the Series 2020A Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the Institute's capabilities and the financial condition and results of operations of the Institute.

No Debt Service Reserve Fund for the Series 2020A Bonds

The Series 2020A Bonds are secured as provided in "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020A BONDS." The Resolution permits, but does not require, the establishment of a debt service reserve fund to secure Bonds issued thereunder. There is no debt service reserve fund securing the Series 2020A Bonds. In the event that a debt service reserve fund is hereafter established for a Series of Bonds hereafter issued under the Resolution, such debt service reserve fund will secure only such Series of Bonds and will not secure the Series 2020A Bonds.

Recent Events Relating to COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally, in the United States and in the State and The City of New York (the "City"). The Governor of the State has declared a state of emergency in the State, and the Mayor of The City of New York has declared a state of emergency in the City.

The continued spread of COVID-19 and impact on social interaction, travel, economies and financial markets may adversely affect the Institute's operations and financial condition, including, among other things, by impacting (i) the ability of the Institute to conduct its operations and/or the cost of operations, (ii) governmental and non-governmental funding and other grants and gifts and (iii) financial markets and consequently the returns on and value of the Institute's investments. In addition, there may be a material adverse impact on the secondary market for and value of the Series 2020A Bonds. See "PART 5 – FINANCIAL OPERATIONS – Management's Discussion of Financial Operations – Challenges posed by COVID-19" for more information on the impact of COVID-19 on the Institute.

The Institute is monitoring developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need be to be implemented by the Institute in connection with the spread of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on Institute finances and operations cannot be fully determined at this time.

PART 7 – THE REFUNDING PLAN

A portion of the proceeds of the Series 2020A Bonds will be applied to pay, when due, the respective redemption prices of, and the interest to become due on, the Refunded Bonds on their redemption date. Prior to such deposit, DASNY will give the trustee for the Refunded Bonds irrevocable instructions to hold the money so deposited in trust, to give notice of the redemption of the Refunded Bonds to be redeemed, and to apply the money so held to the payment when due of the respective redemption prices of and interest to become due on the Refunded Bonds on their redemption date.

The Refunded Bonds consist of a portion of the Outstanding principal amount of the Series 2016A Bonds. The maturities, respective principal amounts of the Refunded Bonds to be refunded, and the respective redemption prices and redemption date of the Refunded Bonds are set forth in "APPENDIX F – REFUNDED BONDS" attached hereto.

PART 8 – ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Estimated Sources of Funds	
Principal Amount of Series 2020A Bonds.....	\$17,185,000
Transfer from Debt Service Fund ⁽¹⁾	504,113
Total Sources ⁽²⁾	<u>\$17,689,113</u>
Estimated Uses of Funds	
Refunding Escrow Deposit.....	\$17,117,242
Costs of Issuance ⁽³⁾	405,181
Underwriter’s Discount.....	166,691
Total Uses ⁽²⁾	<u>\$17,689,113</u>

⁽¹⁾ A portion of the Refunded Bonds to be refunded by the Series 2020A Bonds will be paid from the release of available funds on deposit in the Debt Service Fund.

⁽²⁾ Totals may not foot due to rounding.

⁽³⁾ Includes legal fees and associated costs relating to the Series 2020A Bonds.

PART 9 – 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 Addiction Services and Supports, 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 June 30, 2020, DASNY had approximately \$62.7 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 536 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 47 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.

BERYL L. SNYDER, J.D., *Secretary*, 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.

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 expired on March 31, 2020 and by law he 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.

JANICE McKINNIE, Buffalo.

Janice McKinnie was appointed as a Member of DASNY by the Speaker of the Assembly on June 12, 2020. Ms. McKinnie is the Executive Director of True Community Development Corporation where she has led various housing rehabilitation and development projects and has formed strategic alliances with local and regional community groups to promote affordable housing and economic growth within the area of Buffalo. She is also the owner of Developments By JEM, LLC, a construction and project development consulting firm and a NYS certified M/WBE business. Ms. McKinnie is a graduate of the State University College of Buffalo and holds a Master's degree in organizational leadership from Medaille College.

SHANNON TAHOE, *Acting Commissioner of Education of the State of New York*, Cohoes; ex-officio.

Shannon Tahoe assumed the role of Acting Commissioner of Education and Acting President of the University of the State of New York effective November 16, 2019. Since September 2006, Ms. Tahoe has served in various capacities within the Department, including Deputy Counsel and Assistant Counsel for Legislation. In October 2019, she was appointed Acting Counsel and Deputy Commissioner for Legal Affairs. This appointment will continue to remain in effect along with her appointment as Acting Commissioner of Education and Acting President of the University of the State of New York. Ms. Tahoe has provided legal advice and counsel on critical policy matters and key initiatives. She is familiar with all aspects of the work of the Department, having managed the day-to-day operations of the Office of Counsel as Deputy

Counsel and now Acting Counsel. During her tenure, Ms. Tahoe has also assisted with the successful management of a broad array of critical Departmental functions and responsibilities. She holds a Juris Doctorate degree from Syracuse University and Bachelor of Science degree from the University of Rochester.

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 are as follows:

REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of experience in financial services, including public finance, personal wealth management, corporate finance and private equity. During his career in public finance, he participated in more than \$75 billion in tax-exempt bond issuances throughout the country. He has also managed investment portfolios and business assets for a variety of professionals. He previously served as Chair of the Atlanta Board of Education for Public Schools. Mr. McDaniel holds an undergraduate degree in Economics and Mathematics from the University of North Carolina at Charlotte and a Master of Business Administration from the University of Texas at Austin.

PAUL G. KOOPMAN is the Vice President of DASNY and assists the President in the administration and operation of DASNY. Mr. Koopman joined DASNY in 1995 managing the Accounts Payable and Banking and Investment Units followed by management positions in the Construction Division including Managing Senior Director of Construction where he was the primary relationship manager for some of DASNY's largest clients and provided oversight of DASNY's construction administration functions. Most recently, Mr. Koopman served as Managing Director of Executive Initiatives of DASNY where he worked closely with executive staff on policy development, enterprise risk management, and strategic planning. His career in public service began in 1985 with the NYS Division of the Budget, and then continued as Chief Budget Analyst for the New York State Facilities Development Corporation. A graduate of the Rockefeller College of Public Affairs, he holds a Master of Arts degree in Public Administration with a Public Finance concentration, and a Bachelor of Arts degree in Political Science from the State University of New York, University at Albany.

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.

There is not now pending any litigation against DASNY (i) restraining or enjoining the issuance or delivery of the Series 2020A Bonds or (ii) challenging the validity of the Series 2020A Bonds or the proceedings and authority under which DASNY will issue the Series 2020A Bonds.

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, 2020. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 10 – LEGALITY OF THE SERIES 2020A BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2020A 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 2020A Bonds may be deposited with the State Comptroller to secure deposits of State money in banks, trust companies and industrial banks.

PART 11 – NEGOTIABLE INSTRUMENTS

The Series 2020A 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 2020A Bonds.

PART 12 – TAX MATTERS

In General

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2020A Bonds. The summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2020A Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2020A Bonds as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2020A Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2020A Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2020A Bonds.

DASNY has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of Series 2020A Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2020A Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2020A Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2020A Bonds.

Federal Taxation of Interest Generally

Interest on the Series 2020A Bonds is not excluded from gross income for federal income tax purposes under Code section 103 and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2020A Bonds. In general, interest paid on the Series 2020A Bonds and recovery of any accrued market discount will be treated as ordinary income to a Bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Series 2020A Bonds and capital gain to the extent of any excess received over such basis.

Market Discount

A holder who purchases a Series 2020A Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2020A Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a Series 2020A Bond who acquires such Series 2020A Bond at a market discount also may be required to defer, until the maturity date of such Series 2020A Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2020A Bond in excess of the aggregate amount of interest includable in such holder’s gross income for the taxable year with respect to such Series 2020A Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2020A Bond for the days during the taxable year on which the holder held the Series 2020A Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2020A Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the Bondholder elects to include such market discount in income currently as described above.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under “Recognition of

Income Generally” above. Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Series 2020A Bonds under the Code.

Bond Premium

A holder of a Series 2020A Bond who purchases such Series 2020A Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2020A Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2020A Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder’s yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2020A Bonds who acquire such Series 2020A Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2020A Bonds.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax of 3.8% on the “net investment income” of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Bonds

A Bondholder’s adjusted tax basis for a Series 2020A Bond is the price such holder pays for the Series 2020A Bond plus the market discount previously included in income and reduced on account of any payments received on such Series 2020A Bond other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2020A Bond, measured by the difference between the amount realized and the Bondholder’s tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2020A Bond is held as a capital asset (except in the case of Series 2020A Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2020A Bond are materially modified, in certain circumstances, a new debt obligation would be deemed “reissued”, or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2020A Bond may result in a deemed sale or exchange of such Series 2020A Bond.

EACH POTENTIAL HOLDER OF SERIES 2020A BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2020A BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2020A BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2020A Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a “Non-U.S. Holder”).

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act (“FATCA”), payments of principal by DASNY or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10-percent or more of the voting equity interests of DASNY, (2) is not a controlled foreign corporation for United States tax purposes that is related to DASNY (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to DASNY, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business and that also holds the Series 2020A Bonds must certify to DASNY or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series)

(or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the terms of each treaty differ in their treatment of interest payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide DASNY or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2020A Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2020A Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2020A Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2020A Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2020A Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, Bondholders or beneficial owners of the Series 2020A Bonds shall have no recourse against DASNY, nor will DASNY be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2020A Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2020A Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2020A Bonds are outstanding, DASNY, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, DASNY, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the Series 2020A Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder’s federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by DASNY, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under “—Non-U.S. Holders” above), or has otherwise established an exemption (provided that neither DASNY nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Series 2020A Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following:

- a U.S. person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or
- a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2020A Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder’s particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2020A Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Bryant Rabbino LLP, Bond Counsel, is of the opinion that, under existing statutes, interest on the Series 2020A 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 and the City of Yonkers). Bryant Rabbino LLP, Bond Counsel, expresses no opinion as to other State or local tax consequences arising with respect to the Series 2020A Bonds nor as to the taxability of the Series 2020A Bonds or the income therefrom under the laws of any state other than the State of New York.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2020A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2020A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2020A Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2020A BONDS.

Considerations for ERISA and other U.S. Benefit Plan Investors

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (“Qualified Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA

requirements. Additionally, such governmental and non-electing church plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2020A Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties In Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2020A Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of DASNY were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of DASNY would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 of the Code only if the Benefit Plan acquires an “equity interest” in DASNY and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Series 2020A Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2020A Bonds, including the reasonable expectation of purchasers of Series 2020A Bonds that the Series 2020A Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Series 2020A Bonds for ERISA purposes could change subsequent to issuance of the Series 2020A Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Series 2020A Bonds or a characterization of the Series 2020A Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Series 2020A Bonds or any interest therein by a Benefit Plan Investor is prohibited.

However without regard to whether the Series 2020A Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2020A Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if DASNY or the Trustee, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2020A Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2020A Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2020A Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2020A Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2020A Bond (or interest therein) with the assets of a Benefit Plan, governmental plan or church plan; or (ii) the acquisition and holding of the Series 2020A Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2020A Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or similar laws and has consulted with counsel with regard to the purchase or transfer.

Any ERISA Plan fiduciary considering whether to purchase the Series 2020A Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability Similar Laws.

PART 13 – STATE NOT LIABLE ON THE SERIES 2020A 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 2020A Bonds are not a debt of the State and that the State is not liable on them.

PART 14 – 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 15 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2020A 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 2020A Bonds. The proposed form of Bond Counsel's opinion is set forth in "APPENDIX E – FORM OF APPROVING OPINION OF BOND COUNSEL" attached hereto.

Certain legal matters will be passed upon for the Institute by its counsel, Cullen and Dykman LLP, Garden City, New York. Certain legal matters will be passed upon for the Underwriter by their counsel, Katten Muchin Rosenman LLP, New York, New York.

PART 16 – UNDERWRITING

The Underwriter has agreed, subject to certain conditions, to purchase the Series 2020A Bonds from DASNY at an aggregate purchase price of \$17,018,309.21 (representing the principal amount of the Series 2020A Bonds less an underwriting discount of \$166,690.79) and to make a public offering of Series 2020A Bonds at prices that are not in excess of the public offering prices (or less than the yields) stated on the inside cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2020A Bonds if any are purchased.

The Series 2020A 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 has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2020A Bonds.

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

investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for DASNY and/or the Institute, for which they received or will receive customary fees and expenses.

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

PART 17 – VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C. will deliver a report verifying the mathematical accuracy of the mathematical computations of the adequacy of the cash to pay the principal, interest and redemption price coming due on the Refunded Bonds on their redemption date as described in “PART 7 – THE REFUNDING PLAN.” Causey Demgen & Moore P.C. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2020A Bonds will be paid as described in the schedules provided to them.

PART 18 – 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 Institute will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2020 Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent and the Trustee. The proposed form of Continuing Disclosure Agreement is set forth in “APPENDIX G - FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” attached hereto.

In the past five years, the Institute has not failed to comply, in any material respects, with any previous continuing disclosure undertaking entered into in connection with any offerings.

PART 19 – RATINGS

Moody’s Investors Service (“Moody’s”) has assigned a rating of “Baa2” (stable outlook) to the Series 2020A Bonds and S&P Global Ratings (“S&P”) has assigned a rating of “BBB+” (stable outlook) to the Series 2020A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: S&P, 55 Water Street, New York, New York 10041 and Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2020A Bonds.

PART 20 – MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2020A Resolution, the Series 2020A Bond Series Certificate, the 2020A Mortgage, the Security Agreement, the Assignment, the Parity Intercreditor Agreement and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with Holders of the Series 2020A Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2020A Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2020A Bonds.

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

The information set forth herein relating to DASNY under the heading "DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the Institute and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the Institute nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institute, (2) the sufficiency of security for the Series 2020A Bonds or (3) the value or investment quality of the Series 2020A Bonds.

The information regarding DTC and DTC's book-entry only system has been furnished by DTC.

"APPENDIX A – CERTAIN DEFINITIONS," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" and "APPENDIX E – FORM OF APPROVING OPINION OF BOND COUNSEL" attached hereto have been prepared by Bryant Rabbino LLP, New York, New York, Bond Counsel.

"APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto contains the financial statements of the Institute as of and for the years ended August 31, 2019 and 2018 and the report thereon of Grant Thornton LLP, the Institute's independent auditors.

The Institute has reviewed the parts of this Official Statement describing the Institute, covenants, Bondholders' Risks, the principal and interest requirements, the Refunding Plan, the estimated sources and uses of funds, "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY WITH INDEPENDENT AUDITORS' REPORT THEREON" and "APPENDIX F – REFUNDED BONDS." The Institute, as a condition to issuance of the Series 2020A Bonds, is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2020A Bonds, 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 Institute 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/ Reuben R. McDaniel, III
Authorized Officer

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APPENDIX A – CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution, the Loan Agreement, the Security Agreement or the Parity Intercreditor Agreement and used in the Official Statement.

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

“Act” means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including without limitation by the Health Care Financing Construction Act, being Title 4-B of Article 8 of the Public Authorities Law of the State.

“Annual Administrative Fee” means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority as more particularly described in the Loan Agreement.

“Annual Debt Service” means as of any particular date of calculation, the payments or amounts payable on Long-Term Indebtedness plus interest paid on all Indebtedness, exclusive of capitalized interest, all as shown on the cash flow statements of the Institute, determined in accordance with generally accepted accounting principles then applicable to the Institute.

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

“Arbitrage Rebate Fund” means the fund so designated, created and established pursuant to the Resolution.

“Assignment” means the assignment of certain of the Issuer’s rights in the Loan Agreement, the Pledged Revenues and the Security Agreement to the Trustee, dated as of the date of issuance of the Series 2020A Bonds, as further described in Section 6 of the Intercreditor Agreement.

“Assignment of Mortgage” means the assignment of the Issuer’s rights in the Series 2020A Mortgage to the Trustee, dated as of the date of issuance of the Series 2020A Bonds, as further described in Section 6 of the Intercreditor Agreement.

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

“Authority Fee” means the fee payable to the Authority consisting of all of the Authority’s internal costs and overhead expenses attributable to the issuance of the Bonds and the construction of the Project as more particularly described in the Loan Agreement.

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

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

“*Available Money*” means:

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

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

(A) the proceeds of such Bonds;

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

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

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

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

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

“*Bank*” means, when used in connection with any particular Letter of Credit Secured Bond, the entity that has issued a Letter of Credit for such Bond.

“*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 Bryant Rabbino LLP, or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

“*Bond Year*” means, unless otherwise provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds, a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

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

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

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

“*Central Islip Campus*” means the Institution’s former campus, as more particularly described in Schedule A to the Loan Agreement.

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

“*Collateral*” or “*Collateral Security*” means a security interest in or pledge or any personal property, tangible or intangible, or mortgage on any real property or interest therein, given or made by the Institute to secure the Institute’s obligations under a Loan Agreement. With regards to the Series 2020A Bonds, specifically, “*Collateral*” means (i) the Mortgaged Property and certain fixtures, furnishings and equipment of the Institution pledged thereby pursuant to the Mortgages and (ii) the Pledged Revenues of the Institution pledged thereby pursuant to (a) the Series 2016A Loan Agreement and (b) the Series 2020A Security Agreement, respectively.

“*Collateral Agent*” mean a party, if any, appointed by the parties to the Parity Intercreditor Agreement who has joined in any action or proceeding to Foreclose upon the Shared Collateral in accordance with Section 4 of the Parity Intercreditor Agreement.

“*Collateral Documents*” means, collectively, the Series 2016A Loan Agreement, the Mortgages and the Security Agreement.

“*Construction Fund*” means the fund so designated, created and established for a Project by or pursuant to a Series Resolution authorizing the issuance of a Series of Bonds for the purpose of paying or refinancing the Costs of such Project.

“*Cost*” or “*Costs of Issuance*” means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants’ fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Letter of Credit, a financial guaranty insurance policy, a Liquidity Facility, a Hedge Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

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

“Cost” or “Costs of the Project” means when used in relation to a Project the costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institute 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 Institute 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 Institute), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreements, a Letter of Credit, a financial guaranty insurance policy in connection with Bonds, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

“Debtor” means the Institute as debtor under the Security Agreement.

“Debt Service Coverage Ratio” means the ratio of Operating Income Available for Debt Service to Annual Debt Service.

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

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

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

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

“Event of Default” means any of the respective events of default under and as defined in the Series 2020A Loan Agreement and the other Collateral Documents.

“Extraordinary Expenses” means all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Resolution other than Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Act and the Resolution.

“*Fiscal Year*” means a twelve month period beginning July 1st of a calendar year and ending on June 30th of the next subsequent calendar year, or such other twelve month period as the Institution may elect as its Fiscal Year. In March 2019, the Institution’s Board of Trustees approved a change of the Institute’s Fiscal Year, which had previously been the twelve month period beginning September 1st of a calendar year and ending on August 31st of the next subsequent calendar year. For purposes of the Institution’s 2019 Fiscal Year only, such Fiscal Year was a ten month period from September 1, 2019 through June 30, 2020.

“*Foreclose*” means to foreclose upon or to exercise any power of sale or otherwise to realize upon the Shared Collateral or any part thereof.

“*Government Obligation*” means:

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

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

“*Indebtedness*” means, without duplication, indebtedness for borrowed money incurred or guaranteed by the Institute, 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 annual audited financial statements of the Institute in accordance with generally accepted accounting principles then applicable to the Institute; *provided, however*, that Non-Recourse Indebtedness shall not constitute Indebtedness for purposes of the Loan Agreement.

“*Institute*” or “*Institution*” means New York Institute of Technology, 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.

“*Institution Documents*” means the documents more particularly described in Schedule D to the Loan Agreement.

“*Intercreditor Agreement*” or “*Parity Intercreditor Agreement*” means that Agreement, dated as of the date of issuance of the Series 2020A Bonds (as the same may be amended, restated, modified or supplemented from time to time), by and among the Authority and the Trustee, in its capacity as trustee for the Series 2016A Bonds and as trustee for the Series 2020A Bonds pertaining to the application of Shared Collateral.

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

“Issuer Documents” means the documents more particularly described in Schedule E to the Loan Agreement.

“Issuer Fee” means the fee payable to the Authority attributable to the issuance of the Bonds, as more particularly described in Schedule C to the Loan Agreement.

“Letter of Credit” means an irrevocable direct-pay letter of credit for the benefit of the Trustee pursuant to which the issuer thereof is obligated, upon a drawing made by the Trustee in accordance with the terms of such letter of credit, to advance to the Trustee amounts to pay the principal and Sinking Fund Installments of and interest on such Bonds, as the same becomes due whether or not the Authority is in default under the Resolution or the Institute is in default under a Loan Agreement that is issued by (i) a bank, savings bank, savings and loan association or trust company organized under the laws of any state of the United States of America and authorized to do business in the State, (ii) a trust company, (iii) a national banking association, (iv) an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, (v) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, or (vi) a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

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

“Lien” means any mortgage, pledge, lien, charge, security interest or assignment in the nature thereof (including any conditional sales agreement, equipment trust agreement, or other title retention agreement) or other encumbrance of whatsoever nature that would have a material adverse effect on the ability of the Authority to enforce its rights and remedies under the Loan Agreement, any other Issuer Document or the Mortgage.

“Liquidity Facility” means a Letter of Credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained by the Trustee upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

“Loan Agreement” means the Loan Agreement, dated as of July 1, 2020, by and between the Authority and the Institute, as the same may from time to time be amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

“Long-Term Indebtedness” means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the Institute has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof, specifically excluding optional prepayment and accounting adjustments related to refundings.

“Management Plan” means a written plan prepared by management of the Institute that addresses the fees and tuition, operations and management of the Institute and any other matter it deems appropriate as will enable the Institute to comply with the covenants set forth in Section 2 of Schedule F of the Loan Agreement.

“Maximum Annual Debt Service” when used in connection with any Indebtedness means as of any particular date of calculation the greatest amount required to be paid by the Institute during the then current or any future Fiscal Year to pay the principal, whether at maturity or upon mandatory redemptions and prepayments, of and interest on such Indebtedness; *provided, however*, that such amounts required to be paid on Short-Term Indebtedness shall include interest only; and *provided further* that such amount shall not include interest to be paid from the

proceeds of Indebtedness (i.e. capitalized interest) or principal amounts paid during the then current Fiscal Year from proceeds of Refunding Debt.

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

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

“*Mortgages*” means, collectively, the Series 2016A Mortgage and the Series 2020A Mortgage relating to the Mortgaged Property

“*Mortgaged Property*” means the property secured by the Mortgages as described therein.

“*New York campuses*” means, collectively, the Institute’s Old Westbury Campus and campus located in Manhattan at 61st Street and Broadway.

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

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

“*Old Westbury Campus*” means the Institute’s campus located in both the incorporated Villages of Brookville and Old Westbury, Town of Oyster Bay, County of Nassau, consisting of administration buildings, educational buildings and classroom halls, library, health center facilities, athletic facilities and fields.

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

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

“*Ordinary Expenses*” means those services normally rendered and those fees and expenses normally incurred by or due to the Trustee or paying agent, as the case may be, under the Resolution, including reasonable fees and disbursements of counsel for the Trustee.

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

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the Resolution;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and
- (iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating

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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 Debt*” means any Long-Term Indebtedness incurred as permitted by Section 4(b) of Schedule F of the Loan Agreement that is secured by a pledge of or security interest in the Pledged Revenues or a mortgage on the Mortgaged Property that is of equal priority with the pledge of or security interest in the Pledged Revenues or Mortgage on the Mortgaged Property securing the Institute’s obligations under the Loan Agreement.

“*Pledged Revenues*” means all receipts, revenues, income and other moneys received or receivable by or on behalf of the Institute, including, without limitation, gifts, grants, bequests, contributions, donations and pledges whether in the form of money, securities or other personal property, revenues derived from the operation of the facilities of the Institute, and all rights to receive the same, whether in the form of accounts, payment intangibles, contract rights, general intangibles, healthcare insurance receivables, chattel paper, deposit accounts, instruments, promissory notes or other rights, and the proceeds thereof, as such terms are presently or hereafter defined in the Uniform Commercial Code in effect from time to time in the State of New York, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Institute; provided, however, that Pledged Revenues shall not include any restricted grants, scholarships, fellowships or revenues of the medical clinic received or receivable by or on behalf of the Institute.

“*Project*” means a “dormitory” as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Bond Series Certificate.

“*Rating Service*” means each of Moody’s Investors Service, Inc., S&P Global Ratings, and Fitch, Inc., in each case, which has assigned a rating to Outstanding Bonds at the request of the Authority, or their respective successors and assigns.

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

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

“*Refunded Bonds*” means the refunded Series 2016A Bonds, as set forth on Schedule G to the Loan Agreement.

“*Refunding Debt*” means Long-Term Indebtedness issued or incurred to pay or to provide for the payment of other Long-Term Indebtedness.

“*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.

“*Resolution*” means the New York Institute of Technology Revenue Bond Resolution, adopted by the Authority July 20, 2016, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions under the Resolution.

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

- (i) all payments received or receivable by the Authority that pursuant to the Loan Agreement entered into in connection with such Series of Bonds are required to be paid to the Trustee, other than payments to the Trustee for (A) the administrative costs and expenses or fees of

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

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

"Secured Party" or "Secured Parties" means, individually, each of the Authority and the Trustee, in its capacity as trustee with respect to the Series 2016A Bonds and in its capacity as trustee with respect to the Series 2020A Bonds; *provided, however*, that if all amounts due and owing by the Institution to any person who is a Secured Party under the Parity Intercreditor Agreement shall have been fully paid, such person shall cease to be a Secured Party for all purposes of the Parity Intercreditor Agreement, except that such person shall continue to be a Secured Party for purposes of Section 5(c) thereof.

"Security Agreement" means the agreement dated as of July 1, 2020, executed and delivered by the Institution to the Authority for the purpose of granting a security interest in the Pledged Revenues as security for the Institution's obligations under the Security Agreement.

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

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

"Series Resolution" means the resolution of the Authority adopted June 24, 2020 entitled "Series Resolution Authorizing Up To \$30,000,000 New York Institute of Technology Revenue Bonds," which resolution authorized the issuance of the Bonds, together with the Bond Series Certificate, dated as of July 16, 2020, executed by the Authority in connection with issuance of the Bonds, in each case as the same may be amended, supplemented or otherwise modified.

"Series 2016A Bonds" means the \$47,910,000 aggregate principal amount of the Authority's New York Institute of Technology Revenue Bonds, Series 2016A (Federally Taxable), of which \$23,990,000 remains Outstanding as of July 1, 2020.

"Series 2016A Loan Agreement" means the Loan Agreement, dated July 20, 2016, by and between the Authority and the Institute in connection with the Series 2016A Bonds.

"Series 2016A Mortgage" means the mortgage dated as of August 25, 2016 given by the Institution on certain real property of the Institution to the Authority to secure the Institute's obligation under the Loan Agreement with respect to the Series 2016A Bonds.

"Series 2020A Bonds" means the \$17,185,000 aggregate principal amount of the Authority's New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable).

"Series 2020A Mortgage" means the mortgage dated as of the date of issuance of the Series 2020A Bonds given by the Institution on certain real property of the Institution to the Authority to secure the Institute's obligation under the Loan Agreement with respect to the Series 2020A Bonds.

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

Appendix A

Agreements or on Parity Indebtedness. With regards to the Series 2020A Bonds, specifically, “Shared Collateral” means the Collateral, for as long as any Series 2016A Bonds remain Outstanding following the issuance of the Series 2020A Bonds.

“*Short-Term Indebtedness*” means any Indebtedness that is not Long-Term Indebtedness.

“*Sinking Fund Installment*” means, as of any date of calculation:

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

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

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

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

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

“*Term Bond*” means any Bond so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

“*Trustee*” means the bank or trust company appointed as Trustee for the Bonds pursuant to the Resolution and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

“*Unassigned Rights*” means the rights of the Authority to (a) execute and deliver supplements and amendments to the Resolution and the Loan Agreement, pursuant to Section 7.11 and Articles IX and X of the Resolution, (b) be held harmless and indemnified pursuant to Section 7.1 of the Loan Agreement, (c) receive any funds for its own use, whether as administration fees pursuant to Section 4.2 of the Loan Agreement, amounts payable to the Authority pursuant to Sections 4.2(a)(v), 4.2(b), 4.2(h), 5.6 or 9.2, or indemnification pursuant to Section 7.1 of the Loan Agreement, (d) receive notices, Favorable Opinions of Bond Counsel and other documents as required under the Loan Agreement to be delivered to the Authority; (e) require the Institution to take actions necessary to comply with Article VIII of the Loan Agreement; and (f) enforce any of the foregoing pursuant to Article IX of the Loan Agreement.

“*Variable Interest Rate*” means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method

of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on:

- (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or
- (ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

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

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

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**APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF NEW YORK INSTITUTE OF TECHNOLOGY
WITH INDEPENDENT AUDITORS' REPORT THEREON**

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Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

New York Institute of Technology

August 31, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New York Institute of Technology:

Report on the financial statements

We have audited the accompanying consolidated financial statements of New York Institute of Technology (the “College” or “NYIT”), which comprise the consolidated statements of financial position as of August 31, 2019 and 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of New York Institute of Technology as of August 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Melville, New York
December 20, 2019

New York Institute of Technology
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 46,901,365	\$ 60,957,920
Grants receivable	6,344,933	3,292,940
Student accounts receivable, net of allowance of \$9,233,896 and \$9,939,444	6,392,804	6,103,046
Student loans receivable, net of allowance of \$454,679 and \$616,454	8,772,636	9,765,924
Contributions receivable, net	1,641,846	1,158,521
Investments, at fair value	101,501,889	97,091,101
Investments in real estate, at fair value	19,217,250	25,372,800
Other assets	6,547,838	6,455,660
Funds held in trust	1,343,322	1,410,305
Property, plant and equipment, net	119,669,313	120,158,680
Total assets	\$ 318,333,196	\$ 331,766,897
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 37,523,368	\$ 34,080,360
Deferred revenues	75,970,765	86,893,171
Refundable grants and U.S. Government loan funds	14,384,265	14,396,385
Postretirement health benefits	8,517,052	7,874,877
Bonds payable	30,489,875	37,332,849
Total liabilities	166,885,325	180,577,642
Commitments and contingencies		
NET ASSETS		
Without donor restrictions	139,559,509	140,657,481
With donor restrictions	11,888,362	10,531,774
Total net assets	151,447,871	151,189,255
Total liabilities and net assets	\$ 318,333,196	\$ 331,766,897

The accompanying notes are an integral part of these consolidated financial statements.

New York Institute of Technology
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended August 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition and fees	\$ 235,332,737	\$ -	\$ 235,332,737
Grants and contracts	4,633,844	-	4,633,844
Government appropriations	754,609	-	754,609
Contributions	900,136	1,716,988	2,617,124
Training and public service	3,247,511	-	3,247,511
Endowment investment return designated for operations	4,084,024	308,264	4,392,288
Other investment return	576,321	-	576,321
Sales and services of auxiliaries	20,206,586	-	20,206,586
Other sources	4,711,045	-	4,711,045
Net assets released from restrictions	556,856	(556,856)	-
Total operating revenues	<u>275,003,669</u>	<u>1,468,396</u>	<u>276,472,065</u>
Operating expenses			
Instruction	123,969,391	-	123,969,391
Academic support	24,964,250	-	24,964,250
Student services	27,499,391	-	27,499,391
Research, training and public service	12,708,716	-	12,708,716
Auxiliary enterprises	20,148,375	-	20,148,375
Total program services	<u>209,290,123</u>	<u>-</u>	<u>209,290,123</u>
Supporting services - institutional support	57,966,921	-	57,966,921
Total operating expenses	<u>267,257,044</u>	<u>-</u>	<u>267,257,044</u>
Change in net assets from operations	<u>7,746,625</u>	<u>1,468,396</u>	<u>9,215,021</u>
Non-operating activities			
Endowment investment return, net of amounts designated for operations	(2,191,435)	(111,808)	(2,303,243)
Unrealized loss on investment in real estate	(4,467,750)	-	(4,467,750)
Realized gain on sale of real estate investment	62,535	-	62,535
Cancellation of capital project	(1,161,958)	-	(1,161,958)
Other components of net periodic benefit cost	1,753,005	-	1,753,005
Postretirement changes other than net periodic benefit cost	(2,838,994)	-	(2,838,994)
Change in net assets from non-operating activities	<u>(8,844,597)</u>	<u>(111,808)</u>	<u>(8,956,405)</u>
Change in net assets	<u>(1,097,972)</u>	<u>1,356,588</u>	<u>258,616</u>
Net assets			
Beginning of year	<u>140,657,481</u>	<u>10,531,774</u>	<u>151,189,255</u>
End of year	<u>\$ 139,559,509</u>	<u>\$ 11,888,362</u>	<u>\$ 151,447,871</u>

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

New York Institute of Technology
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended August 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenues			
Tuition and fees	\$ 233,336,933	\$ -	\$ 233,336,933
Grants and contracts	3,048,047	-	3,048,047
Government appropriations	779,590	-	779,590
Contributions	780,415	2,744,110	3,524,525
Training and public service	3,384,908	-	3,384,908
Investment gain, net	4,484,353	388,096	4,872,449
Sales and services of auxiliaries	18,350,649	-	18,350,649
Other sources	3,372,735	-	3,372,735
Net assets released from restrictions	383,557	(383,557)	-
Total operating revenues	<u>267,921,187</u>	<u>2,748,649</u>	<u>270,669,836</u>
Operating expenses			
Instruction	121,794,675	-	121,794,675
Academic support	22,815,706	-	22,815,706
Student services	27,566,932	-	27,566,932
Research, training and public service	12,562,909	-	12,562,909
Auxiliary enterprises	18,958,422	-	18,958,422
Total program services	<u>203,698,644</u>	<u>-</u>	<u>203,698,644</u>
Supporting services - institutional support	57,976,386	-	57,976,386
Total operating expenses	<u>261,675,030</u>	<u>-</u>	<u>261,675,030</u>
Change in net assets from operations	<u>6,246,157</u>	<u>2,748,649</u>	<u>8,994,806</u>
Non-operating activities			
Unrealized loss on investment in real estate	(3,099,150)	-	(3,099,150)
Realized gain on sale of real estate investment	3,109,950	-	3,109,950
Cancellation of capital project	(1,994,611)	-	(1,994,611)
Other components of net periodic benefit cost	1,678,377	-	1,678,377
Postretirement changes other than net periodic benefit cost	(1,266,096)	-	(1,266,096)
Loss from closure of campus	(5,919,882)	-	(5,919,882)
Change in net assets from non-operating activities	<u>(7,491,412)</u>	<u>-</u>	<u>(7,491,412)</u>
Change in net assets	<u>(1,245,255)</u>	<u>2,748,649</u>	<u>1,503,394</u>
Net assets			
Beginning of year	<u>141,902,736</u>	<u>7,783,125</u>	<u>149,685,861</u>
End of year	<u>\$ 140,657,481</u>	<u>\$ 10,531,774</u>	<u>\$ 151,189,255</u>

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

New York Institute of Technology
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the year ended August 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 258,616	\$ 1,503,394
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,198,899	17,642,750
Amortization of bond issuance costs	127,026	127,025
Accretion expense, net of asbestos obligation payments	310,799	(61,859)
Net unrealized loss on investments in real estate	4,467,750	3,099,150
Net gain on disposition of property	(62,535)	(3,109,950)
Gain on investments	(2,665,366)	(4,872,449)
Loss from closure of campus	-	5,919,882
Loss on cancellation of capital projects	1,161,958	1,994,611
Contributions to endowed investment portfolio	(366,527)	(1,166,301)
Postretirement health benefits, net	642,175	(765,077)
Change in provision for student accounts receivable	(705,548)	451,931
Change in provision on student loans receivable	(161,775)	(25,176)
Change in operating assets and liabilities:		
Student accounts receivable	415,790	1,153,563
Grants receivable	(3,051,993)	(402,593)
Contributions receivable	(483,325)	115,012
Other assets	(92,178)	(395,274)
Accounts payable and accrued liabilities	(219,008)	(9,953,139)
Deferred revenues	(10,922,406)	19,806,894
Net cash provided by operating activities	6,852,352	31,062,394
Cash flows from investing activities:		
Purchases of investments	(63,952,059)	(101,935,907)
Sales of investments	62,206,637	94,049,079
Purchases of property, plant and equipment	(14,966,741)	(7,638,001)
Sales of property	1,750,335	4,532,754
Change in funds held in trust	66,983	(152,599)
Loans to students	(242,336)	(775,934)
Repayments of student loans	1,397,399	1,846,838
Net cash used in investing activities	(13,739,782)	(10,073,770)
Cash flows from financing activities:		
Repayments of principal indebtedness	(6,970,000)	(6,215,000)
Payments on capital lease obligations	(553,532)	(558,162)
Additions to endowed investment portfolio	366,527	1,166,301
Net change in refundable grants and U.S. Government loan funds	(12,120)	(307,473)
Net cash used in financing activities	(7,169,125)	(5,914,334)
Net increase (decrease) in cash and cash equivalents	(14,056,555)	15,074,290
Cash and cash equivalents - beginning of year	60,957,920	45,883,630
Cash and cash equivalents - end of year	\$ 46,901,365	\$ 60,957,920
Supplemental disclosure of cash flow information and noncash investing and financing activities:		
Cash paid for interest	\$ 1,064,614	\$ 1,191,152
Noncash investing and financing transactions:		
Property, plant and equipment included within accounts payable and accrued expenses	\$ 3,904,749	\$ 2,239,673

The accompanying notes are an integral part of these consolidated financial statements.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE 1 - ORGANIZATION

New York Institute of Technology (the "College") is an independent, private college offering a variety of undergraduate, graduate and doctoral degrees. The College operates two primary campuses located in Old Westbury and Manhattan, New York, with additional programs in Jonesboro, Arkansas, and several foreign countries. The College's distance learning capabilities add a virtual campus that is international in scope. The College's schools - School of Health Professions; School of Architecture and Design; College of Arts and Sciences; School of Education; School of Engineering and Computing Science; School of Management; and the NYIT College of Osteopathic Medicine offer career-oriented education in more than 80 programs using hands-on access to state-of-the-art technology in those fields. The College is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Beyond the United States, NYIT currently operates academic programs in China, Abu Dhabi, and Canada. In April 2018, the College announced teach-out plans at two locations in China (Nanjing and Beijing) and at a single location in Abu Dhabi. The three programs have stopped admitting new students and teach-out programming is expected to conclude at all three sites by the end of fiscal year 2021. NYIT is continuing its global academic programs at other locations in China and in Canada.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the College are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of the College and its wholly owned subsidiary, NYIT Business Consulting (Shanghai) Company Limited. Formed in June 2015, the Shanghai subsidiary never commenced operations and NYIT announced its closure effective August 31, 2018.

Net Assets

The net assets of the College and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and, therefore, are available to meet the College's objectives. Net assets without donor restrictions may also be designated by the College's Board of Trustees.

With Donor Restrictions - net assets that are subject to donor-imposed restrictions that either expire with the passage of time, can be fulfilled and removed by the actions of the College pursuant to those restrictions, or which may be perpetual.

Cash and Cash Equivalents

The College considers all highly liquid financial instruments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents do not include cash held for long-term investment purposes.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

Funds Held in Trust

At August 31, 2019 and 2018, the College had \$1,343,322 and \$1,410,305, respectively, invested in short-term, highly liquid investments that are classified as Level 1 within the fair value hierarchy. The 2019 investments were available to pay debt service for the Dormitory Authority of the State of New York ("DASNY") Series 2016A bonds.

Investments

Investments in equity and debt securities are stated at fair value based upon quoted market prices in the consolidated statements of financial position. Purchases and sales of securities are reflected on a trade date basis. Interest is recognized as earned. Dividends are accrued based on the ex-dividend date. Interest and dividend income and unrealized and realized gains and losses on investments are recorded in the caption investment gain (loss), net within the accompanying consolidated statements of activities. Realized gains and losses are determined on an average cost basis.

Fair value for certain limited partnerships and hedge funds are estimated by the respective external investment managers if market values are not readily ascertainable. For those investments that do not have readily determinable fair values, their estimated value may differ from the value that would have been used had a ready market for such investment existed. Investments in limited partnerships and hedge funds are carried at fair value which represents the College's share of the net assets of these investments at the end of the College's fiscal year. The College records its share of the net income or loss for the accounting period in proportion to its participating percentage in each investment.

All 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 such changes could materially affect the amounts reported in the consolidated statements of financial position.

Investments in Real Estate

Investments in real estate consist of unimproved land and properties not used primarily for academic purposes and available for future sale. Due to the inherent uncertainty of real estate valuations, the appraised values reflected in the consolidated financial statements may differ significantly from values that would be determined by negotiation between parties to a sales transaction, resulting in differences that could be material. Key assumptions used in valuing the appraisals include primarily a comparable sales approach, with one property also considering a sell-out analysis with growth rate, expenses and discount rate. For the years ended August 31, 2019 and August 31, 2018, the College recorded net depreciation of \$4,467,750 and \$3,099,150, respectively, on investments in real estate. The investments are classified as Level 3 under the fair value hierarchy given the unobservable inputs that are supported by limited market activity during fiscal 2019 or 2018. In fiscal 2019 and 2018, the College sold one each of its real estate investment properties at gains of \$62,535 and \$3,109,950, respectively.

Grants Receivable

Grants are reported as revenue when expenses are incurred in accordance with the terms of the respective agreements. Amounts received in advance are recorded as refundable grant liabilities.

Student Receivables and Allowance for Doubtful Accounts

Student accounts receivable are carried at the unpaid balance of the original amount billed to students and student loans receivable are carried at the amount of unpaid principal. Both receivables are less an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

experience. Recoveries of student accounts and loans receivable previously written off are recognized as revenue when received.

Contributions, Grants and Beneficial Interests

The College recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Accordingly, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under Accounting Standards Codification ("ASC") 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

The College records contributions of cash and other assets when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either with donor restrictions or without donor restrictions, based upon the presence or absence of donor-imposed restrictions. The College reports gifts of cash or other assets as restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions. The College reports pledges expected to be collected within one year at net realizable value. Pledges to be paid to the College over a period of years are recorded at their estimated present value using a risk-adjusted rate, ranging from 4.1% - 7.7%.

Contributed property, plant and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property, plant and equipment are recorded as support without donor restrictions.

Property, Plant and Equipment, net

Property, plant and equipment consisting of land; buildings and leasehold improvements; machinery, equipment, furniture and software; and library books are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method based on estimated useful lives of 20 to 40 years for buildings; the lesser of 10 to 20 years or the remaining estimated useful life of the term of the lease for leasehold improvements; 3 to 10 years for machinery, equipment, furniture and software; and up to 6 years for library books. Beginning in fiscal 2018, the College ceased capitalization of new books.

The College capitalizes certain computer software costs which, upon being placed into service, are amortized utilizing the straight-line method over periods not exceeding three years. Amortization of capitalized software is included in depreciation expense. Upon disposal, the asset cost and related accumulated depreciation or amortization are eliminated from the respective accounts and resulting gain or loss, if any, is included in the consolidated statements of activities.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Impairment losses would be recognized if the carrying amount of the asset exceeds the undiscounted future cash flows expected to result from the use of the asset and its eventual disposal. In 2019 and 2018, the Board announced changes to construction plans for the Old Westbury campus. As a result, accumulated soft costs of \$1,161,958 and \$1,994,611, respectively, were cancelled from construction in process which includes capitalized interest

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

in the amounts of \$0 and \$357,447, respectively. Those costs consisted primarily of engineering, architecture, permit and other planning costs. The College believes that no additional impairment exists at August 31, 2019 and 2018.

Deferred Revenues

The College derives its revenue primarily from student tuition and fees. Revenue is recorded on the accrual basis of accounting. Deferred revenues primarily represent payments received from students relating to registrations for the following fall semester. Such amounts are recognized as revenue during the subsequent fiscal year.

Refundable U.S. Government Grants

Funds provided by the Federal government under the Federal Perkins Student Loan program are loaned to qualified students with repayments directed back to the school (via its loan processing agent). The deferral government ended the Perkins loan program on September 30, 2017, and final loan disbursements ceased on June 30, 2018. These funds are ultimately refunded to the government and are recorded within the accompanying consolidated statements of financial position as a liability.

Asset Retirement Obligation

The College recognizes the cost associated with the eventual remediation and abatement of asbestos located within its facilities. The cost of the abatement is based upon the estimate of a contractor who specializes in such abatements. The College recognized a net increase in these obligations of \$310,799 for the year ended August 31, 2019, and a net reduction of \$659,056 for the year ended 2018. The obligation amounted to \$7,882,062 and \$7,571,263 at August 31, 2019 and 2018, respectively, and is included within the caption accounts payable and accrued liabilities in the accompanying consolidated statements of financial position. The conditional asset retirement obligation was calculated using an inflationary rate of 3.0% and a credit adjusted discount rate of 5.3% for each of the years ended August 31, 2019 and 2018, respectively.

Tuition and Fees Revenue

In accordance with Financial Accounting Standards Board ("FASB") ASC Topic 606, Revenue from Contracts with Customers ("ASC 606"), the College recognizes revenue when control of the promised goods or services are transferred to the College's students or outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified tuition and fees, state appropriations, and other revenues as revenue categories subject to the adoption of ASC 606. The College recognizes contracts with customers, as goods or services transferred or provided in accordance with ASC 606.

The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the consolidated statement of financial position, consolidated statements of activities, consolidated cash flows, business processes, controls or systems of the College.

The College derives its revenue principally from student tuition and fees, government grants and aid, contributions and investment returns. The carrying value of student receivables has been reduced by an estimated allowance for uncollectible accounts, based on historical collection experience, and therefore,

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approximates net realizable value. Receivables are written off in the period in which they are deemed to be uncollectible. Amounts received in advance are reported as deferred revenues.

Scholarships, Tuition Grants and Aid

The College maintains a policy of offering qualified applicants admission to the College without regard to financial circumstances. The College provides institutional financial aid to those admitted on the basis of merit or need in the form of direct grants or employment during the academic year. The College participates in certain student loan and grant programs. Under some of these programs, the College is required to make matching contributions of funds at contractual percentage rates.

Allocation of Expenses

Certain expenses of the College that relate to more than one activity were allocated among the College's respective functional expense categories. Allocated costs are predominantly related to the operations of the physical campus, and therefore are allocated on a square footage basis by location, if appropriate, or across all College spaces. Depreciation, amortization, and interest expenses are also allocated on a square footage basis across all College spaces.

Advertising Expense

The College expenses all advertising costs during the year in which they are incurred. Total advertising expense for the years ended August 31, 2019 and 2018 totaled \$1,578,533 and \$2,201,798, respectively, and are included as institutional support in the accompanying consolidated statements of activities.

Measure of Operations

The consolidated statements of activities distinguish between operating and non-operating activities. Operating activities to carry out the mission of the College include all revenues and expenses that are an integral part of the College's educational programs, and supporting activities. Non-operating activities include realized and unrealized gains (losses) on investments in real estate, reclassification of donor intent, cancellation of capital projects, and changes to the postretirement health benefit liability other than net periodic benefit costs. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of non-operating activities. Beginning in the year ended August 31, 2019 Investment returns, net of amounts appropriated for operations, will be displayed as a non-operating activity.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Fair value accounting establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

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The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the College for financial instruments on a recurring basis. The three levels of inputs are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same terms of the assets or liabilities.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

A reasonable estimate of the fair value of the loans receivable from students under government loan programs cannot be made because the loans receivable are not saleable and can only be assigned to the U.S. Government or its designees.

Concentration of Credit Risk

Financial instruments which potentially subject the College to concentrations of credit risk consist principally of temporary cash investments, marketable securities and limited partnerships. Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the College maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits, and in a diversified investment portfolio. At August 31, 2019 and 2018, the College's cash and investments were placed with high credit quality financial institutions and, accordingly, the College does not expect non-performance.

Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowance for doubtful student accounts and loans receivable, valuation of investments, a reserve for conditional asset retirement obligations, the liability for postretirement benefits and fair values of non-marketable investments, including real estate. Actual results could differ from those estimates.

Income Taxes

The College follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The College is exempt from federal income tax under Internal Revenue Code ("IRC" or "Code") section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The College has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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considered tax positions. The College has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, the College has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

New Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Deferral of the Effective Date*, which deferred the effective date of ASU 2014-09 by one year. The guidance is effective for annual periods beginning on or after December 15, 2017 (i.e., the College's fiscal year 2019). The guidance permits the use of either a retrospective or cumulative effect transition method and the College has selected the modified retrospective method. In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. For recipients, the effective date of the amendments will align with *Revenue from Contracts with Customers*: effective for annual periods beginning after December 15, 2017 (i.e., the College's fiscal year 2019). The College adopted ASU 2014-09 and ASU 2018-08 as of and for the year ended August 31, 2019.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-for-Profit Entities*. The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

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August 31, 2019 and 2018

The College adopted ASU 2016-14 as of and for the year ended August 31, 2019.

A presentation of net assets as previously reported as of August 31, 2018 and 2017, and as required under ASU 2016-14 follows:

	August 31, 2018			
	Presentation under ASU 2016-14			
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	Total
Net assets:				
Unrestricted	\$ 140,657,481	\$ 140,657,481	\$ -	\$ 140,657,481
Temporarily restricted	5,237,384	-	5,237,384	5,237,384
Permanently restricted	5,294,390	-	5,294,390	5,294,390
Total net assets	\$ 151,189,255	\$ 140,657,481	\$ 10,531,774	\$ 151,189,255
	August 31, 2017			
	Presentation under ASU 2016-14			
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	Total
Net assets:				
Unrestricted	\$ 141,902,736	\$ 141,902,736	\$ -	\$ 141,902,736
Temporarily restricted	3,655,036	-	3,655,036	3,655,036
Permanently restricted	4,128,089	-	4,128,089	4,128,089
Total net assets	\$ 149,685,861	\$ 141,902,736	\$ 7,783,125	\$ 149,685,861

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for annual periods beginning on or after December 15, 2018 (i.e., the College's fiscal year 2020). The College is in the process of evaluating the impact this standard will have on the financial statements.

In March 2017, the FASB issued ASU 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (Topic 715)*. The standard requires entities to report the service cost component of net periodic benefit cost in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of income from operations, if one is presented. ASU 2017-07 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The College has opted for early adoption.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

Reclassification

Certain information in the fiscal 2018 consolidated financial statements has been reclassified to conform to the fiscal 2019 presentation.

NOTE 3 - REVENUE RECOGNITION

The College has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing, meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed when a course or term begins, and paid within thirty days of the bill date.

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various parking facilities and vending machines across campuses. Generally, this other fees revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

In the following table, revenue is disaggregated by type of service provided:

For the year ended August 31, 2019

	<u>Tuition & Fees</u>				
Revenues	\$ 294,548,048				
Less: Student aid	(59,215,311)				
	<u>\$ 235,332,737</u>				
Contract price	<u>\$ 235,332,737</u>				
	<u>Sales & Services of Auxiliaries</u>	<u>Housing & Residential</u>	<u>Catering & Food Service</u>	<u>De Seversky Mansion</u>	<u>Student Insurance</u>
Revenues	\$ 20,909,325	\$ 8,816,000	\$ 2,779,543	\$ 3,333,759	\$ 5,980,023
Less: Student aid	(702,739)	(702,739)	-	-	-
	<u>\$ 20,206,586</u>	<u>\$ 8,113,261</u>	<u>\$ 2,779,543</u>	<u>\$ 3,333,759</u>	<u>\$ 5,980,023</u>
Contract price	<u>\$ 20,206,586</u>	<u>\$ 8,113,261</u>	<u>\$ 2,779,543</u>	<u>\$ 3,333,759</u>	<u>\$ 5,980,023</u>

For the year ended August 31, 2018

	<u>Tuition & Fees</u>				
Revenues	\$ 286,473,041				
Less: Student aid	(53,136,108)				
	<u>\$ 233,336,933</u>				
Contract price	<u>\$ 233,336,933</u>				
	<u>Sales & Services of Auxiliaries</u>	<u>Housing & Residential</u>	<u>Catering & Food Service</u>	<u>De Seversky Mansion</u>	<u>Student Insurance</u>
Revenues	\$ 18,816,005	\$ 8,450,801	\$ 2,757,373	\$ 3,553,806	\$ 4,054,025
Less: Student aid	(465,356)	(465,356)	-	-	-
	<u>\$ 18,350,649</u>	<u>\$ 7,985,445</u>	<u>\$ 2,757,373</u>	<u>\$ 3,553,806</u>	<u>\$ 4,054,025</u>
Contract price	<u>\$ 18,350,649</u>	<u>\$ 7,985,445</u>	<u>\$ 2,757,373</u>	<u>\$ 3,553,806</u>	<u>\$ 4,054,025</u>

Deferred revenue at August 31, 2019 and 2018 totaled \$75,970,765 and \$86,893,171, respectively, and primarily represents the College's performance obligation to transfer future enrollment and instructional

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

services to students. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The College has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

NOTE 4 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The College's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year-end. To manage liquidity, the College can use a portion of the quasi-endowment fund for general expenditures with the approval from the College's Board of Trustees, subject to investment liquidity provisions.

The following reflects the College's financial assets as of August 31, 2019, and the amounts of those financial assets that could readily be made available within one year to meet general expenditures. Amounts available include the Board-approved appropriation from the endowment fund for the following year. Amounts not available include contributions receivable that are subject to donor-imposed restriction upon receipt.

Financial assets:	
Cash and cash equivalents	\$ 46,901,365
Grants receivable	6,344,933
Student accounts receivable, net	6,392,804
Student loans receivable, net	8,772,636
Contributions receivable, net	1,641,846
Investments, at fair value	101,501,889
Other receivables	1,533,598
Funds held in trust	1,343,322
Financial assets, at year-end	174,432,393
Less those unavailable for general expenditures within one year, due to	
Contractual or donor-imposed restrictions:	
Donor-restricted endowment	(8,623,275)
Contributions receivable due in greater than one year	(1,312,911)
Donor-restricted contributions receivable due within one year	(328,935)
Student loans receivable, net	(8,772,636)
Funds held in trust	(1,343,322)
Board-designations:	
Quasi-endowment fund	(79,285,649)
Capital reserve fund	(14,388,199)
Endowment spending distribution:	
Fiscal year 2020 appropriation	4,295,389
Financial assets available to meet cash needs for general expenditures within one year	64,672,855
Liquidity resources:	
Line of credit	8,944,065
Financial assets and liquidity resources available to meet cash needs for general expenditures within one year	\$ 73,616,920

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

NOTE 5 - INVESTMENTS

The fair value of investments at August 31, 2019 and 2018 are as follows:

	2019	2018
Money market funds	\$ 3,683,176	\$ 3,644,184
Mutual funds	23,832,570	23,001,378
Common stock	32,368,011	36,966,127
Corporate bonds	15,766,360	12,784,728
Hedge funds	16,250,986	14,562,731
Partnership and other investments	9,600,786	6,131,953
	\$ 101,501,889	\$ 97,091,101
	2019	2018
Endowment investments	\$ 87,113,690	\$ 85,383,044
Capital reserve	14,388,199	11,708,057
	\$ 101,501,889	\$ 97,091,101

Investment gain, net, for the years ended August 31, 2019 and 2018 are as follows:

	2019	2018
Investment income:		
Dividends and interest	\$ 2,475,550	\$ 1,730,050
Realized gain	158,025	2,941,539
Unrealized gain	288,100	394,265
Expenses	(256,309)	(193,405)
	\$ 2,665,366	\$ 4,872,449

New York Institute of Technology

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August 31, 2019 and 2018

The following tables summarize the College's fair value hierarchy for its investments, measured at fair value, as of August 31, 2019 and 2018:

	2019		
	Level 1	Level 2	Total
Mutual funds	\$ 23,832,570	\$ -	\$ 23,832,570
Common stock	32,368,011	-	32,368,011
Corporate bonds	-	15,766,360	15,766,360
	<u>\$ 56,200,581</u>	<u>\$ 15,766,360</u>	71,966,941
Money market			3,683,176
Alternative investments at NAV			<u>25,851,772</u>
Investments, at fair value			<u>\$ 101,501,889</u>
	2018		
	Level 1	Level 2	Total
Mutual funds	\$ 23,001,378	\$ -	\$ 23,001,378
Common stock	36,966,127	-	36,966,127
Corporate bonds	-	12,784,728	12,784,728
	<u>\$ 59,967,505</u>	<u>\$ 12,784,728</u>	72,752,233
Money market			3,644,184
Alternative investments at NAV			<u>20,694,684</u>
Investments, at fair value			<u>\$ 97,091,101</u>

The College has entered into agreements with private equity and external investment managers, which include commitments to make periodic cash disbursements in future periods. The expected amounts of these disbursements as of August 31, 2019 and 2018 are broken out in the Net Asset Value ("NAV") table.

The College utilizes the "practical expedient" to estimate the fair value of investments in various investment funds that have a calculated value of their capital account or NAV in accordance with, or in a manner consistent with US GAAP whereby there is limited market activity. The practical expedient is permitted under US GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the entity expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US GAAP.

The College performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with US GAAP. The College has assessed factors including, but not limited to, manager's compliance with fair value measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

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The College uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statement consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list investments in limited partnerships, private equities and hedge funds by major category:

2019						
Category	Strategy	NAV in Funds	Number of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity and other	Funds of funds with an investment diversification strategy	\$ 7,226,550	6	\$ 5,492,541	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Portfolio consisting of non-performing and re-performing mortgage credit loans	330,861	1	126,500	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	1,612,479	2	397,886	Quarterly with 95 days notice	1-Quarter Lockup 2 -Year Lockup
Equity Funds (non-registered)	Diversified portfolio of global equity and equity like investments	209,626	2	136,457	None	Redemption at discretion of general partners and upon liquidation of fund
Equity Funds (non-registered)	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	221,270	2	1,646,970	None; close-end fund	Redemption at discretion of general partners and upon liquidation of fund
Hedge Funds	Opportunistic fund seeking capital appreciation in a wide range of asset classes	2,206,569	1	NA	Quarterly with 45 days notice	None
Hedge Funds	Diverse global equity and credit strategies with concentrations in event-driven, arbitrage, and value opportunities	9,971,178	8	NA	Monthly, Quarterly, Bi-annually and Annually with 30-90 days notice	None
Hedge Funds	Diverse global equity and credit strategies with concentrations in event-driven, arbitrage, and value opportunities	4,073,239	3	NA	Quarterly with 60 days notice	1-Year Lockup 20% total fund liquidation limit per quarter
		<u>\$ 25,851,772</u>	<u>25</u>	<u>\$ 7,800,354</u>		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

2018						
Category	Strategy	NAV in Funds	Number of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity and other	Funds of funds with an investment diversification strategy	\$ 5,114,743	5	\$ 4,378,438	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Portfolio consisting of non-performing and re-performing mortgage credit loans	408,897	1	126,500	None	Redemption at discretion of general partners and upon liquidation of fund
Equity Funds (non-registered)	Diversified portfolio of global equity and equity like investments	205,046	2	294,322	None	Redemption at discretion of general partners and upon liquidation of fund
Equity Funds (non-registered)	Secondary investment of high-quality, seasoned private equity funds purchased from primary investors seeking early liquidity	118,456	2	148,409	None	Redemption at discretion of general partners and upon liquidation of fund
Equity Funds (non-registered)	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	284,811	2	1,646,960	None; close-end fund	Redemption at discretion of general partners and upon liquidation of fund
Hedge Funds	Opportunistic fund seeking capital appreciation in a wide range of asset classes	2,127,337	1	NA	Quarterly with 45 days notice	None
Hedge Funds	Diverse global equity and credit strategies with concentrations in event-driven, arbitrage, and value opportunities	8,987,784	9	NA	Monthly, Quarterly, Biannually and Annually with 30-90 days notice	None
Hedge Funds	Diverse global equity and credit strategies with concentrations in event-driven, arbitrage, and value opportunities	3,447,610	3	NA	Quarterly with 60 days notice	1-Year Lockup 20% total fund liquidation limit per quarter
		<u>\$ 20,694,684</u>	<u>25</u>	<u>\$ 6,594,629</u>		

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NOTE 6 - STUDENT LOANS RECEIVABLE AND REFUNDABLE GOVERNMENT GRANTS

The College makes uncollateralized loans to students based on financial need. Student loans are funded mainly through Federal government loan programs.

The following is an analysis of gross student loans receivable aging as of August 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Past due:		
1-120 days	\$ 246,096	\$ 1,302
Greater than 120 days	218,005	91,673
Collections	<u>1,989,208</u>	<u>2,604,620</u>
Total past due	2,453,309	2,697,595
Current	<u>6,774,006</u>	<u>7,684,783</u>
Total gross student loans receivable	9,227,315	10,382,378
Less: Reserve	<u>(454,679)</u>	<u>(616,454)</u>
Total student loans receivable, net	<u>\$ 8,772,636</u>	<u>\$ 9,765,924</u>

The College's receivable includes the amounts due from current and former students. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio. Management's assessment includes review of general economic conditions; a detailed review of the aging of the student loan receivable detail and a review of the default rate by loan category in comparison to prior years; the financial condition of specific borrowers; the level of delinquent loans; the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on the results of management's analysis.

Loans disbursed under the Federal government loan programs are able to be assigned to the Federal Government in certain non-repayment situations. In these situations, the Federal portion of the loan balance is guaranteed.

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August 31, 2019 and 2018

NOTE 7 - CONTRIBUTIONS RECEIVABLE, NET

Unconditional promises at August 31, 2019 and 2018 and the time periods in which they are expected to be realized are as follows:

	2019	2018
In one year or less	\$ 328,935	\$ 389,875
Between one year and five years	1,220,125	788,580
In more than five years	260,670	86,504
Gross contributions receivable	1,809,730	1,264,959
Less: Allowance for doubtful accounts	(54,296)	(68,487)
Less: Discount to present value	(113,588)	(37,951)
	\$ 1,641,846	\$ 1,158,521

Estimated cash flows from contributions receivable due after one year are discounted to reflect the present value of future cash flows using a risk-adjusted rate, ranging from 4.1% to 7.7%. An additional reserve of approximately 3% is deducted for potential uncollectible pledges.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following at August 31, 2019 and 2018:

	2019	2018
Land	\$ 4,798,837	\$ 4,798,837
Buildings and leasehold improvements	209,370,226	203,046,934
Machinery, equipment, furniture and software	90,120,343	82,314,622
Library books	3,801,013	3,801,013
Construction in progress	8,703,084	5,122,565
	316,793,503	299,083,971
Less: Accumulated depreciation	(197,124,190)	(178,925,291)
	\$ 119,669,313	\$ 120,158,680

Construction in progress includes capitalized interest of \$168,490 and \$55,753 for the years ended August 31, 2019 and 2018, respectively. In 2019 and 2018, the Board announced changes to construction plans for the Old Westbury campus. As a result, accumulated soft costs of \$1,161,539 and \$1,994,611, respectively, were cancelled from construction in process, which includes capitalized interest in the amount of \$357,447 in 2018, only. Those costs consisted primarily of engineering, architecture, permit and other planning costs. Depreciation expense for the years ended August 31, 2019 and 2018 amounted to \$18,198,899 and \$17,642,750, respectively.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

NOTE 9 - Bonds Payable

The following is a summary of bonds payable at August 31:

	2019	2018
Dormitory Authority of the State of New York, taxable revenue bonds, Series 2016A (the "Series 2016A" bonds), 2.30% to 3.36%, maturing 2024.	\$ 31,125,000	\$ 38,095,000
Less: Unamortized bond issuance costs	(635,125)	(762,151)
Total bonds payable	\$ 30,489,875	\$ 37,332,849

In August 2016, the College issued \$47,910,000 in federally taxable bonds through the Dormitory Authority of the State of New York Series 2016A. The Series 2016A bond proceeds were utilized to legally defease all of the College's prior long-term debts. The taxable debt is issued at par.

The Series 2016A bonds have scheduled principal repayments between 2020 and 2023 ranging from \$7,135,000 to \$7,765,000, with a final payment of \$1,365,000 due in 2024. Principal sinking fund requirements on the bonds for each of the next five years are as follows:

Year Ending August 31,	
2020	\$ 7,135,000
2021	7,325,000
2022	7,535,000
2023	7,765,000
2024	1,365,000
Total	\$ 31,125,000

The total outstanding debt is collateralized by many of the College's academic properties on the Old Westbury campus and by most streams of net operating revenues. The College is obligated to comply with some financial covenants in conjunction with its outstanding debt portfolio. The College was in compliance with all financial covenants at August 31, 2019 and 2018.

Deferred Interest Cost

Costs related to the issuance of the debt are deferred and amortized over the life of the related debt. At August 31, 2019 and 2018, net deferred bond issuance costs totaled \$635,125 and \$762,150, respectively. Amortization expense includes extinguishment of all deferred costs related to current bonds. For the years ended August 31, 2019 and 2018, amortization expense amounted to \$127,026 and \$127,025, respectively.

NOTE 10 - POSTRETIREMENT BENEFITS

The College sponsors defined benefit health care plans that provide postretirement medical benefits to all employees who meet certain eligibility requirements. The plans are pay-as-you-go. The College has a liability associated with its postretirement health benefits obligation recorded on the consolidated statements of financial position.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

In fiscal 2013, the College changed the payment of postretirement benefits for existing employees to a fixed reimbursement model, effective on January 1, 2013. No employee hired on or after September 1, 2013 is eligible for postretirement medical benefits under this plan. As a result, the College realized a reduction in the postretirement benefit obligation of \$34,272,262 in the non-operating expense line in 2013, and that amount is being amortized into operational expense over the remaining working lives of the affected employees.

The status of the plans at August 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Change in accumulated postretirement benefit obligation:		
Benefit obligation at September 1	\$ (7,874,877)	\$ (8,639,954)
Service cost	(256,459)	(267,920)
Interest cost	(321,475)	(308,029)
Benefits paid	700,273	620,716
Actuarial gain	<u>(764,514)</u>	<u>720,310</u>
Benefit obligation at August 31	<u>\$ (8,517,052)</u>	<u>\$ (7,874,877)</u>
	<u>2019</u>	<u>2018</u>
Change in plan assets:		
Fair value of plan assets at September 1	\$ -	\$ -
Contributions	(700,273)	(620,716)
Benefits paid	<u>700,273</u>	<u>620,716</u>
Fair value of plan assets at August 31	<u>\$ -</u>	<u>\$ -</u>
	<u>2019</u>	<u>2018</u>
Funded status of the plan:		
Accumulated employer contributions in excess of net periodic benefit cost	\$ (19,430,372)	\$ (21,627,191)
Unrecognized prior service credit	16,432,393	18,859,188
Unrecognized net losses	<u>(5,519,073)</u>	<u>(5,106,874)</u>
Net accrued benefit liabilities, recognized in the consolidated statements of financial position	<u>\$ (8,517,052)</u>	<u>\$ (7,874,877)</u>
	<u>2019</u>	<u>2018</u>
Costs recognized in the consolidated statements of activities:		
Service cost	\$ (256,459)	\$ (267,920)
Interest cost	(321,475)	(308,029)
Amortization of actuarial loss	(352,315)	(440,389)
Amortization of prior service credit	<u>2,426,795</u>	<u>2,426,795</u>
Net postretirement credit	<u>\$ 1,496,546</u>	<u>\$ 1,410,457</u>

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

	2019	2018
Changes other than net periodic postretirement benefit cost:		
Actuarial gain/(loss)	\$ (764,514)	\$ 720,310
Amortization of unrecognized amounts	(2,074,480)	(1,986,406)
Total changes other than net periodic postretirement benefit costs	\$ (2,838,994)	\$ (1,266,096)

The amortized components of net periodic benefit cost expected to be recognized in fiscal 2020 are \$2,426,795 for the amortization of prior service credit and \$394,870 for the amortization of unrecognized net loss.

The significant actuarial assumptions used in the determination of actuarial present value of the projected benefit obligation and net periodic pension costs are:

Weighted average discount rate	3.02%
Healthcare cost trend rate	Declining from 6.18% in 2019 to 4.50% in 2027 and thereafter

Measurement date August 31, 2019

Benefits expected to be paid in cash for the next period beginning September 1 are as follows:

2020	\$ 824,517
2021	884,994
2022	923,988
2023	666,120
2024	521,408
2025-2029	2,810,101

Estimated employer contributions expected to be paid by the College during the fiscal year ending August 31, 2020 total \$824,517.

	2019
One-percentage-point increase in assumed healthcare cost trend rates:	
Effect on total service and interest components	\$ 87
Effect on postretirement benefit obligation	322
One-percentage-point decrease in assumed healthcare cost trend rates:	
Effect on total service and interest components	\$ (86)
Effect on postretirement benefit obligation	(322)

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

NOTE 11 - RETIREMENT PLAN

The College has a contributory defined contribution retirement plan funded through the Teachers Insurance and Annuity Association and the College Retirement Equities Fund for substantially all full-time employees. Contributions are based on a percentage of the participants' salaries. Total pension costs under this plan for the years ended August 31, 2019 and 2018 totaled \$6,470,739 and \$6,374,824, respectively.

NOTE 12 - ENDOWMENT

The College has endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Act of 2006 ("UPMIFA"). New York State adopted UPMIFA in September 2010 ("NYPMIFA").

The College's endowment consists of investments in land and 43 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. 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 Board of Trustees of the College has interpreted relevant New York law as requiring the preservation of the fair value of the original gift on the gift date as the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund beyond the corpus continues to be classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by New York law.

In accordance with NYPMIFA the College considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- the duration and preservation of the fund;
- the purposes of the College and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and the appropriation of investments;
- other resources of the College; and
- the investment policy of the College.

The College has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount. Annually, the College approves the endowment distribution for the following fiscal year. The endowment distribution is at the discretion of the Board of Trustees and is not based on a specific formula, nor is it directly tied to current investment returns. From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the College may spend

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

below the historical dollar value of its endowment funds unless specific donors have stipulated to the contrary. There were no deficiencies of this nature at August 31, 2019 or 2018.

To satisfy its long-term rate-of-return objectives, the College 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 College targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

At August 31, 2019 and 2018, the endowment net asset composition by type of fund consisted of the following:

	With Donor Restrictions				Total Funds as of August 31, 2019
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	
Board-designated endowment funds	\$ 79,285,649	\$ -	\$ -	\$ -	\$ 79,285,649
Donor-restricted endowment funds	-	3,407,750	5,215,525	8,623,275	8,623,275
Total endowment funds	\$ 79,285,649	\$ 3,407,750	\$ 5,215,525	\$ 8,623,275	\$ 87,908,924
 Pledges to donor-restricted funds, net	\$ -	\$ -	\$ 373,924	\$ 373,924	\$ 373,924

	With Donor Restrictions				Total Funds as of August 31, 2018
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	
Board-designated endowment funds	\$ 77,271,249	\$ -	\$ -	\$ -	\$ 77,271,249
Donor-restricted endowment funds	-	3,317,885	4,848,998	8,166,883	8,166,883
Total endowment funds	\$ 77,271,249	\$ 3,317,885	\$ 4,848,998	\$ 8,166,883	\$ 85,438,132
 Pledges to donor-restricted funds, net	\$ -	\$ -	\$ 445,392	\$ 445,392	\$ 445,392

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

Changes in endowment net assets for the fiscal years ended August 31, 2019 and 2018 consisted of the following:

	2019				
	With Donor Restrictions				Total Funds
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	
Endowment net assets at beginning of year	\$ 77,271,249	\$ 3,317,885	\$ 4,848,998	\$ 8,166,883	\$ 85,438,132
Investment return:					
Investment income	1,929,316	201,860	-	201,860	2,131,176
Management and administrative fees	(205,752)	(21,527)	-	(21,527)	(227,279)
Net appreciation (realized and unrealized)	167,611	17,537	-	17,537	185,148
Total investment return	1,891,175	197,870	-	197,870	2,089,045
Contributions	15,220	-	366,527	366,527	381,747
Additions to board-designated endowment	4,192,029	200,259	-	200,259	4,392,288
Distribution for spending	(4,084,024)	(308,264)	-	(308,264)	(4,392,288)
Endowment net assets at end of year	\$ 79,285,649	\$ 3,407,750	\$ 5,215,525	\$ 8,623,275	\$ 87,908,924
	2018				
	With Donor Restrictions				Total Funds
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	
Endowment net assets at beginning of year	\$ 72,949,937	\$ 2,938,964	\$ 3,508,854	\$ 6,447,818	\$ 79,397,755
Investment return:					
Investment income	1,456,483	130,964	-	130,964	1,587,447
Management and administrative fees	(172,643)	(15,524)	-	(15,524)	(188,167)
Net appreciation (realized and unrealized)	3,030,322	272,481	-	272,481	3,302,803
Total investment return	4,314,162	387,921	-	387,921	4,702,083
Contributions	7,150	-	1,325,144	1,325,144	1,332,294
Distribution for spending	-	(9,000)	-	(9,000)	(9,000)
Other changes	-	-	15,000	15,000	15,000
Endowment net assets at end of year	\$ 77,271,249	\$ 3,317,885	\$ 4,848,998	\$ 8,166,883	\$ 85,438,132

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2019 and 2018, net assets with donor restrictions consisted of the following:

	2019	2018
Professorship	\$ 394,962	\$ 360,644
Professorship (Held in Perpetuity)	1,000,000	1,000,000
Scholarships	2,624,364	2,162,019
Scholarships (Held in Perpetuity)	4,215,525	3,848,998
Contributions receivable, net	1,267,922	713,129
Contributions receivable, net (Held in Perpetuity)	373,924	445,392
Other restricted activities	2,011,665	2,001,592
	\$ 11,888,362	\$ 10,531,774

Net assets released from restrictions were as follows for the years ended August 31:

	2019	2018
Scholarships	\$ 346,737	\$ 322,878
College programs	210,119	60,679
	\$ 556,856	\$ 383,557

NOTE 14 - FUND-RAISING EXPENSES

In the accompanying consolidated statement of activities, institutional support includes fund-raising expenses for contributions, grants and contracts. For the years ended August 31, 2019 and 2018, the College incurred fund-raising expenses of \$2,222,161 and \$1,576,148, respectively.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Future minimum lease payments under capital lease obligations in excess of years at August 31, 2019 are as follows:

Year Ending August 31,	
2020	\$ 624,134
2021	355,314
2022	76,130
2023	<u>9,186</u>
 Total minimum lease payments	 1,064,764
 Less: amount representing interest	 <u>(89,059)</u>
 Present value of its net minimum lease payments	 <u><u>\$ 975,705</u></u>

The College has several noncancellable operating leases for space in New York, Arkansas, and Vancouver, Canada. These leases require payment of real estate taxes and escalation. Rent expense for the years ended August 31, 2019 and 2018 totaled approximately \$19,773,819 and \$19,877,680, respectively. The College has recorded an accrual for its cumulative straight-line obligation of \$14,340,176 and \$13,402,280 at August 31, 2019 and 2018, respectively. These amounts are included within the caption accounts payable and accrued liabilities on the consolidated statements of financial position. The College also has a multi-year financial commitment for certain other operating costs.

Future minimum payments required under operating leases, and other commitments are as follows:

Year Ending August 31,	
2020	\$ 18,811,902
2021	16,767,112
2022	15,858,529
2023	12,896,663
2024	12,587,194
Thereafter	<u>101,461,823</u>
	<u><u>\$ 178,383,223</u></u>

Litigation

The College has been named as a defendant in various legal actions claiming damages in connection with various matters. Management believes, on the basis of its understanding and consideration of these matters, that these actions will not result in payments of amounts, if any, which would have a material adverse effect on the consolidated financial statements.

Line of Credit and Standby Letter of Credit

The College has one unsecured line of credit of \$10,000,000 with a commercial bank. The line is subject to annual renewal with consent from both parties. As of August 31, 2019 and 2018, there are no borrowings under the line of credit. Under the \$10,000,000 line of credit, expiring May 31, 2020, \$1,055,935 is reserved

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2019 and 2018

for open Standby Letters of Credit for security deposits that expire April 1, 2026. As of August 31, 2019 and 2018, the net amount available for borrowing on the \$10,000,000 line of credit is \$8,944,065. The interest rate on the \$10,000,000 line of credit is LIBOR plus 150 basis points.

Subsequent Events

The College has evaluated subsequent events and transactions that occurred after the consolidated statement of financial position date of August 31, 2019 through December 20, 2019, the date these consolidated financial statements were available to be issued.

There were no subsequent events that required either recognition or disclosure within the consolidated financial statements.

New York Institute of Technology

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE 16 - NATURAL CLASSIFICATION OF EXPENSES

The College allocates operation and maintenance of plant, depreciation and amortization, and interest expense based on proportional expenditures using estimates of building square footage and the functional use of each facility financed by debt. The College's primary program service is academic instruction. Expenses reported as academic support, student services, and institutional support are incurred in support of this primary program activity. Expenses by their natural classification and function are presented as follows for the fiscal year ended August 31, 2019:

Natural Expense Category	Function Expense Category as per Statement of Activities							Total FY2018	
	Total FY2019	Instruction	Academic Support	Student Services	Research, Training & Public Service	Auxiliary Enterprises	Institutional support		Operation & Maintenance of Plant
Salaries and wages	\$ 120,914,920	\$ 68,494,685	\$ 9,083,086	\$ 12,171,687	\$ 6,085,091	\$ 2,669,444	\$ 16,085,661	\$ 6,325,266	\$ 119,860,924
Benefits	40,240,924	21,077,156	3,558,933	4,267,905	1,691,584	972,778	6,413,011	2,259,557	35,292,545
Contract services and partner fees	16,799,171	6,502,039	1,251,330	1,263,016	1,000,350	844,622	2,734,232	3,203,582	17,887,222
Travel, conferences and hospitality	6,184,328	1,476,302	580,801	3,066,786	306,849	52,084	691,361	10,145	5,284,287
Professional services	3,948,966	235,442	219,550	1,384,285	31,543	18,472	1,938,437	121,237	4,711,422
Supplies	8,529,961	1,620,656	2,394,064	808,021	1,267,336	1,496,973	622,933	319,978	7,734,035
Licensing	5,514,805	293,277	2,985,671	48,969	73,971	10,263	2,053,907	48,747	4,536,282
Space rental	23,637,542	1,430,752	214,899	188,118	199,013	8,179,192	533,126	12,892,442	23,670,388
Depreciation and amortization	18,325,925	7,506,039	1,158,595	1,709,067	256,588	157,869	7,537,767	-	17,771,893
Insurance	7,285,770	89,056	77,717	-	467,865	5,247,927	1,403,205	-	6,097,032
Interest expense	896,126	367,040	56,655	83,572	12,547	7,720	368,592	-	1,170,062
Other	11,896,262	2,191,852	1,582,159	313,752	1,033,859	185,606	4,895,488	1,693,546	14,433,800
Operation and maintenance of plant	3,082,344	12,685,095	1,800,790	2,194,213	282,120	305,425	12,689,201	(26,874,500)	3,225,138
Total	\$ 267,257,044	\$ 123,969,391	\$ 24,964,250	\$ 27,499,391	\$ 12,708,716	\$ 20,148,375	\$ 57,966,921	\$ -	\$ 261,675,030

APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT, THE SECURITY AGREEMENT AND THE INTERCREDITOR AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement. Such summary does not purport to be complete and reference is made to the Loan Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Representations of the Issuer

The Issuer makes the following representations:

(a) Due Organization and Authority. The Issuer is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Issuer Documents and the other documents contemplated thereby. Each of the Issuer Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Issuer.

(b) Enforceability. Each of the Issuer Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditor's rights generally, and subject to usual principles of equity.

(Section 2.1)

Representations of the Institution

The Institution makes the following representations:

(a) Due Organization and Authority. The Institution is a not-for-profit educational corporation duly organized and validly existing under the laws of the State, is in good standing under the laws of the State and has full legal right, power and authority to execute, deliver and perform its obligations under each of the Institution Documents and the other documents contemplated thereby. Each of the Institution Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Institution.

(b) Securities Law Status. The Institution is an organization organized and operated: (i) exclusively for educational or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The 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.

(c) No Conflicts. Neither the execution and delivery of any of the Institution Documents or the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Institution Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof, the Institution's charter or by-laws, as amended, or any corporate restriction or any agreement or instrument to which the Institution is a party or by which it is bound which would have a material adverse effect on the Institution or the transaction, or result in, except as contemplated by the Institution Documents, the creation or imposition of any Lien of any nature upon any of the Property of the Institution under the terms of any such law, ordinance, charter, by-laws, restriction, agreement or instrument.

(d) No Litigation. There is no action, suit, investigation or proceeding pending or, to the knowledge of the Institution, threatened against the Institution or any properties or rights of the Institution before any court,

Appendix C

(e) arbitrator or administrative or governmental body which might result in any materially adverse change in the business, condition or operations of the Institution or which might materially adversely affect the ability of the Institution to comply with the Loan Agreement or other Institution Documents.

(f) Compliance with Governmental Requirements. The design, construction, renovation, equipping and operation of the Project and any contracts and agreements relating thereto do conform or will conform with all applicable Governmental Requirements.

(g) Enforceability. Each of the Institution Documents and the other documents contemplated thereby to which the Institution is a party constitutes a valid and binding obligation of the Institution enforceable against the Institution in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditor's rights generally, and subject to general principles of equity.

(h) Warranty of Title. The Institution warrants and represents to the Issuer that (i) it has good and marketable title to the Project, free and clear of liens and encumbrances, except for the matters set forth in Policy No. M-8912-001409157 (title no. TA20(05)198), dated July 29, 2020, issued by Stewart Title Insurance Company, so as to permit it to have quiet enjoyment and use thereof for purposes of the Loan Agreement and the Institution's programs and (ii) the Institution has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project for proper operation and utilization of the Project and for utilities required to serve the Project, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction by the Institution of the Project.

(Section 2.2)

Covenants of the Institution

The Institution makes the following covenants:

(a) Operation of Project. The Institution shall continue to be duly authorized to do business in the State and will operate all portions of the Project as a facility or facilities of higher education throughout the term of the Loan Agreement.

(b) Pledges and Security Interests. All corporate action on the part of the Institution to authorize such pledges and security interests in the Collateral has been duly and validly taken. The Institution 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 Issuer and the Bondholders thereunder and under the Resolution against all claims and demands of all persons whomsoever.

(c) Maintenance of Corporate Existence. The Institution shall maintain its corporate existence, will continue to operate as a non-profit educational organization, shall obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for the continued operation of the Institution as a non-profit educational organization providing such programs and services as it may from time to time determine, shall not dissolve or otherwise dispose of all or substantially all of its assets and shall not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; provided, however, that if no Event of Default shall be continuing, then, upon prior written notice to the Issuer, the Institution may (i) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies under Section 501(c)(3) of the Code, or any successor provision of federal income tax law, or (ii) permit one or more corporations or any other organization to consolidate with or merge into it, or (iii) acquire all or substantially all of the assets of one or more corporations or any other organization; provided, further, that in each case (a) the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to any such sale, transfer, consolidation, merger or acquisition, (b) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws

of the State and qualified under Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (c) the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the Institution under the Loan Agreement and under the other Institution Documents, furnishes to the Issuer a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with applicable laws, rules and regulations and each of the provisions of the Loan Agreement and shall meet the requirements of the Act and furnishes such other certificates and documents as the Issuer may reasonably request.

(d) Accounts and Records. The Institution shall at all times maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the Institution.

(e) Limitation on Agreements. Except as expressly provided by the Loan Agreement or by the Resolution, the Institution shall not enter into any contracts or agreements or perform any act which may materially adversely affect any of the assurances, interests or rights of the Issuer or the Bondholders under the Loan Agreement or under the Resolution.

(f) Information Concerning Institution. (i) The Institution, whenever requested by the Issuer, shall provide and certify or cause to be provided and certified subject to legal restrictions, if any, such information concerning the Institution, its finances and other related topics as the Issuer from time to time reasonably determines to be necessary or desirable, including information reasonably necessary or desirable to enable the Issuer to make any reports or obtain any approvals required by law, governmental regulation or the Resolution to effect any of the transactions contemplated by the Loan Agreement or by the Resolution.

(ii) The Institution shall, if and when requested by the Issuer, provide to the Issuer reports with respect to the status of the construction of the Project. The Institution shall also furnish to the Issuer: (i) annually, not later than 120 days after the end of the Institution's Fiscal Year, copies of the Institution's audited financial statements and (ii) such other statements, reports and schedules describing the finances, operation and management of the Institution and such other information as the Issuer may from time to time reasonably request.

(iii) The Institution shall deliver to the Issuer each year no later than 120 days after the end of the Institution's Fiscal Year an Annual Certificate of Compliance signed by the Treasurer, Chief Financial Officer or the President of the Institution in the form attached as Exhibit B to the Loan Agreement, together with other statistical information required by the Issuer.

(iv) The Institution shall immediately notify the Issuer and the Trustee of the occurrence of any default or any event which with notice and/or lapse of time would constitute a default under the Loan Agreement or any of the other Institution Documents. Any notice required to be given pursuant to the Loan Agreement shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(v) The Institution shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the Institution, as the Issuer or the Trustee reasonably deems necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of the Loan Agreement and any rights of the Issuer or the Trustee thereunder or under the Resolution.

(vi) The Institution shall furnish to the Issuer and the Trustee notice of the commencement of any proceeding by or against the Institution commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law

(g) Compliance with Certain Requirements. The Institution shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the Institution, its operations or financial condition

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or title to its properties in any material respect, and (ii) any requirement of an insurance company providing insurance to or for the benefit of the Institution. Anything contained in this paragraph to the contrary notwithstanding, the Institution shall have the right to contest the validity of any Governmental Requirement or the application thereof at the Institution's sole cost and expense. During such contest, compliance with the contested Governmental Requirement may be deferred by the Institution, provided that prior to commencing any action or proceeding, administrative or judicial, contesting the Governmental Requirement, the Institution notifies the Issuer of the Institution's intention to contest such Governmental Requirement and, if the Issuer requests, shall furnish to the Issuer moneys or other security, satisfactory to the Issuer, securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Institution to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Institution shall be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof, of the contested Governmental Requirement by a governmental authority, and shall be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Institution promptly shall comply with any such Governmental Requirement and compliance shall not be deferred if at any time the Project, or any part thereof, to which such contested Governmental Requirement relates, would be in substantial danger by reason of the Institution's noncompliance with such Governmental Requirement 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 Issuer under the Loan Agreement or under the Resolution, (ii) the ability of the Issuer to enforce its rights under the Loan Agreement or thereunder, (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or thereunder or (iv) the ability of the Institution to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement.

(h) Prohibition Against Liens. (i) The Institution, throughout the term of the Loan Agreement, shall not permit or create or suffer to be permitted or created any Lien upon the Project or the Collateral or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Project or any part thereof.

(ii) Notwithstanding the provisions of subsection (i) of this paragraph (h), the Institution may in good faith contest any such Lien and, in such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless, by the Institution's nonpayment of any such item or items, the Project or any part thereof may be subject to loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing a bond thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to protect the Project or the Issuer's interest in any Collateral. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the Institution's receipt of notice of the filing or perfection thereof.

(i) Restriction on Religious Use. With respect to the Project or any portion thereof, so long as any of the Bonds are outstanding and the Project or portion thereof exists, and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; *provided, however,* that the foregoing restriction shall not prohibit the free exercise of any religion; and, *provided, further,* that if at any time, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the Project and each portion thereof. The Institution hereby further agrees that prior to any disposition of any portion of the Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting the use of such portion of the Project to the restriction that (i) so long as such portion of the Project (and, if included in the Project, the real property on or in which such portion of the Project is situated) shall exist and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the

opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of the Loan Agreement an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(j) Sale of the Project. The Institution shall not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights unless (a) the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to such action, (b) the Institution shall comply with any applicable provisions of Section 2.3(i) of the Loan Agreement regarding restrictions on religious use, (c) any sale of the Project or any part thereof or interest therein shall be at fair market value and (d) the proceeds of each such sale shall be immediately deposited and invested in a “Capital Reserve Fund” established by the Institution and managed separately from the Institution’s endowment, which shall be used exclusively to fund capital improvements and maintenance of the facilities at the Institution’s New York Campuses.

(Section 2.3)

Financing and Refinancing of Project

The Institution agrees, and covenants and warrants to the Issuer that the proceeds of the Bonds will be used to finance and/or refinance the Costs of the Project and other purposes authorized by the Resolution.

(Section 3.1)

Application of Bond Proceeds

(a) Subject to the conditions of the Loan Agreement, the Issuer 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 that constitute Costs of the Project or any Cost of Issuance reimbursable to the Institution, provided such costs and expenses are approved by an Authorized Officer of the Issuer, which approval shall not be unreasonably withheld or delayed, as follows:

(i) To the extent that moneys are available therefor, moneys in the Construction Fund shall be disbursed as the construction of the Project progresses in amounts as shall be requested by the Institution pursuant to a request for disbursement as provided to reimburse the Institution for, or to pay, any costs and expenses constituting Costs of the Project previously paid or then due that were incurred by the Institution in connection with the Project.

(ii) Prior to the Issuer making and delivering any certificate required to be delivered to the Trustee in connection with payments to be made pursuant to the Resolution for Costs of the Project, other than interest on Outstanding Bonds or any Cost of Issuance reimbursable to the Institution, the Issuer shall have received a certificate of the Institution substantially in the form of Exhibit A to the Loan Agreement.

(Section 3.2(a))

Loan Payments and Other Amounts Payable

(a) Except to the extent that moneys are available therefor under the Resolution or under the Loan Agreement, including moneys in the Debt Service Fund (other than moneys 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 excluding interest accrued but unpaid on investments held in the Debt Service Fund, the Institution unconditionally agrees to pay, so long as Bonds are Outstanding from its general funds or any other moneys legally available to it:

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

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

(iii) On the 10th day of each month, commencing on September 10, 2020 to and including December 10, 2020, in an amount equal to one-fourth ($1/4^{\text{th}}$) of the interest coming due on January 1, 2021, and on the tenth (10^{th}) day of each month thereafter, commencing January 10, 2021, in an amount equal to one-sixth ($1/6^{\text{th}}$) of the interest coming due on the Series 2020A Bonds on the immediately succeeding interest payment date therefor;

(iv) On the 10th day of each month commencing September 10, 2023 to and including June 10, 2024, in an amount equal to one-tenth ($1/10^{\text{th}}$) of the principal and Sinking Fund Installments coming due on July 1, 2024, and on the tenth (10^{th}) day of each month thereafter, commencing July 10, 2024, in an amount equal to one-twelfth ($1/12^{\text{th}}$) of the principal and Sinking Fund Installment on the Series 2020A Bonds coming due on the next succeeding July 1;

(v) On or before any Redemption Date, the amount required to pay the Redemption Price or purchase price of such Bonds, together with the amount of any fees or expenses charged or incurred by the Issuer to effectuate the redemption or defeasance of such Bonds;

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

(vii) Promptly after notice from the Issuer, 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 Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for payments made by it pursuant to paragraph h of this Section and any expenses or liabilities incurred by the Issuer pursuant to the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by the Issuer under a Remarketing Agreement, a Credit Facility or a Liquidity Facility (if any), (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and,

(viii) Promptly upon demand by the Trustee, (a copy of which shall be furnished to the Issuer), all amounts required to be paid by the Institution as a result of an acceleration pursuant to Section 9.1 of the Loan Agreement.

(b) In addition to the Loan Payments pursuant to the Loan Agreement, throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer and the members thereof actually incurred (i) by reason of the Issuer's financing of the Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement; or (iii) on account of any payments made by the Issuer for the purpose of fulfilling the

Institution's obligations under the Loan Agreement, including, but not limited to, any tax, assessment or other governmental charge or insurance premiums or any other payments made pursuant to Section 5.6 of the Loan Agreement.

(c) In addition, the Institution shall pay as additional loan payments within fifteen (15) days after receipt of a written demand therefor the Ordinary Expenses and Extraordinary Expenses payable by the Issuer to the Trustee pursuant to and under the Resolution.

(d) Subject to the provisions of the Loan Agreement and of the Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to paragraph (a)(iii) of this Section on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the Institution delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the written direction of the Issuer, 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.

(e) The Issuer directs the Institution, and the Institution agrees, to make the payments required by the Loan Agreement directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by the Loan Agreement directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Issuer, and the payments required by the Loan Agreement directly to the Issuer.

(f) Notwithstanding any provisions in the Loan Agreement to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee (other than moneys received by the Trustee pursuant to the Loan Agreement) shall be applied in reduction of the Institution's indebtedness to the Issuer under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the Resolution. Except as otherwise provided in the Resolution and the preceding sentence of this paragraph (f), the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

(g) The Issuer, for the convenience of the Institution, may, in its sole discretion, furnish to the Institution statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. Neither the failure to furnish such statements nor any error contained in such statements shall excuse non payment of the amounts payable under the Loan Agreement at the time and in the manner provided thereby.

(h) The Issuer shall have the right in its sole discretion to make on behalf of the Institution any payment required pursuant to this Section which has not been made by the Institution when due. No such payment by the Issuer shall limit, impair or otherwise affect the rights of the Issuer under the Loan Agreement arising out of the Institution's failure to make such payment and no payment by the Issuer shall be construed to be a waiver of any such right or of the obligation of the Institution to make such payment.

(Section 4.2)

Appendix C

Maintenance, Modifications, Taxes and Insurance

Maintenance and Modifications of Project by Institution.

(a) The Institution agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly and advantageously conducted. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project which may have been financed by the proceeds of the sale of the Bonds provided that such fixtures, furnishings and equipment continue to be used for purposes permitted in a Favorable Opinion of Bond Counsel delivered by the Institution to the Issuer and the Trustee.

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

(Section 5.1)

Use and Control of the Project

Subject to the rights, duties and remedies of the Issuer under the Loan Agreement, the Institution shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the operation of the Project and supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project; *provided, however*, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of the Project by persons other than the Institution or its students, staff or employees in furtherance of the Institution's corporate purposes.

(Section 5.2)

Liens, Utilities and Access

The Institution warrants, represents and covenants that the Project (i) is and will be kept free from Liens, (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 5.3)

Taxes, Assessments and Utility Charges

The Institution shall pay when due at its own expense, and hold the Issuer harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Institution or any of its property. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to the Issuer within ten (10) days after written demand by the Issuer, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; *provided, however*, the Institution may, in good faith, contest any such taxes, assessments and other charges. In the event of any such proceedings, the Institution shall pay such taxes, assessments or other charges so contested, or, at its option, allow the same to remain unpaid during the period of such proceedings and any appeal therefrom: *provided, however*, that (i) neither the Project nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, and (ii) the Institution shall have set

aside on its books adequate reserves with respect thereto and shall have furnished such security, if any, as may be required in such proceedings.

(Section 5.4)

Insurance Required

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

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

(c) In the event the Institution fails to provide the insurance required by this Section, the Issuer may elect at any time thereafter to procure and maintain the insurance required by this Section at the expense of the Institution. The policies procured and maintained by the Issuer shall be open to inspection by the Institution at all reasonable times.

(Section 5.5)

Right of Issuer to Pay Taxes, Insurance Premiums and Other Charges

If the Institution fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, assessment or other governmental charge required to be paid by Section 5.4 of the Loan Agreement, (ii) to maintain any insurance required to be maintained by Section 5.5 of the Loan Agreement, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Project or by any requirement, order or notice of violation thereof issued by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Project or any part thereof (unless contested or bonded in accordance with the provisions of Section 2.4(h) of the Loan Agreement), or (v) to pay any other amount or perform any act required to be paid or performed by the Institution under the Loan Agreement, the Issuer may pay or cause to be paid such tax, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Issuer until at least ten (10) days shall have elapsed since written notice shall have been given by the Issuer to the Institution and the Trustee), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii), (iv) and (v) of this Section, no such payment shall be made in any event if the Institution is contesting the same in good faith and diligently prosecuting the same unless an Event of Default under the Loan Agreement shall have occurred and be continuing. No such payment by the Issuer shall affect or impair any rights of the Issuer under the Loan Agreement or of the Trustee under the Resolution arising in consequence of such failure by the Institution. The Institution shall, on demand, reimburse the Issuer for any amount so paid or for expenses or costs incurred in the performance of any such act by the Issuer pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of payment of such amount, expense or cost by the Issuer at the per annum rate of ten percent (10%) and such amount, together with such interest, shall become additional indebtedness secured by the Collateral, if any.

(Section 5.6)

Appendix C

Damage, Destruction and Condemnation

Damage or Condemnation

(a) Any insurance, condemnation or eminent domain proceeds received by the Institution shall either be: (i) applied to the cost of replacing, repairing, rebuilding, restoring or relocating the Project; (ii) paid to the Trustee for deposit to the Debt Service Fund and applied to the purchase or redemption of Outstanding Bonds; or (iii) used for any other purpose for which the Institution provides a Favorable Opinion of Counsel to the Issuer and the Trustee.

(b) All such repair, replacement, rebuilding, restoration or relocation of the Project (or such portion thereof) shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(c) If any portion of the Project shall be damaged or destroyed (in whole or in part) at any time during the term of the Loan Agreement: (i) there shall be no abatement or reduction in the amounts payable by the Institution under the Loan Agreement (whether or not such portion of the Project is replaced, repaired, rebuilt, restored or relocated); and (ii) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Project or any portion of the Project.

(Section 6.1)

Indemnity by Institution

(a) To the extent permitted by law, the Institution releases and agrees to hold harmless, defend and indemnify the Issuer and its members, officers, officials, counsel, consultants, agents and employees from and against all, and agrees that the Issuer and its members, officers, officials, counsel, consultants, agents and employees shall not be liable for any, (i) liabilities, suits, actions, claims, demands, damages, losses, expenses and costs of every kind and nature resulting from any action taken in accordance with, or permitted by, the Loan Agreement, the Mortgage, any other Issuer Documents, or arising therefrom or incurred by reason thereof or arising from or incurred by reason of the financing of the Project (but excluding any loss, damage or liability which may arise as a result of the willful misconduct, or intentional misrepresentation of the Issuer and its members, officers, officials, counsel, consultants, agents and employees), or (ii) loss or damage to property or any injury to or death of any or all persons that may be occasioned by any cause whatsoever pertaining to the Project or the Mortgaged Property or arising by reason of or in connection with the presence on, in or about the premises of such Project or the Mortgaged Property of any person; including in each case, without limiting the generality of the foregoing, causes of action and attorneys' fees and other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing and including any loss, damage or liability which may arise as a result of the negligence (but excluding any loss, damage or liability which may arise as a result of the willful misconduct or intentional misrepresentation) of any party so indemnified by the Institution, and to deliver at the request of the Issuer any further instrument or instruments in form satisfactory to the Issuer as in the reasonable judgment of the Issuer may be necessary to effectuate more fully the provisions of this paragraph (a); *provided, however*, that (i) the indemnity provided in this sentence shall be effective only to the extent of any loss or liability that may be sustained by the Issuer in excess of net proceeds received from any insurance carried by the Institution with respect to such loss or liability and (ii) the Issuer and the Institution shall each provide waiver of rights of subrogation against the other in any insurance coverage obtained relating to the Project and the Mortgaged Property. The indemnity provided for such parties by this paragraph (a) shall be in addition to and not limited by any of the provisions of paragraph (b) of this Section or of Section 5.6 of the Loan Agreement; *provided, however*, that, to the extent the Issuer receives indemnification pursuant to such Sections, the Issuer shall not be entitled to additional indemnification pursuant to this paragraph (a).

(b) The Institution agrees, to the extent permitted by law, to indemnify, defend and hold harmless the Issuer, any member, officer, official, employee, counsel, consultant and agent of the Issuer against any and all losses, claims, damages, liabilities or expenses whatsoever, joint or several, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) are caused by, arise out of or are based upon any untrue

statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact in the Official Statement or other offering document (other than any information certified by Issuer or the Underwriter), or any amendment thereof or supplement thereto, relating to the Bonds offered for sale thereby, or caused by, arising out of or based upon any omission or alleged omission from such an official statement, or any amendment thereof or supplement thereto, of any material fact in the Official Statement (other than any information certified by Issuer or the Underwriter) necessary in order to make the statements made therein in the light of the circumstances under which they were made not misleading.

(c) In case any action shall be brought in respect of which indemnity may be sought against the Institution, any person seeking indemnity under the Loan Agreement shall promptly notify the Institution in writing, and the Institution shall promptly assume the defense thereof, including the employment of counsel and the payment of all expenses; *provided, however*, that the Institution shall have the right to negotiate and consent to settlement and that it shall be the duty of such person to cooperate with the Institution in asserting such defense and in reaching such settlement. The Institution shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the Institution or if there be a final judgment for the plaintiff in any such action with or without the Institution's consent, the Institution agrees to indemnify and hold harmless such person from and against any loss or liability by reason of such settlement or judgment in accordance with this Section.

(d) In the event that the Issuer is notified in writing that the 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 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 Issuer. Upon the occurrence of such an event, the Institution and the Issuer shall fully cooperate with one another and participate in all aspects of the conduct of the response thereto. The Institution shall be responsible for the payment of all costs incurred by the Issuer (including, but not limited to, attorneys and other professional fees) in connection with any such investigation.

(Section 7.1)

Reliance by Trustee

The Trustee shall be entitled to rely on any instructions given by the Institution pursuant to the terms of the Loan Agreement and the Institution shall indemnify the Trustee for the consequences of all actions taken pursuant to any such instructions provided that the Trustee, at the time the instructions were given, reasonably believed in good faith that such instructions were genuine and signed by an Authorized Officer of the Institution; *provided however*, that any instructions given by the Institution pursuant to the Loan Agreement shall relate only to the Loan Agreement and shall not constitute instructions to the Trustee to act or refrain from acting under the Resolution (which latter instructions may be given only by the parties authorized to do so under the Resolution in the manner provided therein).

(Section 7.3)

Compliance with Resolution

The Institution approves of and agrees to the provisions of the Resolution. The Institution agrees to do all things within its power in order to enable the Issuer to comply with all requirements and to fulfill all covenants of the Resolution which require the Institution to comply with requests or obligations so that the Issuer will not be in default in the performance of any covenant, condition, agreement or provision of the Resolution.

(Section 7.5)

Investment of Funds

The Institution acknowledges that the Issuer shall direct the investment of moneys held under the Resolution as provided therein and that no representation or warranty has been made by the Issuer with respect to

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interest rates on, or the amount to be earned as a result of, any such investment. The Issuer shall regularly consult with the Institution regarding any investments of funds being held in the Construction Fund. Neither the Issuer nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment. The Issuer 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 7.6)

Payment to Institution

The Issuer shall, as soon as practicable after receipt of moneys paid to the Issuer by the Trustee pursuant to Section 12.01 of the Resolution (other than Section 12.01(e) thereof), pay such moneys to the Institution after deducting therefrom the amount, if any, then owed to the Issuer by the Institution pursuant to the Loan Agreement.

(Section 7.7)

Representations and Covenants of Institution

The Institution represents and warrants that it is an organization described in Section 501(c)(3) of the Code and it is not a “private foundation” as defined in Section 509 of the Code, and it is exempt from federal income taxes under Section 501(a) of the Code. The Institution covenants and agrees that it shall not perform any act or enter into any agreement or omit to take any action that would adversely affect its status as an organization described in Section 501(c)(3) of the Code and shall conduct its operations in a manner which conforms to the standards necessary to qualify the Institution as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law.

(Sections 8.1 and 8.2)

Events of Defaults and Remedies

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

(i) the Institution shall default in the timely payment of any amount payable pursuant to Section 4.2 of the Loan Agreement or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution in accordance with the Loan Agreement and the Resolution, and such default continues for a period in excess of seven (7) days; or

(ii) the Institution defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph (i) of this Section) or breaches any representation made 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 Issuer or the Trustee; *provided, however*, that, if in the reasonable determination of the Issuer such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the Institution within such period and is diligently pursued until the default is corrected; or

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

(iv) the Institution shall (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, (F) take corporate action for the purpose of any of the foregoing or (G) shall admit in writing its inability to pay its debts generally as they become due; 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 or certificate of incorporation of the Institution or any license necessary to operate the Project shall be suspended or revoked; or

(vii) a petition to dissolve the Institution shall be filed by the Institution with the New York State Education Department Board of Regents, the legislature of the State, the Attorney General 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 New York State Education Department Board of Regents, the legislature of the State or other governmental authority having jurisdiction over the Institution, which order shall remain undismissed or unstayed for an aggregate of thirty (30) days; or

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

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

(xi) a final judgment for the payment of money, a portion of which is not covered by insurance or reserves set aside by the Institution, 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) any Security Agreement or Mortgage; or (B) any agreement executed in connection with the Shared Collateral and, upon such default, (y) the principal of any indebtedness secured by such Shared Collateral may be declared to be due and payable or (z) the lien upon or pledge may be foreclosed or realized upon.

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

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

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

(iii) 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, the Mortgage or any other Security Agreement;

(iv) Pursuant to the terms of any Security Agreement or any Mortgage, take or cause to be taken any and all actions necessary to implement any available remedies with respect to Collateral under any Security Agreement or any Mortgage; and

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

(c) All rights and remedies in the Loan Agreement given or granted to the Issuer are cumulative, non-exclusive and in addition to any and all rights and remedies that the Issuer may have or may be given by reason of any law, statute, ordinance or in equity or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Issuer's right to exercise such remedy thereafter, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) 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 Issuer may annul any declaration made or action taken pursuant to paragraph (b) of this Section and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(e) Notwithstanding any assignment of the Loan Agreement to the Trustee, the Issuer reserves the right to direct the Trustee to take any actions authorized by the Loan Agreement as shall be necessary to enforce the Issuer's Unassigned Rights.

(Section 9.1)

Agreement to Pay Attorneys' Fees and Other Expenses

In the event the Institution should default under any of the provisions of the Loan Agreement and the Issuer or the Trustee should employ attorneys or other professionals or incur other out-of-pocket expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the Institution contained in the Loan Agreement (or in the case of the Trustee under the Resolution), the Institution shall, on demand therefor, pay the reasonable fees of such attorneys or other professionals and such other reasonable out-of-pocket expenses so incurred to the Issuer or the Trustee.

(Section 9.2)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Institution shall have been made or provision made for the payment thereof; *provided, however*, that Section 7.7 and 9.2 of the Loan Agreement and the liabilities and the obligations of the Institution to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to Sections 4.2(a)(vi), 4.2(b), 4.2(c), 4.2(h), 5.6, and 7.1 of the Loan

Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Issuer shall deliver such documents as may be reasonably requested by the Institution to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the Institution to the Issuer pursuant thereto.

(Section 10.1)

Amendments, Changes and Modifications

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 an Authorized Officer of the Institution and the Issuer, an executed counterpart of which shall be filed with the Trustee.

(Section 11.4)

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 may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights and 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 become bound to pledge, assign or grant.

(Section 11.7)

No Recourse; Special Obligation

(a) The obligations and agreements of the Issuer contained in the Loan Agreement and in any other instrument or document executed by the Issuer in connection therewith, and any other instrument or document supplemental thereto or to the Loan Agreement, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, director, agent or employee of the Issuer in his or her individual capacity, and the members, officers, directors, agents and employees of the Issuer shall not be liable personally thereon or be subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby.

(b) The obligations and agreements of the Issuer contained in the Loan Agreement and in any other instrument or document executed by the Issuer in connection therewith, and any other instrument or document supplemental thereto or to the Loan Agreement, shall not constitute or give rise to an obligation of the State or any other public corporation other than the Issuer, and no public corporation other than the Issuer shall be liable thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement (except for revenues derived by the Issuer with respect to the Unassigned Rights). The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or the Resolution, except only to the extent amounts are received for the payment thereof from the Institution under the Loan Agreement (except for revenues derived by the Issuer with respect to the Unassigned Rights), and except as may result solely from the Issuer's own willful misconduct.

(Section 11.9)

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Additional Terms and Conditions

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

Debt Service Coverage Ratio Covenant

Debt Service Coverage Ratio Requirement. During each Fiscal Year, the Institution covenants to charge and maintain student tuition, fees and other charges and to budget operating expenses sufficient to provide a Debt Service Coverage Ratio of 1.2: 1.

Reporting Requirement. The Debt Service Coverage Ratio Covenant shall be tested annually based on the annual audited financial statements of the Institution. Within one hundred twenty (120) days after the end of the Institution's Fiscal Year, the Institution shall file with the Issuer a certificate of an Authorized Officer of the Institution stating whether for the preceding Fiscal Year the Debt Service Coverage Ratio requirement is satisfied and setting forth the calculation upon which such statement is based.

Remedies. (i) If in two consecutive Fiscal Years the Institution does not satisfy the Debt Service Coverage Ratio requirement, or (ii) if for any Fiscal Year the Debt Service Coverage Ratio falls below 1:1, the Institution shall prepare a Management Plan that addresses the fees and tuition, operations and management of the Institution and any other matter it deems appropriate as will enable the Institution to maintain the Debt Service Coverage Ratio. Failure to maintain the required Debt Service Coverage Ratio, however, shall not constitute an Event of Default under the Loan Agreement.

(Section 2 of Schedule F)

Additional Debt Test

(a) Long-Term Indebtedness.

The Institution may issue, incur, assume or guarantee Long-Term Indebtedness subject to the following conditions:

The Institution must, at the time of issuance, have a Long-Term Indebtedness rating not lower than investment grade (BBB-/Baa3) from at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), and that rating must be maintained from at least one NRSRO after the issuance of the additional Long-Term Indebtedness, and:

(i) the amount issued in any year is less than or equal to 10% of the value of the Institution's net assets without donor restrictions plus net assets with donor restrictions for purpose or time as reported on the most recent annual audited financial statements of the Institution, or

(ii) if the amount of such new Long-Term Indebtedness issued is in excess of 10% of the value of the Institution's net assets without donor restrictions plus net assets with donor restrictions for purpose or time as reported on the most recent annual audited financial statements of the Institution, the Institution must provide a certificate of an Authorized Officer of the Institution and pro forma calculations to the Issuer demonstrating that the Institution's required Debt Service Coverage Ratio would be met, based on the annual audited financial statements of the Institution for the most recently ended Fiscal Year, except as noted below, taking into account the additional debt and debt service. For purposes of calculating the pro forma Debt Service Coverage Ratio requirement for purposes of this subparagraph (ii), the Institution's projected Maximum Annual Debt Service will be used instead of Annual Debt Service to determine compliance. In the event the project to be financed with such additional Long-Term Indebtedness is expected to generate additional revenues, such revenues, net of anticipated expenses, may be included in the pro forma calculations of the Debt Service Coverage Ratio requirement.

(b) Parity Debt.

To the extent the Institution issues, incurs, assumes or guaranties Long-Term Indebtedness or Refunding Debt in accordance with paragraph (a) or paragraph (c) of this Section 4, such Long-Term Indebtedness or Refunding Debt may be secured by a security interest in the Pledged Revenues and/or a mortgage on the Mortgaged Property on a parity with the security interest in the Pledged Revenues and/or the Mortgage on the Mortgaged Property granted to the Issuer to secure the Institution's obligations under the Loan Agreement, subject to the execution of an intercreditor agreement, in form and substance satisfactory to the Issuer, by and among the Issuer, the Trustee and each other creditor with a lien on such Pledged Revenues and/or Mortgaged Property.

(c) Refunding Debt.

The Institution may issue, incur, assume or guaranty Refunding Debt without compliance with the requirements of paragraph (a) of this Section 4 provided that, after giving effect to such Refunding Debt, the Annual Debt Service on the Institution's Long-Term Indebtedness to be outstanding thereafter will not be increased in any Fiscal Year as established by a certificate or report to that effect by an Authorized Officer of the Institution delivered to the Issuer on or prior to the date such Refunding Debt is issued, incurred, assumed or guaranteed.

(d) Non-Recourse Indebtedness.

Notwithstanding the foregoing, the Institution may issue Non-Recourse Indebtedness provided that any assets pledged as collateral or for the repayment of such indebtedness must have been acquired by the Institution after the issuance of the Bonds.

(e) Short-Term Indebtedness.

The Institution may incur Short-Term Indebtedness if, with respect to such indebtedness, during any twelve (12) month period, there will be no outstanding balance for a period of not less than thirty (30) days or such shorter period as acceptable to the Issuer.

(Section 4 of Schedule F.)

SUMMARY OF CERTAIN PROVISIONS OF THE SECURITY AGREEMENT

The following is a brief summary of certain provisions of the Security Agreement. Such summary does not purport to be complete and reference is made to the Security Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in the Security Agreement or the Loan Agreement.

Creation of Security Interest

As security for the payment of all liabilities and the performance of all obligations of the Debtor pursuant to the Loan Agreement, the Debtor does continuously pledge, grant a security interest in, and assign to the Secured Party the Pledged Revenues, together with the Debtor's right to receive and collect the Pledged Revenues and the proceeds of the Pledged Revenues. This pledge, security interest and assignment shall have the priority provided for in the Intercreditor Agreement.

The Debtor represents and warrants that, except as set forth in the Intercreditor Agreement, (i) no part of the Pledged Revenues or any right to receive or collect the same or the proceeds thereof is subject to any Lien, (ii) all corporate action on the part of the Debtor to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken, and (iii) the Pledged Revenues assigned pursuant to the Security Agreement are legally available to provide security for the Debtor's performance under the Loan Agreement. The Debtor covenants and agrees that (i) 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 of the Pledged Revenues made by this Section and (ii) 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 Secured Party and the Holders of Bonds against all claims and demands of all persons whomsoever.

(Section 2)

Collection of Pledged Revenues

(a) Subject to the provisions of paragraph (b) of this Section and the terms of the Intercreditor Agreement relating to the Shared Collateral, commencing on the date on which the Bonds are first issued and delivered and continuing until no Bonds are Outstanding, the Debtor shall deliver to the Trustee for deposit in accordance with the Resolution and the Series 2020A Resolution all Pledged Revenues (other than the amounts subject to Parity Debt) within ten (10) days following the Debtor'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 Outstanding Bonds payable on and prior to the next succeeding July 1, and (iii) the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased and accrued interest thereon to the date of redemption or purchase. In the event that, pursuant to the Loan Agreement, the Secured Party notifies the Debtor that account debtors are to make payments directly to the Secured Party or to the Trustee, such payments shall be made directly to the Secured Party or the Trustee notwithstanding anything contained in this subdivision, but the Debtor shall continue to deliver to the Trustee for deposit in accordance with the Resolution any payments received by the Debtor with respect to the Pledged Revenues.

(b) Notwithstanding anything to the contrary in paragraph (a) of this Section, in the event that, on or prior to the date on which a payment is to be made pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments or Redemption Price of or interest on Outstanding Bonds, the Debtor has made such payment from its general funds or from any other money legally available to it for such purpose, the Debtor shall not be required solely by virtue of paragraph (a) of this Section, to deliver Pledged Revenues to the Trustee. Any Pledged Revenues collected by the Debtor that are not required to be paid to the Trustee pursuant to this Section or the Loan Agreement shall be free and clear of the security interest granted by the Security Agreement and may be disposed of by the Debtor for any of its corporate purposes provided that no Event of Default (as defined in the Security Agreement and 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 3)

Consent to Pledge and Assignment

The Debtor consents to and authorizes the assignment, transfer or pledge by the Secured Party to the Trustee of the security interest in and pledge of the Pledged Revenues granted by the Debtor under the Security Agreement.

(Section 4)

Representations and Warranties.

The Debtor warrants and represents that:

(i) it has the requisite power and authority to enter into the Security Agreement and to pledge and grant a security interest in the Pledged Revenues to the Secured Party as security for performance of its obligations under the Loan Agreement;

(ii) this Agreement constitutes valid, binding and legal obligations of the Debtor enforceable against the Debtor in accordance with its terms; *provided, however*, that such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting or relating to the rights of creditors generally and general principles of equity; and

(iii) the execution and delivery of the Security Agreement and the pledge of and grant of a security interest in the Pledged Revenues thereunder, the consummation of the transactions contemplated thereby and compliance with the provisions thereof do not violate, conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the charter or by-laws of the Debtor or any indenture or mortgage, or any trusts, endowments or other commitments or agreements to which the Debtor is party or by which it or any of its properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any governmental authority, body, agency or other instrumentality or court having jurisdiction over the Debtor or any of its properties.

(Section 5)

Event of Default

The occurrence of any of the following shall constitute an “Event of Default” under the Security Agreement:

- (a) the occurrence of any Event of Default under the Loan Agreement; or
- (b) failure by the Debtor to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Security Agreement or under any other agreement between the Secured Party and the Debtor for a period of thirty (30) days after written notice requiring the same to be remedied shall have been given to the Debtor by the Secured Party or the Trustee; *provided, however*, that, if in the determination of the Secured Party such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the Debtor within such period and is diligently pursued until the default is corrected; or
- (c) any representation or warranty given by the Debtor to the Secured Party under the Security Agreement shall be false or misleading in any material respect.

Upon the occurrence of an Event of Default, the Secured Party may 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 Sections 2 and 3 of the Security Agreement, by any one or more of the following actions: (A) enter the Debtor and examine and make copies of the financial books and records of the Debtor 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 money in the

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possession of the Debtor representing Pledged Revenues or proceeds thereof; (B) notify any account debtors obligated on any Pledged Revenues to make payment directly to the Secured Party or to the Trustee, as the Secured Party may direct, and of the amount to be so paid; *provided, however*, that (1) the Secured Party may immediately collect the entire amount of interest, principal, or Sinking Fund Installments, if any, coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Pledged Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the Debtor five (5) days prior to mailing or otherwise making such notification to account debtors and (3) until the Debtor 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 Debtor's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Debtor whether or not the full amount of any such account receivable or contract right owing shall be paid to the Secured Party; (D) require the Debtor to deposit all money, checks or other orders for the payment of money which represent Pledged Revenues in an amount equal to the Pledged Revenues assigned under the Security 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 Secured Party; *provided, however*, that (1) the money in such fund or account shall be applied by the Secured Party to the payment of any of the obligations of the Debtor under the Security Agreement or under the Loan Agreement, including the reasonable and documented fees and expenses of the Secured Party, (2) the Secured Party may authorize the Debtor 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 Debtor when all Events of Default under the Security Agreement or under the Loan Agreement by the Debtor have been cured; (E) forbid the Debtor 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; (F) endorse in the name of the Debtor any checks or other orders for the payment of money representing any unpaid assigned Pledged Revenues or the proceeds thereof; or (G) exercise any other rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the State.

All rights and remedies given in the Security Agreement or granted to the Secured Party are, to the extent permitted by law, cumulative, non-exclusive and in addition to any and all rights and remedies that the Secured Party 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 Secured Party's right to exercise such remedy thereafter.

(Section 6)

Amendments to Security Agreement

The Security Agreement may be amended only by an instrument in writing signed by an Authorized Officer of the Debtor and the Secured Party, an executed counterpart of which shall be filed with the Secured Party.

(Section 8)

Termination

The Security Agreement shall remain in full force and effect until no Bonds are Outstanding and all other payments, expenses and fees payable under the Loan Agreement by the Debtor shall have been paid or provision for the payment thereof have been made to the satisfaction of the Secured Party. Upon termination of the Security Agreement, the Secured Party shall promptly deliver such documents as may be reasonably requested by the Debtor to evidence such termination and the discharge of the Debtor's duties under the Security Agreement and under the Loan Agreement.

(Section 9)

Attorney's Fees

If any action at law or in equity is brought to enforce or interpret the provisions of the Security Agreement, the prevailing party will be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled.

(Section 15)

Further Assurances

The Debtor, 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, assignments, transfers and assurances as may be necessary or desirable for the better assuring, granting, assigning and confirming all and singular the rights and moneys, funds and security interests pledged by the Security Agreement, assigned or granted, or intended so to be, or which the Debtor may become bound to pledge, assign or grant.

(Section 18)

SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

The following is a brief summary of certain provisions of the Intercreditor Agreement. Such summary does not purport to be complete and reference is made to the Intercreditor Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in the Intercreditor Agreement, the Security Agreement or the Loan Agreement.

Priority of Liens and Indebtedness

The parties each agree that each security interest in, pledge of and lien upon the Shared Collateral made or given to secure the Institution's obligations under any of the Loan Agreements shall be of equal priority with each other. The priority specified above shall be applicable irrespective of the time or order in which any of the Collateral Documents were entered into, any loan was made under any of the Loan Agreements, any Series 2016A Bond or Series 2020A Bond was issued, the time or order of attachment or perfection of the security interests or other interests referred to in the Intercreditor Agreement, the time or order of recording or filing of financing statements or knowledge by any of the parties to the Intercreditor Agreement of the making, giving or creation of security interest, pledge, lien or other interest referred to in the Intercreditor Agreement. None of the Secured Parties under the Intercreditor Agreement shall have a priority of payment over or be subordinate to any of the other Secured Parties thereunder with respect to payments of the Shared Collateral under any of the Collateral Documents, except as expressly set forth in the Intercreditor Agreement.

(Section 2)

Defaults and Actions

It is the intention of the Intercreditor Agreement that, except as limited by the provisions of Section 5 thereof, each Secured Party may declare or decline to declare, to the extent it has the right to do so under the Series 2020A Loan Agreement or the applicable Collateral Document, an Event of Default under the Series 2020A Loan Agreement or any Collateral Document to which it is a party, including by assignment, or made for its benefit or by which it is benefited.

Each Secured Party to the Intercreditor Agreement agrees to give notice of any Event of Default under the Series 2020A Loan Agreement and the Collateral Documents and to give each other Secured Party to the Intercreditor Agreement not less than sixty (60) days prior written notice of its intention to commence any action or proceeding under a Collateral Document to realize upon the Shared Collateral. The failure of a Secured Party to give any such notice shall not nullify or otherwise adversely affect or impair the validity of any notice or declaration of default under the Series 2020A Loan Agreement or any applicable Collateral Document given by such Secured Party to the Institution.

(Section 3)

Foreclosure

Any Secured Party may, without the consent of any other Secured Party, commence an action or proceeding to Foreclose, and Foreclose upon on any of the Shared Collateral whenever, and to the extent, such party is permitted to do so under any Collateral Document to which it is a party, including by assignment, or made for its benefit or by which it is benefited. Each of the Trustee on behalf of the Holders of Series 2020A Bonds, and the Trustee on behalf of the Holders of the Series 2016A Bonds, may, independently commence an action or proceeding to Foreclose on the Shared Collateral, or join in any action or proceeding commenced by any other Secured Party to Foreclose on any of the Shared Collateral. In any action or proceeding commenced to Foreclose on the Shared Collateral in which two or more Secured Parties have joined, the parties to such action may in their sole and absolute discretion, but are not required to, by unanimous consent, appoint a Collateral Agent from among the parties to such action or proceeding to prosecute such action or proceeding on behalf of and as agent for all of the parties thereto; *provided, however*, that such Collateral Agent accepts such appointment and expressly agrees in writing to comply with the Intercreditor Agreement.

(Section 4)

Cash Proceeds

(a) All readily identifiable proceeds of the Shared Collateral shall be treated as being subject to and disposed of in accordance with the priorities established by the Intercreditor Agreement. The proceeds of any Shared Collateral received by a Secured Party and the Collateral Agent, if any, shall be held, in a segregated account established by it for application in accordance with the Intercreditor Agreement, in trust for the benefit of the Secured Parties, as their respective interests may appear. All proceeds of the Shared Collateral received by a Secured Party for whose benefit a Collateral Agent has been appointed shall promptly remit such proceeds to the Collateral Agent for deposit in the segregated trust account established by it.

(b) The proceeds of and collections on the Shared Collateral shall be distributed as soon as practicable whenever the aggregate amount of such proceeds held in the segregated account established pursuant to the Intercreditor Agreement exceeds \$5,000, in the following order of priority:

(i) To the payment of the costs and expenses of foreclosing or realizing upon the Shared Collateral incurred by the Collateral Agent (if any), a Secured Party or third parties;

(ii) If any Secured Party shall have made reasonable advances under either Loan Agreement for the purpose of preserving or protecting the Shared Collateral, then the amount of such advances shall be repaid to such Secured Party;

(iii) To payment to each Secured Party, *pro rata* based on the unpaid principal amount of the indebtedness and interest due and payable at the time of calculation under each of the Loan Agreements, but not in excess of the principal of and interest on such indebtedness, or other financial obligations then due and unpaid thereunder;

(iv) To payment to each Secured Party, *pro rata*, based on, but not in excess of, the fees and expenses of each of them then due to each of them and then unpaid at the time of calculation under the Series 2020A Loan Agreement and the applicable Collateral Documents (but only in so far as the fees and expenses of the Secured Parties are reasonably related to the Series 2020A Loan Agreement or the applicable Collateral Document and not otherwise reimbursed pursuant to subparagraphs (i) and (ii) above); and

(v) To payment to each Secured Party, *pro rata*, based on, but not in excess of, all other amounts owing under the Series 2020A Loan Agreement and the Collateral Documents due at the time of calculation to each of them and then unpaid.

Any surplus of cash proceeds remaining after payment in full of all of the Institution's obligations under each of the Loan Agreements shall be paid over to the Institution or to whomever may be otherwise lawfully entitled to receive such surplus.

(c) Each Secured Party agrees with each of the other Secured Parties that if for any reason it shall ever receive or retain any proceeds of the Shared Collateral in excess of the amount to which it is entitled to receive pursuant to paragraph (b) of this Section (the "Excess Amount"), it shall on each date when proceeds of the Shared Collateral are to be divided pursuant to this Section make such arrangements with the other Secured Parties such that after taking into account all allocations previously made of proceeds of the Shared Collateral, each of the other Secured Parties shall have recovered from such Secured Party that portion of the Excess Amount such that each Secured Party shall have received its aggregate allocable share of all amounts realized as proceeds of the Shared Collateral through such date.

(Section 5)

Parties to Benefit

The Intercreditor Agreement and the provisions thereof are solely for the benefit of the Issuer and the Trustee, in its capacity as trustee for the Series 2016A Bonds and trustee for the Series 2020A Bonds, and shall not benefit in any way any other person, including, but not limited to, the Institution. Subject to the terms of the

Appendix C

Resolution and the Series 2020A Resolution and pursuant to an Assignment of Mortgage dated as of July 29, 2020, the Issuer has assigned certain of its rights under the 2020A Mortgage to the Trustee, and accordingly, the Trustee has acceded to such rights as a Secured Party. Subject to the terms of the Resolution and the Series 2020A Resolution and pursuant to the Assignment, the Issuer has assigned certain of its rights under or arising out of (i) the Series 2020A Loan Agreement, (ii) the Pledged Revenues securing the Institution's obligations under the Series 2020A Loan Agreement with respect to the Series 2020A Bonds and (iii) the Series 2020A Security Agreement to the Trustee, in its capacity as trustee for the Series 2020A Bonds, and accordingly, the Trustee, in its capacity as trustee for the Series 2020A Bonds has acceded to such rights as a Secured Party. Nothing in the Intercreditor Agreement is intended to affect, limit or in any way diminish the security interest which the Issuer or the Trustee have in the Shared Collateral insofar as the rights of the Institution and third parties are concerned. The parties to the Intercreditor Agreement specifically reserve any and all of their respective rights and security interests and right to assert security interests against the Institution and any third parties.

(Section 6)

Relation of Parties

The Intercreditor Agreement is entered into solely for the purposes set forth therein, including in the recitals thereto, and, except as is expressly provided otherwise therein, none of the parties thereto assume any responsibility to any other party to advise such other party of information known to it regarding the financial condition of the Institution or regarding the Shared Collateral or of any other circumstances bearing upon the risk of nonpayment of the obligations of the Institution secured by the Shared Collateral. Each party shall be responsible for managing its relation with the Institution and no party to the Intercreditor Agreement shall be deemed to be the agent of any other party thereto.

(Section 9)

Effective Date and Term

The Intercreditor Agreement shall be effective as of its date independent of the actual date each party executed the same, and shall continue in full force and effect and shall be irrevocable by any of the parties thereto until the earliest to occur of the following:

- (a) the parties mutually agree in writing to terminate the Intercreditor Agreement;
- (b) no Series 2016A Bonds are Outstanding under the Resolution; or
- (c) no Series 2020A Bonds are Outstanding under the Resolution.

(Section 10)

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

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2020A Bonds. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Resolution and Bonds Constitute a Contract

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

(Section 1.03)

Additional Bonds and Other Obligations

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

(Section 2.02)

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

(Section 2.05)

Pledge of Resolution

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

The pledges made are valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, all funds and accounts established by or pursuant to any Series Resolution which are pledged by the Resolution and the Authority's security interests in the Collateral Security shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties

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having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds of such Series, the Revenues, all the funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series which are pledged by the Resolution as provided in the Resolution and the Authority's security interest in the Collateral Security.

(Section 5.01)

Establishment of Funds and Accounts

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

Construction Fund, consisting of the Project Account, the Capitalized Interest Account and the Cost of Issuance Account;

Debt Service Fund; and

Arbitrage Rebate Fund.

(Section 5.02)

Application of Money in the Construction Fund

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

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

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

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

(Section 5.04)

Deposit and Allocation of Revenues

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

First: To the Debt Service Fund (i) in the case of Revenues received during the first six months of each Bond Year, the amount, if any, necessary to make the amount on deposit in the Debt Service Fund equal to (a) the interest on the Outstanding Bonds of the Series for which such Debt Service Fund was established payable subsequent to the first day of such Bond Year and on and prior to the first day of the second half of the Bond Year, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) one half of the Sinking Fund Installments of Outstanding Option Bonds and

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

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

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

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

(Section 5.05)

Debt Service Fund

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

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

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

(b) Notwithstanding the provisions of this paragraph (a), the Authority may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund established in connection with the Bonds of a Series, other than Letter of Credit Secured Bonds, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of such Series to be redeemed from such Sinking Fund Installment. In addition, the Institute pursuant to a Loan Agreement may deliver, at any time subsequent to July 1 (or such other date as provided in a Series Resolution or a Bond Series Certificate with respect to a

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Series of Bonds) of any Bond Year, but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of such Series to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(c) The Trustee shall pay out of the Debt Service Fund established in connection with Letter of Credit Secured Bonds of a Series, when due, all amounts required to be paid to the Bank providing the Letter of Credit for the Bonds of such Series of Bonds to reimburse it for money advanced under the Letter of Credit for payment of:

- (i) the interest due and payable on the Outstanding Bonds of such Series;
- (ii) the principal due and payable on the Outstanding Bonds of such Series; and
- (iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series;

provided, however, that if the Bank fails to honor a properly submitted draw under the Letter of Credit for the Bonds of such Series, such money will be used to make payments due to the Holders of such Series of Bonds.

(Section 5.06)

Arbitrage Rebate Fund

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

Money on deposit 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 be applied first to reimburse the affected Bank for any money advanced under the related Letter of Credit for which it has not been reimbursed, and second, deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

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

(Section 5.07)

Application of Moneys in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the Available Money held in the Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the Available Money held in the Debt Service Reserve Fund established for such Bonds, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of such Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the Institute. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Transfer of Investments

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

(Section 5.09)

Security for Deposits

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

(Section 6.01)

Investment of Funds and Accounts

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

(b) In lieu of the investments of money in obligations authorized in paragraph (a) 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 a Construction Fund or Debt Service Reserve Fund in any Permitted Investment; *provided, however*, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably

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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.

(a) 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.

(b) 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.

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

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

(Section 6.02)

Payment of Principal and Interest

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

(Section 7.01)

Accounts and Audits

The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, including but not limited to the objects and purposes for which proceeds of the Bonds were expended and the respective amounts expended for such objects and purposes. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of the Institute, the Trustee or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, each Bank and the Institute. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each Series Resolution; and complete and correct entries of the Authority’s transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection

therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

(Section 7.05)

Creation of Liens

Except as permitted by the Resolution with respect to the Shared Collateral or the Revenues, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the Collateral Security and the funds and accounts established by the Resolution or pursuant to any Series Resolution; *provided, however,* that nothing contained in the Resolution shall prevent the Authority from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created pursuant to the Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the Institute

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

(Section 7.07)

Deposit of Certain Money in the Construction Fund

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

(Section 7.08)

Offices for Payment and Registration of Bonds

The Authority shall at all times maintain an office or agency in the State where Bonds may be presented for payment, registration, transfer or exchange and the Trustee is by the Resolution appointed the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds. The provisions of this section shall be subject to the provisions of the Resolution.

(Section 7.09)

Amendment of Loan Agreement

Each Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more purposes: (i) to add an additional covenant or agreement for the purpose of further securing the payment of the Institute's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the Institute contained in the Loan Agreement; (ii) to prescribe further limitations and restrictions upon the Institute's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; (iii) to surrender any right, power or privilege

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reserved to or conferred upon the Institute, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Institute contained in the Loan Agreement; (iv) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Project, to amend the description of any Project or to add an additional Project; (v) to establish, amend or modify the Authority Fee or the Annual Administrative Fee payable by the Institute in connection with the Bonds of a Series; or (vi) with the prior written consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or to amend, modify or waive any other provision of the Loan Agreement, provided that the same does not adversely affect the interests of the Bondholders in any material respect.

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

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

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

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

For the purposes of this section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter, Remarketing Agent or otherwise for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee

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

For the purposes of this section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any financial guaranty insurance policy issued in connection with such Bonds or a Letter of Credit for such Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the Institute, the Authority and all Holders of Bonds.

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

(Section 7.11)

Notice as to Event of Default under Loan Agreement

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

(Section 7.12)

Modification and Amendment without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions: (a) to provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed; (b) to add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution; (c) to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; (d) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution; (e) to confirm, as further assurance, any pledge under the Resolution and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Revenues or any pledge of any other moneys, Securities or funds; (f) to modify any of the provisions of the Resolution or any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the

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date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds issued under such Resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions; (g) to modify or amend a Project; or (h) with the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable; provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

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

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

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

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

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

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee shall become effective without the written consent of the Trustee.

(Section 9.03)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in the provisions of the Resolution summarized herein under the heading "Consent of Holders of Bonds", (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment

changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized herein under the heading “Powers of Amendment” to take effect when and as provided in this paragraph. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the provisions of the Resolution summarized herein under the heading “Powers of Amendment” and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in this section. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in this section is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and

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binding as provided in this section). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof.

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

(Section 10.02)

Consent of Bank

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

(Section 10.03)

Modifications by Unanimous Consent

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

(Section 10.04)

Events of Default

Events of default under the Resolution and each Series Resolution include: failure to pay the principal, Sinking Fund Installments or Redemption Price of, or an installment of interest on, any Bond when the same shall become due and payable; default in the due and punctual performance of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolutions or any Series Resolution on the part of the Authority to be performed and such default continues for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; the Authority defaults in the due and punctual performance of any covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds for a Series is no longer excludable from gross income under Section 103 of the Code (a “Taxability Default”); or an “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the Institute under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default specified in the provisions of the Resolution summarized herein under the heading “Events of Default”, other than a Taxability Default, then and in every such case the Trustee, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series, shall, by a notice in writing to the Authority and each Rating Service, declare the principal of and interest on all of the Outstanding Bonds to be immediately due and payable. Upon the Trustee’s receipt of notice from the Bank that the Letter of Credit is in effect, the Trustee may draw on the Letter of Credit. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable. If all defaults shall have been remedied to the satisfaction of the Trustee, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds not then due by their terms and Outstanding, by written notice to the Authority the Trustee may, provided certain conditions are satisfied, annul such declaration and its consequences.

(Section 11.03)

Enforcement of Remedies

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

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

Defeasance

(a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such

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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 affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institute. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(b) Bonds for the payment or redemption of which Available Money shall have been set aside and shall be held in trust by the Trustee (through deposit of Available Money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subdivision 1 of this section. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either Available Money in an amount which shall be sufficient, or Defeasance Securities purchased with Available Money the principal of and interest on which when due will provide money which, together with the Available Money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by the Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds, (iv) the Trustee shall have received an opinion of Bond Counsel to the effect that making provision pursuant to this section 12.01(b) for payment of any Bond that is a Tax Exempt Bond will not cause said Bond to be considered to have been “reissued” for purposes of Section 1001 of the Code; (v) the Trustee shall have received the consent of the Bank in the case of Letter of Credit Secured Bonds for which amounts paid under the related Letter of Credit and to be reimbursed to the Bank are due and owing to the Bank; (vi) the Bank shall receive an opinion of counsel that the defeasance of the Bonds will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Bonds; and (vii) the Trustee shall have received a Verification Report. The Authority shall give written notice to the Trustee and each Rating Service of its selection of the Series and maturity the payment of which is to be made in accordance with this section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; *provided, however*, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become

due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided, further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institute. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(c) For the purpose of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with paragraph (b) of this section, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this section, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institute. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(d) Option Bonds will be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) above only if there shall be deposited with the Trustee Available Money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institute. Such securities so paid or delivered shall be

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

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

(Section 12.01)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

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

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

(Section 14.07)

**APPENDIX E – FORM OF APPROVING OPINION
OF BOND COUNSEL**

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FORM OF APPROVING OPINION OF BOND COUNSEL

Upon delivery of the Series 2020A 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:

July __, 2020

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 \$17,185,000 aggregate principal amount of New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable) (the “Series 2020A Bonds”).

The Series 2020A Bonds are issued under and pursuant to the Dormitory Authority Act and the New York Institute of Technology Revenue Bond Resolution (the “Bond Resolution”), as supplemented by the Series 2020A Resolution Authorizing up to \$30,000,000 New York Institute of Technology Revenue Bonds, adopted by the Authority on June 24, 2020 (the “Series 2020A Resolution” and, together with the Bond Resolution, the “Resolutions”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

The Series 2020A Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Resolutions and the Bond Series Certificate (as defined in the Bond Resolution) of the Authority fixing the terms and details of the Series 2020A 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.

2. The Resolutions create the valid pledge which they purport to create of the proceeds of the sale of the Series 2020A Bonds, the Revenues and all funds and accounts established by the Resolutions, 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 Series 2020A Bonds and, upon the execution and delivery thereof and upon authentication by Manufacturers and Traders Trust Company, as Trustee under the Bond Resolution, the Series 2020A Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Authority entitled to the benefits of the Resolutions.

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4. The Series 2020A Bonds have been duly and validly authorized and issued by the Authority and are valid and binding special obligations of the Authority, payable solely from the sources provided therefor in the Resolutions.

5. The Series 2020A Bonds are not a debt of the State of New York (the “State”), and the State is not liable thereon, nor shall the Series 2020A Bonds be payable out of funds of the Authority other than those pledged for the payment of the Series 2020A Bonds.

6. The Loan Agreement related to the Series 2020A Bonds, dated as of July 1, 2020, between the Authority and New York Institute of Technology (the “Institute”) (the “Series 2020A Loan Agreement”) has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the Institute and the enforceability of the same against the Institute, constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

7. The Security Agreement related to the Series 2020A Bonds, dated as of July 1, 2020, between the Authority and the Institute (the “Series 2020A Security Agreement”) has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the Institute and the enforceability of the same against the Institute, constitutes a legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

8. Interest on the Series 2020A Bonds is not excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and so will be fully subject to federal income taxation.

9. Under existing statutes, interest on the Series 2020A Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal or State tax consequences with respect to the Series 2020A 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.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the Series 2020A Bonds, the Resolutions, the Series 2020A Loan Agreement and the Series 2020A Security Agreement 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 2020A Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

This opinion is rendered solely with regard to the matters expressly opined on above and no other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Yours truly,

APPENDIX F – REFUNDED BONDS

<u>Series</u>	<u>Maturing</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount to be Redeemed</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
Series 2016A Bonds	July 1, 2021	2.768%	\$7,325,000	\$5,565,000	August 20, 2020	102.0403960	64990CFV8
	July 1, 2022	2.987	7,535,000	5,265,000	August 20, 2020	104.8185776	64990CFW6
	July 1, 2023	3.187	7,765,000	5,430,000	August 20, 2020	107.8095567	64990CFX4

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APPENDIX G - 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
NEW YORK INSTITUTE OF TECHNOLOGY REVENUE BONDS,
SERIES 2020A (FEDERALLY TAXABLE)**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of July 29, 2020, is executed and delivered by New York Institute of Technology (the “Obligated Person”), Manufacturers and Traders Trust Company, 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 is not obligated hereunder to 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) of this Disclosure Agreement, 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.

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“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 resolution(s) pursuant to which the Bonds were issued.

“Trustee” means Manufacturers and Traders Trust Company 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, 2020, 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 Obligated Person 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.

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- (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, 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 security or other material events affecting the tax status of the security;
 - 7. Modifications to rights of security holders, if material;
 - 8. Bond calls, if material, and Tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 13. 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;
 - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 - 15. 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

16. 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;”

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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 “PART 5—THE INSTITUTE” under the headings “OPERATING INFORMATION” and “ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions*, similar to that set forth in the tables titled “**New Undergraduate Freshman and Transfer Student Application and Enrollment for the New York Campuses for Academic Years,**” “**Graduate Application and Enrollment for the New York Campuses for Academic Years**” and “**NYITCOM Application and First-Year Student Enrollment for Academic Years;**” (2) *student enrollment*, similar to that set forth in the table titled “**Total New York Institute of Technology Student Enrollment For Academic Years;**” (3) *tuition and other student charges*, similar to that set forth in the tables under the subheading, “Tuition and Fees;” (4) *financial aid*, similar to that set forth in the tables under the subheading “Financial Aid Programs;” (5) *faculty*, similar to that set forth in the three tables under the subheading, “Faculty;” (6) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (7) *endowment and similar funds*, unless such information is included in the Audited Financial Statements; (8) *plant values*, unless such information is included in the Audited Financial Statements; and (9) *outstanding long-term indebtedness*, unless such information is included in the Audited Financial Statements; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

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

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or are 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 security or other material events affecting the tax status of the security;
7. Modifications to rights of the security holders, if material;
8. Bond calls, if material, and Tender offers
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) 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.

13. 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

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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;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. 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
16. 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 shall 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 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.

Appendix G

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 have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4 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.

Appendix G

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: _____

NEW YORK INSTITUTE OF TECHNOLOGY,
Obligated Person

By: _____
Name: _____
Title: _____

**MANUFACTURERS AND TRADERS TRUST
COMPANY,** 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): New York Institute of Technology
Name of Bond Issue: New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable)
Date of Issuance: July 29, 2020
Date of Official Statement: July 16, 2020

Series 2020A (Federally Taxable)

<u>Maturity</u>	<u>CUSIP No.</u>
July 1, 2024	64990G3C4
July 1, 2025	64990G3D2
July 1, 2026	64990G3E0
July 1, 2027	64990G3F7
July 1, 2028	64990G3G5
July 1, 2030	64990G3H3

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): New York Institute of Technology
Name of Bond Issue: New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable)
Date of Issuance: July 29, 2020
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 July 29, 2020, by and among the Obligated Person, Manufacturers and Traders Trust Company, 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

**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, 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 security or other material events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material, and Tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "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;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "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
16. _____ "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 July 29, 2020 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 July 29, 2020 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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