Moody's: "Aa3"
Standard & Poor's: "AA-"
(See "Ratings" herein)

NEW ISSUE

DASNY
DORMITORY AUTHORITY STATE OF NEW YORK

DAC Bond®

$158,805,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY REVENUE BONDS

$126,525,000	**$32,280,000**
Series 2013A (Tax-Exempt)	**Series 2013B (Federally Taxable)**

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

Payment and Security: The New York University Revenue Bonds, Series 2013A (Tax-Exempt) (the "Series 2013A Bonds") and the New York University Revenue Bonds, Series 2013B (Federally Taxable) (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Series 2013 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 May 28, 2008, between New York University (the "University") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established under DASNY's New York University Revenue Bond Resolution, adopted May 28, 2008 (the "Resolution"), a Series Resolution authorizing the issuance of the Series 2013A Bonds adopted on September 11, 2013 (the "Series 2013A Resolution") and a Series Resolution authorizing the issuance of the Series 2013B Bonds adopted on September 11, 2013 (the "Series 2013B Resolution").

The Loan Agreement is a general, unsecured obligation of the University and requires the University to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2013 Bonds.

The Series 2013 Bonds will not be a debt of the State of New York nor will the State be liable thereon. DASNY has no taxing power.

Description: The Series 2013 Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and will bear interest at the rates and will pay interest and mature at the times and in the respective principal amounts shown on the inside cover hereof.

The Series 2013 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 2013 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2013 Bonds, payments of the principal and Redemption Price of and interest on such Series 2013 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 2013 BONDS - Book-Entry Only System" herein.

The Bank of New York Mellon, New York, New York is the Trustee and Paying Agent for the Series 2013 Bonds.

Redemption: *The Series 2013 Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

Tax Matters: In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by DASNY and the University described herein, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Series 2013A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is also of the opinion that interest on the Series 2013B Bonds is included in gross income for federal income tax purposes pursuant to the Code. Bond Counsel is further of the opinion that interest on the Series 2013 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. See "PART 10 - TAX MATTERS" herein regarding certain other tax considerations.

The Series 2013 Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2013 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its General Counsel, Bonnie Brier, Esq., and by its special counsel, Sidley Austin LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Fulbright & Jaworski LLP, New York, New York, a member of Norton Rose Fulbright. DASNY expects to deliver the Series 2013 Bonds in definitive form in New York, New York, on or about October 8, 2013.

J.P. Morgan

BofA Merrill Lynch	**Morgan Stanley**	**Wells Fargo Securities**
Lebenthal & Co., LLC	**Southwest Securities**	**The Williams Capital Group, L.P.**

September 26, 2013

$158,805,000
NEW YORK UNIVERSITY
REVENUE BONDS

$126,525,000
SERIES 2013A (TAX-EXEMPT)

Interest Payment Dates: Each January 1 and July 1 commencing January 1, 2014

$63,050,000 Serial Bonds

Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]	Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]
2014	$1,495,000	2.00%	0.180%	649907VT6	2025	$3,290,000	5.00%	3.290%*	649907WE8
2015	2,080,000	3.00	0.360	649907VU3	2026	3,455,000	5.00	3.430*	649907WF5
2016	2,140,000	4.00	0.700	649907VV1	2027	3,625,000	5.00	3.580*	649907WG3
2017	2,225,000	5.00	1.050	649907VW9	2028	3,805,000	5.00	3.720*	649907WH1
2018	2,335,000	5.00	1.480	649907VX7	2029	3,995,000	4.00	4.050	649907WJ7
2019	2,455,000	5.00	1.840	649907VY5	2030	4,155,000	5.00	3.990*	649907WK4
2020	2,575,000	5.00	2.140	649907VZ2	2031	4,365,000	5.00	4.070*	649907WL2
2021	2,705,000	5.00	2.460	649907WA6	2032	4,585,000	5.00	4.140*	649907WM0
2022	2,840,000	5.00	2.720	649907WB4	2033	3,870,000	5.00	4.200*	649907WR9
2023	2,985,000	5.00	2.890	649907WC2	2033	940,000	4.375	4.375	649907WN8
2024	3,130,000	5.00	3.100*	649907WD0					

$21,750,000 5.00% Term Bond Due July 1, 2037, to Yield 4.410%* CUSIP Number[1] 649907WQ1
$41,725,000 5.00% Term Bond Due July 1, 2043, to Yield 4.510%* CUSIP Number[1] 649907WP3

$32,280,000
SERIES 2013B (FEDERALLY TAXABLE)

Interest Payment Dates: Each January 1 and July 1 commencing January 1, 2014

$20,185,000 Serial Bonds

Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]	Due July 1	Amount	Interest Rate	Yield	CUSIP Number[1]
2014	$ 850,000	0.440%	0.440%	649907WS7	2022	$1,365,000	3.676%	3.676%	649907XA5
2015	1,170,000	0.674	0.674	649907WT5	2023	1,415,000	3.826	3.826	649907XB3
2016	1,175,000	1.194	1.194	649907WU2	2024	1,470,000	3.976	3.976	649907XC1
2017	1,190,000	1.883	1.883	649907WV0	2025	1,525,000	4.176	4.176	649907XD9
2018	1,215,000	2.333	2.333	649907WW8	2026	1,585,000	4.376	4.376	649907XE7
2019	1,240,000	2.768	2.768	649907WX6	2027	1,660,000	4.526	4.526	649907XF4
2020	1,275,000	3.098	3.098	649907WY4	2028	1,730,000	4.626	4.626	649907XG2
2021	1,320,000	3.476	3.476	649907WZ1					

$3,075,000 5.00% Term Bond Due July 1, 2033, to Yield 5.000% CUSIP Number[1] 649907XH0
$9,020,000 5.25% Term Bond Due July 1, 2043, to Yield 5.250% CUSIP Number[1] 649907XJ6

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[1] CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2013 Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2013 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2013 Bonds.

* Priced at the stated yield to the July 1, 2023 optional call date.

No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriters to give any information or to make any representations with respect to the Series 2013 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be a sale of the Series 2013 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information in this Official Statement has been supplied by the University and other sources that DASNY believes are reliable. DASNY does not guarantee the accuracy or completeness of such information and such information is not to be construed as a representation of DASNY.

The Underwriters provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The University reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the Projects and Appendix B. It is a condition to the sale and the delivery of the Series 2013 Bonds that the University certify that, as of each such date, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representations as to the accuracy or completeness of any other information included in this Official Statement.

References in this Official Statement to the Act, the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement are on file with DASNY and the Trustee.

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

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2013 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2013 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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DORMITORY AUTHORITY - STATE OF NEW YORK | 515 BROADWAY, ALBANY, N.Y. 12207
PAUL T. WILLIAMS, JR. - PRESIDENT | ALFONSO L. CARNEY, JR. - CHAIR

OFFICIAL STATEMENT RELATING TO

$158,805,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
NEW YORK UNIVERSITY REVENUE BONDS

consisting of

$126,525,000
Series 2013A (Tax-Exempt)

$32,280,000
Series 2013B (Federally Taxable)

PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about DASNY and the University, in connection with the offering by DASNY of (i) $126,525,000 principal amount of its New York University Revenue Bonds, Series 2013A (Tax-Exempt) (the "Series 2013A Bonds") and (ii) $32,280,000 principal amount of its New York University Revenue Bonds, Series 2013B (Federally Taxable) (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Series 2013 Bonds").

The following is a brief description of certain information concerning the Series 2013 Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2013 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2013 Bonds are being issued (i) to finance or refinance the cost of the acquisition, construction, reconstruction, renovation, repair, furnishing and equipping of the Series 2013A Project and the Series 2013B Project and (ii) to pay certain Costs of Issuance of the Series 2013 Bonds. See "PART 4 - ESTIMATED SOURCES AND USES OF FUNDS" and "PART 5 - THE PROJECTS."

Authorization of Issuance

The Series 2013 Bonds will be issued pursuant to the Resolution and the Act. In addition to the Series 2013 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "Bonds") to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY issued on behalf of the University. The Bonds permitted to be issued under the Resolution include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution rank on a parity with each other and are secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2013 Bonds. See "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The Series 2013 Bonds

The Series 2013 Bonds will be dated their date of delivery and will bear interest from such date (payable January 1, 2014 and on each July 1 and January 1 thereafter) at the rates and will mature at the times and in the principal amounts set forth on the inside cover page of this Official Statement. See "PART 3 - THE SERIES 2013 BONDS - Description of the Series 2013 Bonds."

Payment of the Series 2013 Bonds

The Series 2013 Bonds and all other Bonds which may be issued under the Resolution are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the University under the Loan Agreement. The Revenues are pledged and assigned to the Trustee. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2013 BONDS - Payment of the Series 2013 Bonds."

Security for the Series 2013 Bonds

The Series 2013 Bonds are secured equally and ratably with all other Bonds which have been and may be issued under the Resolution by the pledge and assignment to the Trustee of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund or any fund or account established for the payment of the purchase price or Redemption Price of Option Bonds tendered for purchase or redemption). See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2013 BONDS - Security for the Series 2013 Bonds" and "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The Loan Agreement is a general, unsecured obligation of the University. No security interest in any revenues or assets of the University has been granted by the University to DASNY under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. In addition, pursuant to the Loan Agreement, the University may incur Debt secured by a lien and pledge of revenues of the University without granting to DASNY any security interest in any revenues to secure the University's obligations under the Loan Agreement. See "PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2013 BONDS - Security for the Series 2013 Bonds" and "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

The University

The University is a private, co-educational, non-sectarian, not-for-profit institution of higher education chartered by the Regents of the University of the State of New York and is an organization described in Section 501(c)(3) of the Code. The University's principal facilities are located in New York, New York. See "PART 6 - THE UNIVERSITY" and "APPENDIX B – NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS."

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, governmental and not-for-profit corporations. See "PART 7 - DASNY."

The Projects

The Projects consist of the acquisition, construction, reconstruction, renovation, repair, furnishing and equipping of academic, administrative and residential facilities owned or operated by the University. See "PART 5 - THE PROJECTS."

PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2013 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2013 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 and the Resolution, the Series

2013A Resolution and the Series 2013B Resolution. Copies of the Loan Agreement, the Resolution, the Series 2013A Resolution and the Series 2013B Resolution are on file with DASNY and the Trustee. See also "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2013 Bonds

The Series 2013 Bonds and all other Bonds which may be issued under the Resolution will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2013 Bonds and all other Bonds which may be issued under the Resolution are payable solely from the Revenues, which consist of payments to be made by the University 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 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds. Payments made by the University in respect of interest on fixed-rate Outstanding Bonds are to be made on the fifth Business Day immediately preceding a July 1 and January 1 interest payment date and, in the case of payments in connection with Variable Interest Rate Bonds, three days prior to an interest payment date, in each case in an amount equal to the interest coming due on the next succeeding interest payment date. Payments by the University in respect of principal and Sinking Fund Installments are to be made on the fifth Business Day preceding the date on which such principal becomes due or the date on which a Sinking Fund Installment becomes due. The Loan Agreement also obligates the University to pay, at least 15 days prior to a redemption date of Bonds called for redemption, the amount, if any, required to pay the Redemption Price of such Bonds.

Pursuant to the Loan Agreement, DASNY has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal of and interest on the Outstanding Bonds, including the Series 2013 Bonds.

Security for the Series 2013 Bonds

The Series 2013 Bonds are secured equally with all other Bonds which may be issued under the Resolution by the pledge of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution and any Series Resolution, other than the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase.

The Series 2013 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2013 Bonds except for DASNY's responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations of the University. The obligations of the University 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 University may otherwise have against DASNY, the Trustee or any Bondholder for any cause whatsoever.

No security interest in any revenues or assets of the University has been granted by the University to DASNY under the Loan Agreement. However, the University has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Bonds. See "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt," for a description of such indebtedness of the University secured by certain pledged revenues. In the event of a default under any debt instrument secured by such pledged revenues, the holder or trustee under such debt instrument (including DASNY as the holder of such other debt) will have the right to collect a portion or all of such pledged revenues, and apply the revenues so collected to the payment of amounts due under such debt instrument. Any revenues so collected and applied will not be available for satisfying any of the University's obligations under the Loan Agreement.

Events of Default and Acceleration

The following are events of default under the Resolution: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment, Purchase Price or Redemption Price of or interest on any Bond; (ii) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Bonds or in the 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); (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in a Series Resolution authorizing the issuance of a Series of Bonds to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Bonds from gross income for purposes of federal income taxation; or (iv) an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee, upon the written request of Holders of not less than 25% in principal amount of the Outstanding Bonds by written notice to DASNY, is to declare the principal of and interest on all the Outstanding Bonds to be due and payable. At the expiration of 30 days from the giving of such notice, such principal and interest will become due and payable. The Trustee may, with the written consent of the Holders of not less than 25% in principal amount of Bonds not yet due by their terms and then Outstanding, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

Notwithstanding any other provision of the Resolution to the contrary, upon DASNY's failure to observe, or refusal to comply with, the covenant described in clause (iii) of the first paragraph under this subheading, upon the direction of the Holders of not less than 25% in principal amount of the Outstanding Bonds of the Series affected thereby, the Trustee is to exercise the rights and remedies provided to the Holders of the Bonds under the Resolution. However, the Resolution provides that in no event may the Trustee, whether or not it is acting at the direction of the Holders of 25% or more in principal amount of the Outstanding Bonds of the Series affected thereby, declare the principal of a Series of Bonds, and the interest accrued thereon, to be due and payable immediately as a result of DASNY's failure or refusal to observe or comply with such covenant.

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 each Facility Provider as soon as practicable, to the University within five days and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice. However, except in the case of default in the payment of principal, Sinking Fund Installment, Purchase Price or Redemption Price of or interest on any of the 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 Bonds.

Issuance of Additional Bonds

In addition to the Outstanding Bonds and the Series 2013 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 issued on behalf of the University. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution. Additional Bonds may be issued at any time on or after the scheduled delivery date of the Series 2013 Bonds.

General

The Series 2013 Bonds will not be a debt of the State and the State will not be liable on the Series 2013 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 7 - DASNY."

PART 3 - THE SERIES 2013 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2013 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement, copies of which are on file with DASNY and the Trustee. See also "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" AND "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" for a more complete description of certain provisions of the Series 2013 Bonds.

Description of the Series 2013 Bonds

The Series 2013 Bonds will be issued pursuant to the Resolution, the Series 2013A Resolution and the Series 2013B Resolution, will be dated their date of delivery, will bear interest from such date (payable January 1, 2014 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.

The Series 2013 Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). The Series 2013 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. Purchasers of beneficial interests in the Series 2013 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2013 Bonds, the Series 2013 Bonds will be exchangeable for other fully registered Series 2013 Bonds in any other Authorized Denominations of the same Series and 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."

Interest on the Series 2013 Bonds will accrue based upon a 360-day year of twelve 30-day months.

Interest on the Series 2013 Bonds of a Series will be payable by check or draft mailed to the registered owners or, at the option of the registered owner of at least $1,000,000 of Series 2013 Bonds of such Series, 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 Business Days prior to the Record Date. If the Series 2013A Bonds or the Series 2013B Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of such Bonds will be payable at the principal corporate trust office of The Bank of New York, New York, New York, the Trustee and Paying Agent. The principal, Redemption Price and purchase price of and interest on the Series 2013 Bonds is payable in lawful money of the United States of America.

Redemption Provisions

The Series 2013 Bonds are subject to optional, mandatory and special redemption as described below.

Optional Redemption

<u>Series 2013A Bonds</u>

The Series 2013A Bonds maturing on or before July 1, 2023 are not subject to optional redemption prior to maturity. The Series 2013A Bonds maturing after July 1, 2023 are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2023, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

<u>Series 2013B Bonds</u>

The Series 2013B Bonds are subject to redemption prior to maturity at any time, on any Business Day, in any order at the option of DASNY, as a whole or in part, at the Make-Whole Redemption Price. The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2013B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2013B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2013B Bonds are to be redeemed, discounted to the date on which such Series 2013B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 25 basis points, plus, in each case, accrued and unpaid interest on the Series 2013B Bonds to be redeemed on the redemption date. The Trustee may retain, at the expense of the University, 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 University may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and neither the Trustee nor DASNY nor the University will have any liability for their reliance.

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2013B Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Special Redemption

The Series 2013 Bonds are also subject to special redemption prior to maturity in any order at the option of DASNY, in whole or in part on any interest payment date, at a Redemption Price of 100% of the principal amount of Series 2013 Bonds to be redeemed, plus accrued interest to the redemption date. The Series 2013A Bonds are subject to special redemption from (i) the proceeds of a condemnation or insurance award not used to repair, restore or replace the Series 2013A Project, and (ii) any unexpended proceeds of the Series 2013A Bonds upon abandonment or all or a portion of the Series 2013A Project due to a legal or regulatory impediment. Similarly, the Series 2013B Bonds are subject to special redemption from (i) the proceeds of a condemnation or insurance award not used to repair, restore or replace the Series 2013B Project, and (ii) unexpended proceeds of the Series 2013B Bonds upon abandonment of all or a portion of the Series 2013B Project due to a legal or regulatory impediment.

Mandatory Redemption

Series 2013A Bonds

The Series 2013A Bonds maturing on July 1, 2037 and July 1, 2043 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 2013A Bonds specified for each of the years shown below:

Series 2013A Bonds Maturing on July l, 2037		**Series 2013A Bonds Maturing on July 1, 2043**	
Year	**Principal Amount**	**Year**	**Principal Amount**
2034	$5,045,000	2038	$6,135,000
2035	5,300,000	2039	6,440,000
2036	5,565,000	2040	6,765,000
2037†	5,840,000	2041	7,100,000
		2042	7,455,000
		2043†	7,830,000

†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 2013A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2013A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2013A Bonds so purchased payable on the next succeeding July 1. Series 2013A Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2013A Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Series 2013B Bonds

The Series 2013B Bonds maturing on July 1, 2033 and July 1, 2043 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 2013B Bonds specified for each of the years shown below:

Series 2013B Bonds Maturing on July l, 2033		Series 2013B Bonds Maturing on July 1, 2043	
Year	**Principal Amount**	**Year**	**Principal Amount**
2029	$555,000	2034	$ 710,000
2030	585,000	2035	745,000
2031	615,000	2036	785,000
2032	645,000	2037	825,000
2033†	675,000	2038	870,000
		2039	915,000
		2040	965,000
		2041	1,015,000
		2042	1,065,000
		2043†	1,125,000

†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 2013B Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2013B Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2013B Bonds so purchased payable on the next succeeding July 1. Series 2013B Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2013B Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Selection of Series 2013 Bonds to be Redeemed

In the case of redemptions of less than all of the Series 2013 Bonds other than through mandatory Sinking Fund Installments, DASNY will select the maturities of such Series 2013 Bonds to be redeemed. The Series 2013A Bonds to be redeemed in part will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion. The Series 2013B Bonds of each maturity to be redeemed in part will be redeemed pro rata within such maturities.

If the Series 2013B Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2013B Bonds, if less than all of the Series 2013B Bonds of a maturity are called for redemption, the particular Series 2013B Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with the DTC procedures.

It is the intention of DASNY that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither DASNY, nor the University nor the

Underwriters of the Series 2013B Bonds can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2013B Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2013B Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2013B Bonds will be selected for redemption, in accordance with the DTC procedures, by lot.

If the Series 2013B Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Series 2013B Bonds will be allocated among the registered owners of the Series 2013B Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the Series 2013B Bonds, on a pro rata basis.

Notice of Redemption and its Effect

Notice of the redemption of the Series 2013 Bonds will be given by the Trustee in the name of DASNY to the registered owners of the Series 2013 Bonds to be redeemed by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date, but the failure of any registered owners to receive notice mailed in accordance with the Resolution will not affect the validity of the proceedings for the redemption of the Series 2013 Bonds. Any such notice may contain conditions to DASNY's obligation to redeem the Series 2013 Bonds. See "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

DASNY's obligation to optionally redeem a Series 2013 Bond may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2013 Bonds to be redeemed on the redemption date. If sufficient money is available on the redemption date to pay the Redemption Price and if notice has been mailed and the conditions, if any, to such redemption have been satisfied or waived by DASNY, then interest on the Series 2013 Bonds called for redemption will cease to accrue from and after the redemption date and such Series 2013 Bonds will no longer be considered to be Outstanding under the Resolution.

Purchase in Lieu of Optional Redemption

The Series 2013 Bonds are also subject to purchase prior to maturity, at the election of DASNY, at the time that such Series 2013 Bonds are subject to optional redemption, in any order, in whole or in part at any time, at a purchase price equal to, in the case of the Series 2013A Bonds, 100% of the principal amount of the Series 2013A Bonds to be purchased, and, in the case of the 2013B Bonds, the Make-Whole Redemption Price (the "Purchase Price"), plus, in each case, accrued interest to the date of purchase (the "Purchase Date").

Notice of Purchase and its Effect

Notice of purchase of the Series 2013 Bonds will be given in the name of DASNY to the registered owners of the Series 2013 Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2013 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2013 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. Such purchase will not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2013 Bonds and such Series 2013 Bonds need not be cancelled, but will remain Outstanding under the Resolution and continue to bear interest.

DASNY's obligation to purchase a Series 2013 Bond may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2013 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2013 Bonds to be purchased, the former registered owners of such Series 2013 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2013 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2013 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2013 Bonds of a Series and maturity are to be purchased, the Series 2013 Bonds of such Series and maturity to be purchased will be selected in the same manner as Series 2013 Bonds of a Series and maturity to be optionally redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2013 Bonds, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." Also, see "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2013 Bonds when the Book-Entry Only System is in effect.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2013 Bond certificate will be issued for each Series and maturity of the Series 2013 Bonds, totaling in the aggregate the principal amount of the Series 2013 Bonds, and will be deposited with DTC.

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

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of a Series 2013 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 2013 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 2013 Bonds, except in the event that use of the book-entry system for such Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2013A Bonds within a particular maturity of the Series 2013A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. If less than all of the Series 2013B Bonds of a maturity are called for redemption, the particular Series 2013B Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with the DTC procedures.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013 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 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to DASNY or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2013 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2013 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct Participant or Indirect Participant acquires an interest in the Series 2013 Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, and may desire to make arrangements with such Direct Participant or Indirect Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Direct Participant or Indirect Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2013 BONDS.

So long as Cede & Co. is the registered owner of the Series 2013 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2013 Bonds (other than under "PART 11 - TAX MATTERS" herein) mean Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2013 Bonds.

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

For every transfer and exchange of Series 2013 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2013 Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2013 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2013 Bond certificates will be delivered as described in the Resolution.

NEITHER DASNY, THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2013 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 OR PURCHASE IN LIEU OF REDEMPTION OF THE SERIES 2013 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 2013 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2013 BONDS; OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the amounts, after giving effect to the issuance of the Series 2013 Bonds, required to be paid by the University during each twelve month period ending August 31 of the years shown for the payment of debt service on the outstanding indebtedness of the University, the principal of and interest on the Series 2013 Bonds and the total debt service on all indebtedness of the University (exclusive of the University's lines of credit), including the Series 2013 Bonds. For a discussion of the University's outstanding indebtedness, see "PART 6 - THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION - Outstanding Long-Term Debt."

		Series 2013 Bonds			
12 Month Period Ending August 31	Debt Service on Outstanding Indebtedness [1]	Principal and Sinking Fund Installments	Interest Payments	Total Debt Service on the Series 2013 Bonds	Total Debt Service on all Outstanding Indebtedness[1]
2014	$143,303,530	$2,345,000	$5,440,416	$ 7,785,416	$151,088,946
2015 [2]	205,837,993	3,250,000	7,413,317	10,663,317	216,501,310
2016	140,400,273	3,315,000	7,343,032	10,658,032	151,058,305
2017	143,848,056	3,415,000	7,243,402	10,658,402	154,506,458
2018	143,687,113	3,550,000	7,109,744	10,659,744	154,346,857
2019	143,506,013	3,695,000	6,964,648	10,659,648	154,165,661
2020	143,373,025	3,850,000	6,807,575	10,657,575	154,030,600
2021	142,422,709	4,025,000	6,639,326	10,664,326	153,087,035
2022	138,261,274	4,205,000	6,458,193	10,663,193	148,924,467
2023	138,276,078	4,400,000	6,266,015	10,666,015	148,942,093
2024	138,279,191	4,600,000	6,062,627	10,662,627	148,941,818
2025	138,281,257	4,815,000	5,847,680	10,662,680	148,943,937
2026	138,287,904	5,040,000	5,619,496	10,659,496	148,947,400
2027	138,300,548	5,285,000	5,377,386	10,662,386	148,962,934
2028	119,983,633	5,535,000	5,121,005	10,656,005	130,639,638
2029	119,970,080	4,550,000	4,850,725	9,400,725	129,370,805
2030	120,044,552	4,740,000	4,663,175	9,403,175	129,447,727
2031	120,054,893	4,980,000	4,426,175	9,406,175	129,461,068
2032	120,770,111	5,230,000	4,177,175	9,407,175	130,177,286
2033	116,565,450	5,485,000	3,915,675	9,400,675	125,966,125
2034	116,562,350	5,755,000	3,647,300	9,402,300	125,964,650
2035	112,305,175	6,045,000	3,357,775	9,402,775	121,707,950
2036	112,292,938	6,350,000	3,053,663	9,403,663	121,696,601
2037	112,368,113	6,665,000	2,734,200	9,399,200	121,767,313
2038	102,466,413	7,005,000	2,398,888	9,403,888	111,870,301
2039	95,285,763	7,355,000	2,046,463	9,401,463	104,687,226
2040	55,651,075	7,730,000	1,676,425	9,406,425	65,057,500
2041	47,392,575	8,115,000	1,287,513	9,402,513	56,795,088
2042	38,208,963	8,520,000	879,225	9,399,225	47,608,188
2043	30,184,213	8,955,000	450,563	9,405,563	39,589,776
2044	30,183,450				30,183,450
2045	30,181,525				30,181,525
2046	30,185,288				30,185,288
2047	30,181,063				30,181,063
2048	30,185,700				30,185,700

[1] Excludes debt service related to the University's lines of credit.
[2] A 5-year term loan is scheduled to mature in 2015 in the amount of approximately $55 million and is expected to be refinanced.

PART 4 - ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

Sources of Funds	
Principal Amount of the Series 2013 Bonds	$158,805,000
Plus: Net Original Issue Premium	9,402,356
Other Sources	1,300,398
Total Sources of Funds	$169,507,754
Uses of Funds	
Deposit to Construction Fund	$168,207,356
Costs of Issuance	433,439
Underwriters' Discount	866,959
Total Uses of Funds	$169,507,754

PART 5 - THE PROJECTS

Proceeds of the Series 2013A Bonds will be used to finance or refinance costs of constructing, reconstructing, renovating, equipping, repairing, purchasing or otherwise providing for the project described below (the "2013A Project"). The 2013A Project is or will be owned by the University and will be located in New York, New York. The 2013A Project includes (i) construction of a new building to house bio-engineering, nursing and dental programs, (ii) renovation of various buildings located at or near the Washington Square Campus, including refurbishment of interiors and infrastructure systems, (iii) acquisition of land and improvements located at 383 Lafayette Street and an adjacent parcel, and (iv) a program of reconstruction, renovation and capital maintenance of, and equipment and information purchased for existing buildings and sites at or near the University's Washington Square Campus.

Proceeds of the Series 2013B Bonds will be used to finance or refinance costs of constructing, reconstructing, renovating, equipping, repairing, purchasing or otherwise providing for property containing academic, administrative and residential space to be owned or used by the University, including, without limitation, (i) acquisition, design and construction of a new building located in Washington, D.C. containing academic, administrative and residential space and (ii) construction, renovation, equipping and furnishing of space leased by the University in Brooklyn, New York for use by digital design programs (collectively, the "2013B Project" and, together with the 2013A Project, the "Projects").

PART 6 - THE UNIVERSITY

GENERAL INFORMATION

Introduction

New York University (the "University" or "NYU") is a private, not-for-profit institution of higher education and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. It was founded in 1831 by a group of private citizens and is recognized both nationally and internationally as a leader in scholarship and education.

The University is one of the largest private institutions of higher education in the United States. The University has over 4,500 full-time faculty – many of whom have been the recipients of Nobel Prizes, Abel Prizes, National Medals of Science, Technology, the Arts, and the Humanities, Pulitzers and other top honors – and approximately 22,900 undergraduate and 22,000 graduate and professional students. It includes 18 schools, colleges, and divisions at seven major locations in New York City: the Washington Square campus in Greenwich Village; the Institute of Fine Arts at 1 East 78th Street near the Metropolitan Museum of Art; the School of Continuing and Professional Studies at the Midtown Center at 11 West 42nd Street and the Woolworth Building located at 15 Barclay Street (as well as at Washington Square); the College of Dentistry on First Avenue between East 24th and 25th Streets; the School of Medicine on First Avenue between 30th and 34th Streets; the Institute for the Study of the Ancient World at 15 East 84th Street; and the downtown Brooklyn area, where NYU's engineering affiliate, Polytechnic Institute of

New York University ("NYU-Poly") and the Center for Urban Science and Progress ("CUSP") are located. Certain of the University's research facilities, notably the Institute of Environmental Medicine, are located in Sterling Forest, near Tuxedo, New York. Although overall the University is large, the divisions are small to moderate sized units - each with its own traditions, programs and faculty. Enrollment in the undergraduate divisions ranges between approximately 100 and 7,500 students. More than 4,600 courses are offered, leading to approximately 40 different degrees and certificates.

The University is a Global Network University – a unique, integrated system that permits faculty and students to move easily within the system to pursue their scholarly interests. In addition to the University's campus in New York, the network includes a degree-granting liberal arts and science university in Abu Dhabi ("NYU Abu Dhabi"), a degree-granting liberal arts and science university in Shanghai ("NYU Shanghai"), which opened in Fall 2013, and 11 other global academic sites on six continents. The University's global network was recently recognized with the Sen. Paul Simon Award for Campus Internationalization by NAFSA: Association of International Educators.

As a private university, the University is governed by a board of trustees. It derives its income from tuition, room and board, endowment, grants from private foundations and government, gifts from friends, alumni, corporations and other private philanthropic sources, and revenue from patient care through faculty group practices.

The University is committed to a policy of equal treatment in every aspect of its relations with faculty, students and staff members, without regard to age, citizenship status, color, disability, marital or parental status, national origin, race, ethnicity, religion, sex or sexual orientation, gender and/or gender identity, or veteran or military status.

The University is a member of the selective Association of American Universities and is accredited by the Middle States Association of Colleges and Schools. Graduate and professional accrediting agencies recognize its degrees in all categories.

Governance

The University is governed by a self-perpetuating board of trustees (the "Board"), which is responsible for directing the affairs of the University. There are currently 68 Voting Trustees and 24 Life (non-voting) Trustees. The following is a list of the members of the Board:

* Voting Trustee
** Life Trustee

Other Voting Trustees

† J.P. Morgan Securities LLC is serving as one of the Underwriters in connection with the issuance of the Series 2013 Bonds.

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Administration

The President of the University is appointed by the Board and, as chief executive officer, is principally responsible for administration of the University. The Officers of the University are nominated by the President and appointed by the Board; other principal executives are appointed by the President. The Officers of the University and key leadership members of the University are listed below:

Officers and Key Leadership of the University

Name	**Position**
John Sexton, B.A., M.A., Ph.D., J.D.	President and Chancellor
David McLaughlin, B.S., M.S., Ph.D.	Provost
Robert Berne, B.S., M.B.A., Ph.D.	Executive Vice President for Health
Bonnie Brier, B.A., J.D.	General Counsel & Secretary
Martin Dorph, B.S., M.B.A., J.D.	Chief Financial Officer and Executive Vice President, Finance and Information Technology
Alison Leary, B.S.[1]	Executive Vice President for Operations

John Sexton, B.A., M.A., Ph.D., J.D.

John Sexton, the fifteenth President of New York University, is also the Benjamin Butler Professor of Law and NYU School of Law's Dean Emeritus. He joined the School of Law's faculty in 1981, was named the School's Dean in 1988, and was designated the University's President in 2001. Prior to joining the University, President Sexton served as Law Clerk to Chief Justice Warren Burger of the United States Supreme Court (1980-1981), and to Judges David Bazelon and Harold Leventhal of the United States Court of Appeals (1979-1980). For ten years (1983-1993), he served as Special Master Supervising Pretrial Proceedings in the Love Canal Litigation. From 1966 - 1975, he was a Professor of Religion at Saint Francis College in Brooklyn, where he was Department Chair from 1970-1975. President Sexton received a B.A. in History from Fordham College; an M.A. in Comparative Religion and a Ph.D. in History of American Religion from Fordham University; and a J.D. magna cum laude from Harvard Law School. Under his agreement with the University, President Sexton's current term as President will end in August 2016.

David McLaughlin, B.S., M.S., Ph.D.

As Provost, David McLaughlin is the chief academic officer of the University - serving as leader, representative, and member of both the faculty and the council of the deans. He has three major roles: (i) a member and academic leader of the faculty and representative of its academic priorities; (ii) a member and leader of the "Cabinet of the Deans"; and (iii) a member (with the President, the Executive Vice President for Health, the Executive Vice President for Operations, the Executive Vice President for Finance and Information Technology, the Vice Chancellor for Strategic Planning, and the Chief of Staff and Deputy to the President) of the Senior Administration of the University. Dr. McLaughlin received a B.S from Creighton University, an M.S. from Indiana University, and a Ph.D. in Physics from Indiana University.

Robert Berne, B.S., M.B.A, Ph.D.

As Executive Vice President for Health, Robert Berne is responsible for working with deans and other University leaders on long-term academic, financial, and operational strategies for the wide range of health activities at the University including the NYU Langone Medical Center (NYU School of Medicine and NYU Hospitals Center), College of Dentistry, and within the College of Dentistry, the College of Nursing, and the NYU Global Institute of Public Health. A scholar of public education policy and financing, he furnished critical expert analysis and testimony in the landmark school finance case, CFE v. The State of New York. His books and studies include: The Measurement of Equity in School Finance (Johns Hopkins University Press, 1984), co-authored with Professor Leanna Stiefel of NYU's Wagner School; co-authorship of Hard Lessons: Public Schools and Privatization (Twentieth Century Fund Press, 1996) with Carol Ascher and Norm Fruchter of NYU's Institute for Education and Social Policy; The Relationships Between Financial Reporting and

[1] A principal executive but not an Officer of the University.

the Measurement of Financial Condition, for the Government Accounting Standards Board in 1992; and co-authorship of The Financial Analysis of Governments (Prentice-Hall, 1986) with Richard Schramm. He has published in numerous journals, including The Journal of Policy Analysis and Management, Policy Analysis, Policy Science, and Public Administration Review, among others. Dr. Berne received his B.S. (with distinction), his M.B.A., and his Ph.D. from Cornell University.

Bonnie Brier¸ A.B., J.D.

As Senior Vice President, General Counsel and Secretary of the University, Bonnie Brier is a member of the University's senior leadership team; leads the Office of General Counsel (OGC), which provides legal services to all of the University's schools and administrative officers and to the University affiliates, including the University's portal campuses in Abu Dhabi and Shanghai, and all of the University's global academic sites; leads the Office of the Secretary, which provides support and counsel to the University's Board of Trustees. Ms. Brier received her A.B. magna cum laude with distinction in all subjects from Cornell University and her J.D. from Stanford University Law School where she was an Editor of the Law Review and graduated Order of the Coif. Following law school, Ms. Brier clerked for the Honorable Joseph S. Lord. III, Chief Judge of the United States District Court for the Eastern District of Pennsylvania. Prior to becoming General Counsel of the University, Ms. Brier was General Counsel of The Children's Hospital of Philadelphia, a partner with the law firm of Ballard, Spahr, Andrews & Ingersoll in Philadelphia, and an Assistant United States Attorney for the Eastern District of Pennsylvania in its Criminal Division.

Martin Dorph, B.S., M.B.A., J.D.

As Chief Financial Officer and Executive Vice President, Finance and Information Technology, Martin Dorph is responsible for all aspects of the University's fiscal strategy, financial operations, and information technology. Mr. Dorph provides oversight to the following units: Office of Budget and Financial Planning, Treasury, Controller, University Investment Office, Internal Audit, Public Resource Administration, and Information Technology Services. Prior to joining NYU in 2007, Mr. Dorph served as Vice President, Chief Financial Officer and Treasurer of Temple University for eleven years. He also held positions as the Director of Finance and Administration for the Delaware River Port Authority, the Deputy Director of Finance for the City of Philadelphia, and in investment banking. Mr. Dorph received his B.S. from Case Western Reserve University and his M.B.A. and J.D. from University of Pennsylvania.

Alison Leary, B.S.[1]

As Executive Vice President for Operations, Alison Leary is responsible for planning, designing, constructing and maintaining the University's physical plant and operating many of its support services, including public safety, human resources, faculty housing, dining and catering, bookstores and emergency planning and response. Ms. Leary provides oversight to the following units: University Human Resources, Public Safety, Office of Faculty Housing & Residential Services, Campus Services, and Facilities & Construction Management. Prior to joining NYU, Ms. Leary was vice president for Global Design & Construction at JPMorganChase Bank for six years, and held various positions at GTE with nationwide responsibility while based in Dallas, Texas and Honolulu, Hawaii. Ms. Leary received her Bachelor of Science degree in Mechanical Engineering from the University of Hawaii.

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[1] A principal executive but not an Officer of the University.

Academic Programs

The Faculty of Arts and Science comprises The College of Arts and Science, the Graduate School of Arts and Science, and Liberal Studies. The College of Arts and Science offers the Bachelor of Science degree in certain departments. Joint programs of study currently involve NYU's Robert F. Wagner Graduate School of Public Service, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Silver School of Social Work, Tisch School of the Arts, Leonard N. Stern School of Business, College of Dentistry, and the Global Institute of Public Health as well as NYU-Poly.

The Graduate School of Arts and Science offers the degrees of Master of Arts, Master of Science, Master of Fine Arts, Master of Professional Studies and Ph.D. in most areas of the humanities, social sciences and natural sciences. Several advanced certificate programs also are offered. NYU Paris and NYU Madrid M.A. programs are based in centers in Paris and Madrid. Dual degree programs of study currently involve the School of Law, the School of Medicine, the Steinhardt School of Culture, Education and Human Development, the Leonard N. Stern School of Business and the Robert F. Wagner Graduate School of Public Service.

Liberal Studies, an administrative division within the Faculty of Arts, offers a two-year Core Program designed for students who will complete their education in one of the University's other undergraduate schools. It also offers a Bachelor of Arts degree in Global Liberal Studies.

The School of Law is one of the oldest law schools in the United States. It offers a comprehensive professional program leading to the degree of Juris Doctor and a graduate curriculum leading to the degrees of Masters of Laws and Doctor of Juridical Science. Dual degree programs are offered with the Graduate School of Arts and Science, Leonard N. Stern School of Business, Robert F. Wagner Graduate School of Public Service, Silver School of Social Work, Harvard University John F. Kennedy School of Government, National University of Singapore, Princeton University Woodrow Wilson School of Public and International Affairs and University of Melbourne, Melbourne Law School.

The School of Medicine and Post-Graduate Medical School (collectively, "SOM") offer Doctor of Medicine and Ph.D. degrees in addition to the combined M.D./Ph.D. program and courses for accreditation designed to meet the needs of physician-scientists and physicians in practice. Clinical training takes place at NYU Hospitals Center, which is composed of three hospitals, Tisch Hospital, the Rusk Institute of Rehabilitation Medicine and the Hospital for Joint Diseases, as well as a number of affiliated hospitals, including Bellevue Hospital Center and the Manhattan VA Hospital. Through the Department of Population Health, the School also offers both a Master of Science degree and a Certificate program in Comparative Effective Research. The SOM includes the Skirball Institute of Biomolecular Medicine and the Smilow Research Building, which provide state-of-the-art facilities for sophisticated biomedical research, and the Sackler Institute of Graduate Biomedical Sciences, which offers a Ph.D. program with interdisciplinary training in the basic medical sciences. Students can do their thesis research in the laboratories of more than 220 faculty members at the Medical Center who have appointments in basic science or clinical departments, and with associated faculty located at the main campus (Applied Mathematics, Biology, Chemistry, Computer Sciences, Center for Neural Science and Physics). Interdisciplinary training is offered in 13 different programs: Basic Immunology and Inflammation; Biomedical Imaging; Biomedical Informatics; Cellular and Molecular Biology; Computational Biology (intra-university program); Developmental Genetics (intra-university program); Microbiology; Molecular Oncology and Tumor Immunology; Molecular Pharmacology and Signal Transduction; Neuroscience and Physiology (intra-university program); Pathobiology; Stem Cell Biology; and Molecular Biophysics (intra-university program). The Sackler Institute also organizes and runs a university-wide Postdoctoral Program.

The College of Dentistry is the third oldest and the largest private dental school in the United States. It offers a predoctoral program leading to the Doctor of Dental Surgery degree, as well as advanced education programs in the dental specialties and an undergraduate allied health program in dental hygiene. The College offers B.S., M.S. and Ph.D. degree programs. Located within the College of Dentistry is the College of Nursing. The College of Nursing offers Bachelor of Science, Master of Science, Ph.D. and DNP (Doctor of Nursing Practice) degree programs, as well as a B.S./M.S. dual degree program and an M.S./MPH dual degree program with the Global Institute of Public Health.

The Steinhardt School of Culture, Education and Human Development offers a broad range of undergraduate pre-professional and professional programs and advanced graduate study in education, health, communications and the arts professions. Undergraduate programs lead to the Bachelor of Science, Bachelor of Music and Bachelor of Fine Arts degree. Graduate students may enroll in masters, advanced certificate and doctoral programs in a wide variety of disciplines.

The Leonard N. Stern School of Business offers Bachelor of Science (in business or business and political economy) in its undergraduate programs and Master of Business Administration and Ph.D. degrees in its graduate programs. Doctoral students must specialize in accounting, economics, finance, information systems, management, marketing, operations management, or statistics. Enrollment in the graduate program may be full or part time. Joint and dual graduate-level programs are offered with the School of Law, the SOM, the Graduate School of Arts and Science, the Tisch School of the Arts, The Robert F. Wagner Graduate School of Public Service, the Courant Institute of Mathematical Sciences, Hong Kong University of Science and Technology, London School of Economics and HEC School of Management, Paris.

The School of Continuing and Professional Studies ("SCPS") offers approximately 2,000 noncredit classes each semester in business and marketing, entertainment, technology and digital arts, international studies, real estate and construction and hospitality. SCPS also offers degree programs, including associate's and bachelor's degrees geared toward adults returning to college, 17 master's degree programs and 12 graduate certificates. Classes meet at the Washington Square campus, as well as the University's Midtown Center and the Woolworth Building in downtown Manhattan.

The Robert F. Wagner Graduate School of Public Service offers curricula covering domestic and international issues including nonprofit management, financial management, public policy analysis, urban public policy studies, urban planning and health policy and management. Master's and doctoral degree programs are offered on both a full-time and part-time basis. The Advanced Professional Certificate Programs and the Executive Master of Public Administration (EMPA) offer career development opportunities for experienced professionals. Joint and dual degree programs are available with the College of Arts and Science, Graduate School of Arts and Science, the Leonard N. Stern School of Business, the School of Law, the SOM, the Silver School of Social Work, and the Global Institute of Public Health. Undergraduate minors are available with the College of Arts and Science, the Steinhardt School of Culture, Education and Human Development, and the Leonard N. Stern School of Business.

The Silver School of Social Work offers Bachelor of Science, Master of Social Work and Doctor of Philosophy degrees. The bachelor's program prepares students for beginning social work practice immediately upon graduation and for admission to graduate programs with advanced standing. The master's program prepares students for the core mission of social work and provides an advanced concentration in clinical social work. The doctoral program offers a concentration in clinical social work. It prepares graduates to assume leadership positions as researchers, advanced practitioners and educators. The School also offers Post-Master's Certificate Programs.

The Tisch School of the Arts offers the Bachelor of Arts, Bachelor of Fine Arts, Master of Fine Arts, Master of Professional Studies (Interactive Telecommunications), Master of Arts (arts politics), Master of Arts (moving image archiving and preservation) and, through the Graduate School of Arts and Science, the Master of Arts and Ph.D degrees in performance studies or cinema studies. Departments and programs offering professional training are acting, dance, design for stage and film, drama, performance studies, film and television, cinema studies, photography and imaging, dramatic writing, musical theatre writing, recorded music, interactive telecommunications, art and public policy/arts politics and moving image archiving and preservation.

The Gallatin School of Individualized Study offers Bachelor of Arts and Master of Arts degrees in individualized programs of study. Gallatin provides an innovative and student-centered liberal arts education in which students create and hone their own plans of study under the mentorship of faculty advisers.

The University's Institute of Fine Arts, located within Manhattan's famous "museum mile," is preeminent in the nation for the study of art history, archaeology, and conservation and the technology of works of art. It offers curricula leading to the M.A. and Ph.D. in art history as well as the Advanced Certificate in Conservation. Doctoral candidates may specialize in a range of studies including classical art and archaeology, combined studies in Near Eastern art and archaeology or curatorial studies.

The Courant Institute comprises NYU's Department of Mathematics and Computer Science and a variety of sponsored research activities. The Institute offers Master of Science and Ph.D. programs in both mathematics and computer science. The Courant Institute also is responsible for the University's undergraduate programs in computer science and mathematics.

The NYU Global Institute of Public Health ("GIPH") delivers interdisciplinary public health education and draws from resources across NYU's schools including the College of Dentistry, College of Nursing, Courant Institute of Mathematical Sciences, Graduate School of Arts of Science, Polytechnic Institute of NYU, SOM, Silver School of Social Work, School of Law, Steinhardt School of Culture, Education and Human Development, Stern School of Business, and Wagner Graduate School of Public Service. Master of Public Health ("MPH") students concentrate in one of the following three areas: Community and International Health, Global Health Leadership, or Public Health Nutrition. The NYU MPH program also offers five dual degree opportunities through the Global Health Leadership concentration. Doctoral students apply to one of four concentrations: Biological Basis of Public Health, Health Systems and Services Research, Population and Community Health, or Socio-behavioral Health. Beginning in Fall 2013, undergraduate students may choose a course of study which is a combination of public health and a discipline housed in another one of NYU's schools (GIPH is not a stand-alone major).

The University established the Institute for the Study of the Ancient World ("ISAW"), a center for advanced scholarly research and graduate education intended to cultivate comparative and connective investigations of the ancient world from Europe and the Mediterranean basin to Central and East Asia. ISAW features doctoral and postdoctoral programs that aim to create a new generation of scholars whose study of the ancient world crosses customary disciplinary boundaries. The first students entered ISAW in the Fall of 2009 and will be awarded degrees through the Graduate School of Arts and Science at NYU.

The Center for Urban Science and Progress, a unique public-private research center, uses New York City as its laboratory and classroom to focus on applying the tools of modern data analysis and advanced imaging to improve understanding of operations of and interactions among urban infrastructure, the urban environment, and urban populations. CUSP offers an M.S. in Applied Urban Science and Informatics. An Advanced Certificate in Applied Urban Science and Informatics also is offered for those who are enrolled concurrently in a graduate program at NYU, NYU-Poly, and CUSP's university partners (Carnegie Mellon University, The City University of New York, Indian Institute of Technology Bombay, The University of Toronto, and The University of Warwick). It is expected that in the future CUSP will offer additional M.S. programs, an executive M.S. degree, a Ph.D. program, and short-term (one-week and less) intensive executive education courses and corporate training in areas related to the CUSP educational and research program. The University's agreement with the New York City Economic Development Corporation and The City of New York, through which CUSP was established, provides for the University to lease a building in downtown Brooklyn for a term of 99 years at a nominal cost, and for the University to develop for CUSP's use approximately 190,000 square feet in that building, which is currently occupied by certain governmental entities. Development of the space is expected to commence after such entities vacate the building, which is expected to occur within 18 months.

The flagship of NYU Libraries' ten-library, 6.3 million-volume system is the Elmer Holmes Bobst Library. There were over 2.3 million visits by NYU students and faculty to Bobst in fiscal year 2012, along with more than 869,000 visits by NYU's visitors. Bobst Library circulates approximately 745,000 items annually. Other libraries include the Courant Institute of Mathematical Sciences Library, the Stephen Chan Library of Fine Arts at the Institute of Fine Arts, the SCPS Jack Brause Library, the Institute for the Study of the Ancient World Library, the School of Medicine's Ehrman Medical Library, the College of Dentistry's Waldmann Memorial Dental Library, the NYU Law library, the NYU Abu Dhabi Library, and the NYU Shanghai Library. The Polytechnic Institute of NYU Bern Dibner Library will join the NYU Libraries system in fiscal year 2014.

The University offers students various study-away and global exchange programs. In addition to portal campuses in Abu Dhabi and Shanghai, the University has centers in Accra, Berlin, Buenos Aires, Florence, London, Madrid, Paris, Prague, Sydney, Tel Aviv, and Washington, DC.

In 2007, the University entered into an agreement with the Government of Abu Dhabi to develop a research and degree-granting campus of the University in Abu Dhabi. At the heart of NYU Abu Dhabi is an undergraduate college, but it also includes several other components: The NYU Abu Dhabi Institute, which sponsors public programs, conferences, and major research initiatives, began operation in 2008; the Sheikh Mohamed bin Zayed Scholars program, a fellowship for outstanding Emirati university students, was also launched in 2008; the undergraduate college opened in September 2010, and the Summer Academy for outstanding Emirati high school students began in Summer 2011. Select graduate and executive education programs will be introduced in the future. A distinctive element of NYU Abu Dhabi is a robust research environment, one that supports the disciplinary areas of the curriculum, creates collaborations in new and exciting interdisciplinary fields, nurtures the development of graduate programs, and supports research of the highest quality on topics of importance and relevance to Abu Dhabi and to our world today. The faculty is recruited globally and includes full-time standing members of the NYU Abu Dhabi faculty, faculty from NYU in New York who teach in Abu Dhabi on recurring, short-term appointments, and global distinguished professors from other universities on recurring appointments. Currently, there are approximately 20 faculty members from New York who have significant laboratory activities in Abu Dhabi. The campus is being developed and operated to the academic excellence standards applicable at the University. The Government of Abu Dhabi has committed to provide land, funding and financing for the development, construction, equipping, maintenance and operation of NYU Abu Dhabi. Three substantial buildings in central Abu Dhabi are the short-term home of NYU Abu Dhabi; beginning in academic year 2014-15, NYU Abu Dhabi will operate from a new, permanent campus designed for 2,600 students that is now under construction on Saadiyat Island. NYU Abu Dhabi's first class began studies in Fall 2010. In total, NYU Abu Dhabi's first three classes are comprised of approximately 450 students, with a new class of approximately 175 students enrolled in Fall 2013.

In 2011, the University entered into an agreement with the Shanghai Municipal Education Commission, Pudong New Area, and East China Normal University ("ECNU") to create NYU Shanghai, a comprehensive research university with a liberal arts and science undergraduate college at its core. NYU Shanghai is operated through an entity in which the University has 50% control, although the University maintains full control over NYU Shanghai's academics and academic support operations. The first undergraduate class of approximately 294 students arrived in Fall 2013. Research at NYU Shanghai will be conducted in part through a joint research institute being established by NYU Shanghai and ECNU. Select graduate and executive education programs will be introduced in the future. NYU Shanghai is being developed and operated to the academic excellence standards applicable at the University. The faculty includes members from NYU in New York who teach in Shanghai on short-term assignments, globally recruited faculty members who are appointed as full-time standing members of the NYU Shanghai faculty, and distinguished professors from other universities. The campus of ECNU will serve as the short-term home of NYU Shanghai. A new, permanent campus is being built in the Pudong district with the support of the Pudong New Area government and is scheduled to house NYU Shanghai beginning in Fall 2014.

The merger of NYU-Poly with and into the University (the "Merger") has been approved by the Regents of the University of the State of New York and will be effective January 1, 2014. The Merger represents the culmination of a process that began in 2008 when NYU entered into an affiliation agreement with Polytechnic University, with the goal of Polytechnic University becoming the school of engineering of the University after a transition period. Pursuant to the affiliation agreement, Polytechnic University was renamed the Polytechnic Institute of New York University and the University became its sole member. However, NYU-Poly continued to operate with a separate board of trustees and separate accreditation. Throughout the affiliation period, NYU-Poly was not obligated with respect to any of the University's indebtedness, nor did the University have responsibility or liability for the indebtedness and other obligations of NYU-Poly. NYU-Poly's financial statements were, however, consolidated with those of the University in accordance with authoritative guidance. Upon the effective date of the Merger, the separate corporate existence of NYU-Poly will cease and the University will succeed to all the rights, privileges, powers, and property of NYU-Poly as well as all of the debts and obligations of NYU-Poly.

NYU-Poly will be known as the NYU Polytechnic School of Engineering (the "School of Engineering") upon the Merger and will continue to hold the distinction of being the nation's second-oldest private engineering school. It is presently a comprehensive school of education and research in engineering and applied sciences, rooted in a 159-year tradition of invention, innovation, and entrepreneurship. It remains on the cutting edge of technology, innovatively extending the benefits of science, engineering, management, and liberal studies to critical real-world opportunities and challenges, especially those linked to urban systems, health and wellness, and the global information economy. As of Fall 2012, NYU-Poly enrolled 2,071 undergraduate students and 2,581 graduate students which in total represents an increase of approximately 40% from Fall 2007. The School of Engineering will continue to offer the Bachelor of Science degree in engineering disciplines such as chemical and bio-molecular engineering, civil engineering, and mechanical engineering. At the graduate level, the School of Engineering will continue to offer Advanced Certificates, Master of Science, Master of Engineering, and Ph.D. degrees.

Campus

The primary location for undergraduate and graduate study is at the Washington Square campus in Greenwich Village, New York, NY. University apartment buildings provide housing for approximately 2,942 Washington Square faculty members, staff and graduate students. SOM houses approximately 1,200 faculty members, staff and students near SOM. The University's student residence hall system accommodates approximately 11,070 undergraduate and graduate students.

The Coles Sports and Recreation Center and the Palladium Athletic Facility offer sports and recreational facilities to University students, faculty, staff, and alumni. These facilities accommodate a wide range of individual and group sports and recreational activities, in addition to serving as home for the University's intercollegiate teams.

NYU Langone Medical Center

SOM, a division of the University, operates with NYU Hospitals Center (the "Hospital" or "NYUHC"), a 501(c)(3) entity of which the University is the sole member, as an integrated academic medical center. The Hospital is not obligated with respect to any of the University's indebtedness and the University has no responsibility or liability for the indebtedness or other obligations of the Hospital. The Hospital is a separate legal entity but its financial statements are consolidated with those of the University in accordance with authoritative guidance.

OPERATING INFORMATION

Student Admissions

The following table sets forth the number of applicants who have applied for full-time freshman admission to the University undergraduate schools, the number of those applicants accepted, and the number of such successful applicants who enrolled for the most recent five academic years. Preliminary data for academic year 2013-2014 is also provided.

UNDERGRADUATE ADMISSION STATISTICS

Academic Year	Applicants	Acceptances	% Accepted	New Enrollment	Matriculation Yield
2013 – 2014[1]	48,727[1]	15,369[1]	31.5%[1]	5,675[1]	36.9%[1]
2012 – 2013	45,276	15,206	33.6%	5,291	34.8%
2011 – 2012	42,274	13,682	32.2%	5,045	36.9%
2010 – 2011	38,024	11,377	29.9%	3,852	33.9%
2009 – 2010	36,944	10,851	29.4%	3,541	32.6%
2008 – 2009	36,802	9,312	25.3%	3,330	35.8%

[1] 2013 – 2014 Census enrollment data will be available in October 2013. Actual as of September 24, 2013, subject to change.

Note: Academic Years 2013-2014, 2012-2013, and 2011-2012 reflect data applicable to the Fall semester's entering freshmen bachelor's degree candidates and two-year programs' candidates reported in the most recently filed U.S. Department of Education Integrated Postsecondary Education Data System ("IPEDS") Report. The two-year Liberal Studies Program was discontinued and revised to a traditional bachelor's degree program in Academic Year 2011-2012. Academic Year 2010-2011 and prior reflect data applicable to the Fall's entering freshman traditional bachelor's degree candidates and exclude candidates entering certain non-traditional bachelor's degree programs, the two-year Liberal Studies Program, and other two-year programs which were reported in IPEDS filed in those years. This data includes NYU Abu Dhabi, which enrolled its first class in the Fall 2010, and NYU Shanghai, which enrolled its first class in Fall 2013. NYU Abu Dhabi and NYU Shanghai are not reported in IPEDS because IPEDS excludes any branch campus located in a foreign country.

Historically, the number of undergraduate applicants seeking admission to the University has substantially exceeded that of acceptances. For graduate studies at the University, applicant counts have also historically exceeded acceptances. The University believes that it will continue to attract adequate numbers of qualified applicants to maintain a relatively steady enrollment over the next several years.

Student Enrollment

The following table, based on Fall registrations, shows the University's total enrollment (including NYU Abu Dhabi and NYU Shanghai) for the current and the most recent five academic years. Preliminary data for academic year 2013-2014 is also provided.

ENROLLMENT SUMMARY

	Full-Time (FT)				Part-Time (PT)					
Academic Year	Undergrad	Grad & Prof	Non-Degree Candidate	Total FT	Undergrad	Grad & Prof	Non-Degree Candidate	Total PT	Grand Total	FT Equivalent
2013 – 2014[1]	22,266[1]	13,731[1]	18[1]	36,015[1]	1,260[1]	8,253[1]	8,243[1]	17,756[1]	53,771[1]	40,961[1]
2012 – 2013	21,685	13,717	24	35,426	1,260	8,301	9,131	18,692	54,118	39,070
2011 – 2012	21,327	13,173	53	34,553	1,276	8,458	10,824	20,558	55,111	38,827
2010 – 2011	20,965	13,066	40	34,071	1,318	8,707	11,130	21,155	55,226	37,879
2009 – 2010	20,281	12,860	48	33,189	1,357	8,906	11,467	21,730	54,919	37,079
2008 – 2009	19,842	12,395	50	32,287	1,427	8,525	12,728	22,680	54,967	36,056

[1] 2013 – 2014 Census enrollment data will be available in October 2013. Actual as of September 24, 2013, subject to change.

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The following table shows the actual enrollment by school as of September 24, 2013 (including NYU Abu Dhabi and NYU Shanghai) for Fall 2013 academic year.

ENROLLMENT BY SCHOOL

Fall 2013 (Actual as of September 24, 2013, subject to change)

	Full-Time	Part-Time	Total
Undergraduate			
College of Arts and Science	7,054	281	7,335
Liberal Studies Program	2,406	6	2,412
Steinhardt School of Culture, Education, and Human Development	2,476	63	2,539
Leonard N. Stern School of Business – Undergraduate College	2,495	36	2,531
School of Continuing and Professional Studies – Degree Credit Programs	916	446	1,362
Tisch School of the Arts	3,221	94	3,315
Gallatin School of Individualized Study	1,440	74	1,514
Silver School of Social Work	122	2	124
College of Dentistry	113	77	190
College of Nursing	844	54	898
Special Sessions/Study Abroad Visiting	278	117	395
NYU Abu Dhabi	607	10	617
NYU Shanghai	294	0	294
Total Undergraduate Students	**22,266**	**1,260**	**23,526**
Graduate (excluding Professional enrollment)			
Graduate School of Arts & Science	2,740	993	3,733
Institute of Fine Arts	123	28	151
Steinhardt School of Culture, Education, and Human Development	2,056	1,331	3,387
Leonard N. Stern School of Business – Graduate Division	973	2,337	3,310
Robert F. Wagner Graduate School of Public Service	531	444	975
Silver School of Social Work	757	352	1,109
Tisch School of the Arts	700	21	721
Gallatin School of Individualized Study	68	82	150
School of Continuing and Professional Studies	1,298	1,604	2,902
Master's Program in Global Public Health	135	92	227
Steinhardt School of Culture, Education, and Human Development/GSAS	28	1	29
College of Nursing	44	692	736
College of Dentistry	256	14	270
School of Law	481	232	713
School of Medicine	5	5	10
Center for Urban Science and Progress	21	4	25
Total Graduate Students	**10,216**	**8,232**	**18,448**
Professional			
Credit			
School of Law	1,404	16	1,420
School of Medicine	1,444	0	1,444
College of Dentistry	667	5	672
Total Professional Students	**3,515**	**21**	**3,536**
Total Credit	**35,997**	**9,513**	**45,510**
Non-Credit			
College of Dentistry	0	94	94
School of Continuing and Professional Studies	18	8,149	8,167
Total Non-Credit	**18**	**8,243**	**8,261**
GRAND TOTAL	**36,015**	**17,756**	**53,771**

Degrees Conferred

The following table sets forth the number of degrees granted by the University (including NYU Abu Dhabi and NYU Shanghai) for the past five academic years:

DEGREES CONFERRED

Academic Year	Undergraduate	Graduate & Professional	Total
2012 – 2013	6,584	8,710	15,294
2011 – 2012	6,253	8,357	14,610
2010 – 2011	7,023	8,112	15,135
2009 – 2010	6,565	7,993	14,558
2008 – 2009	6,482	7,732	14,214

Tuition and Fees

As indicated in the following table of charges for selected major divisions by academic years, tuition and fees vary from one division of the University to another. In most schools, there is a flat rate for a full-time program and a per point rate for courses constituting less or more than a full program.

TUITION & FEE CHARGES

	2013 – 2014	2012 – 2013	2011 – 2012	2010 – 2011	2009 – 2010
Undergraduate Tuition and Fees	$44,848 - $49,242	$43,204 - $47,432	$41,606 - $45,675	$40,082 - $43,998	$38,765 - $42,549
Undergraduate Tuition and Fees Per Point	1,315 - 1,530	1,267 - 1,474	1,221 - 1,420	1,176 - 1,367	1,137 - 1,322
Graduate Tuition and Fees (GSAS) Per Point	1,558	1,500	1,443	1,389	1,331
College of Dentistry[1]	64,811	62,318	59,921	57,204	54,610
School of Law	54,480	52,407	50,148	48,025	45,999
School of Medicine	55,020	53,520	52,371	51,128	49,202
Leonard N. Stern School of Business – Graduate Tuition and Fees	59,844	55,154	50,582	46,616	45,279
Average Dormitory Charges	12,008	11,675	10,876	10,508	9,212
Average Board Charges	4,614	4,458	4,306	4,160	4,016

[1]Tuition Only

The University's tuition and fees have increased at an average annual rate of 4% over the last 5 years. The dollar amount of NYU's undergraduate tuition and fees, as well as the annual percentage increase, have been at or below the mean and median of the 25 private institutions which the University considers to be its peers. While the University's rate of increase for room and board has also been at or below the mean and median, the absolute dollar amount of room and board charges has driven total student charges to the top of the peer group due to the high costs of housing in New York City.

Tuition and fee charges, net of financial aid, as a percent of total operating revenues for the University other than the SOM were approximately 55.9% in the fiscal year ended August 31, 2012 and were approximately 57.6% in the fiscal year ended August 31, 2011. Auxiliary enterprise revenues, which include dormitory and board charges, as a percent of total operating revenues for the University other than the SOM were approximately 14.8% in fiscal year ended August 31, 2012 and were approximately 15.2% in fiscal year ended August 31, 2011.

Student Financial Aid

The University's admissions and financial aid programs are designed to enable qualified students to attend the University regardless of their financial circumstances. Undergraduate and graduate students receive financial aid from loans, employment, government and private sources and University funds. Financial aid provided from the Federal and State governments is an important source of funds for students who otherwise might not be able to attend the University because of insufficient financial means. The following table sets forth the sources of financial aid for students at the University (including NYU Abu Dhabi and NYU Shanghai) for the past five academic years:

SOURCES OF FINANCIAL AID
($ in thousands)

Academic Year	# of Students	NYU Aid[1]	State Aid	Federal Aid[2]	External Grants[3]	External Loans	Total
2012 – 2013[4]	31,390[4]	$ 397,222[4]	$ 10,988[4]	$ 644,432[4]	$ 32,936[4]	$ 64,677[4]	$ 1,150,255[4]
2011 – 2012	32,074	367,269	11,052	675,827	29,869	60,448	1,144,465
2010 – 2011	30,581	331,234	9,387	656,453	2,553	61,203	1,060,831
2009 – 2010	30,927	315,935	11,085	606,327	2,108	88,237	1,023,692
2008 – 2009	31,773	289,356	11,795	496,094	8,651	163,362	969,257

1. NYU Aid includes both grants and loans.
2. Federal Aid includes grants, student and parent loans, and federal College Work-Study Program.
3. Prior to Academic Year 2011 – 2012, External Grants were not captured in the University's Financial Aid Data Systems which is now replaced. The large increase in External Grants is a result of moving to a new Student Information System where External Grants are tracked in a much more comprehensive manner.
4. Actual as of September 12, 2013, subject to change.

As a part of the Federal Aid program for the fiscal year ended on August 31, 2013, approximately 3,827 students participated in the federal College Work-Study Program with income totaling approximately $7.7 million and held part-time employment on and off campus to help meet their costs of education.

State Aid to the University

The University benefits from a State program under which State aid is allocated to independent post-secondary institutions based on the number of certain academic degrees conferred in the preceding year. Specified dollar amounts are received for each bachelor degree, master degree and doctoral degree awarded. The University uses these funds to support the student aid budget. Future payments by the State are dependent on the enactment of annual appropriations and the ability of the State to pay the sums appropriated. The following table sets forth the State aid received for the past five New York State fiscal years which ended on March 31st:

STATE AID
(in millions)

NY State Fiscal Years	Amount
2012 – 2013	$3.9
2011 – 2012	3.9
2010 – 2011	4.3
2009 – 2010	4.9
2008 – 2009	4.7

In addition to the State aid that the University has specifically used to support the student financial aid budget, there are several Economic Development Grant Programs, administered by DASNY, for which the University has qualified and received aid. Two notable programs from which the University has historically received aid are (1) the New York State Capital Assistance Program (NYS CAP), for which DASNY in 2008 began to administer grants to fund certain economic development, university development, community development, homeland security, environmental, infrastructure, utility, health care facility, public recreation facility, and arts and cultural facility projects and (2) Higher Education Capital Matching Grant Program ("HECap"), which since 2005 has helped independent higher education institutions finance, construct and equip critical academic, student life, and economic development projects on or near their campuses. HECap Grants are allocated to each eligible recipient by a formula that includes a base grant amount, an allocation based on enrollment and an allocation based on Tuition Assistance Program participation. In the fiscal year ended August 31, 2012, the University received approximately $8.1 million of grant reimbursements. In comparison, for the fiscal year ended August 31, 2011, the University received approximately $2.8 million of grant reimbursements.

Faculty

The University has full-time tenure term faculty, full-time non-tenure term faculty, and part-time faculty. Salaries and fringe benefits are competitive with those offered by comparable institutions both regionally and nationally. The following table sets forth the faculty profile at the University (including NYU Abu Dhabi and NYU Shanghai) for the past five academic years:

FACULTY PROFILE

Fiscal Year	Full-time Faculty	Part-time Faculty[1]	Total Faculty	Full-time Equivalent Faculty	Percent of Total Faculty Tenured
2012 – 2013	4,535	4,473	9,008	6,026	17%
2011 – 2012	4,238	4,082	8,320	5,598	17%
2010 – 2011	3,949	4,366	8,315	5,343	17%
2009 – 2010	3,805	3,938	7,743	5,118	18%
2008 – 2009	3,695	3,540	7,235	4,875	19%

[1]Salaried only. Part-time unsalaried faculty or graduate students are excluded.

Labor Relations

The University has had a history of satisfactory labor relations for over 60 years. A contract with Local 810, International Brotherhood of Teamsters, covering skilled maintenance employees will expire on June 30, 2019. Four contracts with Local 32BJ, Service Employees International Union (SEIU), AFL-CIO, covering apartment house service employees, will expire on April 21, 2014. The University has two other contracts with Local 32BJ, one covering employees working in several academic buildings, which will expire on December 31, 2015 and the other covering a small unit of window washers, which will expire on April 30, 2016. The University has a contract with Local 3882, New York State United Teachers, AFT, AFL-CIO, covering office, clerical and technical employees which will expire on October 31, 2017. A contract with 1199, National Health and Human Services Employees Union SEIU, AFL-CIO, covering technical and professional employees, will expire on April 30, 2015. A contract with the UAW (United Automobile, Aerospace and Agricultural Implement Workers of America), covering certain adjunct faculty will expire on August 31, 2016. A contract with Local One Security Officers Union will expire on June 30, 2018. The University and College Union (UCU) in Great Britain and NYU London have an agreement covering the administrative and academic staff of NYU London. There is pending before the National Labor Relations Board (NLRB) a Request for Review by UAW of the dismissal of the UAW's petition seeking to represent graduate student teachers and research assistants. A similar request also is pending before the NLRB in another case involving NYU-Poly.

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FINANCIAL STATEMENT INFORMATION

University Finances

The University's Board of Trustees reviews and approves the University's budget for each academic year and generally requires that the University have a balanced operating budget. Capital budgets also are prepared annually with the requirement that all capital spending be covered either by current receipts, gifts and pledges, or by approved borrowing sources.

The University's financial statements are prepared in accordance with generally accepted accounting principles and the University's consolidated audited financial statements as of August 31, 2012 are included as Appendix B to this Official Statement. Because the University has a controlling interest in NYUHC and NYU-Poly, authoritative guidance requires that the financial statements of the University, NYUHC and NYU-Poly be presented on a consolidated basis. See "INTRODUCTION - The University" and Note 1 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS." Supplemental Schedules to the audited Consolidated Financial Statements set forth information about each component consolidated entity, and the information in the Supplemental Schedules in the columns entitled "Washington Square" and "School of Medicine" represents the financial information with respect to the University. Only the University is obligated under the Resolution to make payments with respect to the Series 2013 Bonds. NYUHC and NYU-Poly are not liable for any obligations of the University, and the University is not liable for any obligations of NYUHC or NYU-Poly. The University and NYU-Poly are to merge effective January 1, 2014 at which time the University is to assume all of the obligations of NYU-Poly.

The following tables summarize the unrestricted revenues and expenditures and other changes in net assets and the balance sheets for the University for the past five completed fiscal years. The information in the tables for the fiscal years ended on August 31, 2008, 2009, 2010, 2011, and 2012 was derived from the consolidating information in the columns entitled "Washington Square" and "School of Medicine" included in the Supplemental Schedules to the audited Consolidated Financial Statements in Appendix B. The University's audited Consolidated Financial Statements should be read in conjunction with the Supplemental Schedules.

Substantially all University employees are covered by retirement programs. These plans include various defined contribution plans and multi-employer defined benefit plans, and two University-sponsored defined benefit plans. The University also provides certain health care and life insurance benefits for eligible retired employees. See Notes 13 and 14 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS."

The performance of the University's investments as of August 31, 2012 is described under "Investments" below. There has been no material adverse change in the operating results of the University since August 31, 2012.

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Balance Sheet (University)
Fiscal years ended August 31
(in thousands)

	2012	2011	2010	2009	2008
Assets					
Cash and cash equivalents	$ 879,485	$ 823,111	$ 725,294	$ 706,836	$ 739,747
Short-term investments	33,568	48,474	86,824	157,267	205,032
Accounts and loans receivable, net	332,426	291,822	298,430	268,191	243,984
Patient accounts receivable, net[1]	59,383	54,984	46,987	38,611	40,772
Contributions receivable, net	346,733	291,186	302,411	327,518	368,601
Other assets	149,876	134,750	151,945	126,778	137,814
Deposits with trustees	113,784	119,676	225,137	101,712	489,989
Collateral for securities loaned	6,023	4,965	3,963	49,371	78,513
Long-term investments	2,825,649	2,749,036	2,434,213	2,222,972	2,496,323
Land, buildings, and equipment, net	3,605,859	3,506,965	3,181,205	2,726,050	2,278,631
Total Assets	8,352,786	8,024,969	7,456,409	6,725,306	7,079,406
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	477,964	419,117	431,656	388,982	409,913
Deferred revenue	811,579	799,365	603,235	636,909	610,100
Security loan agreements payable	6,023	4,965	3,963	49,371	78,513
Bonds and notes payable	2,169,356	2,161,279	2,128,498	1,635,911	1,640,203
Federal grants refundable	72,186	71,340	70,039	74,600	70,779
Accrued benefit obligation	155,048	81,061	104,009	69,389	38,007
Accrued postretirement obligation	459,850	346,346	336,849	296,768	258,740
Asset retirement obligation	123,087	120,622	115,719	110,118	105,187
Total liabilities	4,275,093	4,004,095	3,793,968	3,262,048	3,211,442
Net Assets:					
Unrestricted	2,019,241	2,078,962	2,062,945	1,917,891	2,373,499
Temporarily restricted	649,306	628,944	356,454	372,308	366,325
Permanently restricted	1,409,146	1,312,968	1,243,042	1,173,059	1,128,140
Total net assets	4,077,693	4,020,874	3,662,441	3,463,258	3,867,964
Total liabilities and Net Assets	$ 8,352,786	$ 8,024,969	$ 7,456,409	$ 6,725,306	$ 7,079,406

1 Patient accounts receivable, net are included as a part of Accounts and loans receivable, net prior to 2008.

Statement of Activities (University)
Fiscal years ended August 31
(in thousands)

	2012	2011	2010	2009	2008
Changes in unrestricted net assets					
Operating revenues					
Tuition and fees (net of financial aid awards of $360,915 in 2012, $330,448 in 2011, $306,773 in 2010, $262,778 in 2009, and $226,673 in 2008)	$ 1,392,374	$ 1,324,229	$ 1,257,854	$ 1,207,347	$ 1,175,078
Grants and contracts	585,206	534,572	473,635	351,653	318,349
Patient care	597,874	508,273	431,237	377,917	334,378
Hospital affiliations	245,439	240,020	222,632	209,124	196,685
New York State appropriation	12,146	7,036	10,707	7,132	4,592
Contributions	124,065	108,942	126,425	104,441	122,864
Endowment distribution	114,761	107,177	75,797	105,601	117,978
Return on short term investments	6,924	4,680	3,524	-	-
Auxiliary enterprises	377,460	363,908	358,538	360,121	347,237
Program fees and other	180,122	114,948	116,566	166,112	106,802
Net assets released from restrictions	100,480	93,727	94,959	67,340	134,221
Total operating revenues	3,736,851	3,407,512	3,171,874	2,956,788	2,858,184
Operating expenses:					
Instruction and other academic programs	1,207,331	1,142,839	1,079,553	1,170,330	1,157,041
Research and other sponsored programs	644,027	565,615	506,135	356,762	326,356
Patient care	605,541	505,579	461,970	397,434	296,742
Hospital affiliations	242,457	229,475	205,055	206,693	191,885
Libraries	69,092	66,623	60,867	63,324	66,106
Student services	100,399	104,871	99,735	101,827	101,913
Institutional services	348,083	340,192	286,926	261,944	262,082
Auxiliary enterprises	417,524	414,808	398,611	423,483	391,043
Total operating expenses	3,634,454	3,370,002	3,098,852	2,981,797	2,793,168
Excess of operating revenues over operating expenses	102,397	37,510	73,022	(25,009)	65,016
Non-operating activities:					
Investment return	33,045	134,457	173,994	(363,827)	(137,661)
Appropriation of endowment distribution	(47,431)	(45,323)	(75,797)	-	-
Other	(3,173)	3,099	53,212	(2,976)	5,942
Transfer of equity	-	3,925	3,250	-	-
Mission based payment	37,813	45,000	-	-	-
Net assets released from restrictions for capital purposes	3,726	10,455	5,052	5,151	6,326
Changes in pension and postretirement benefits obligations	(186,098)	18,292	(87,679)	(68,947)	(2,963)
Inc/(Dec) in unrestricted net assets before effect of change in accounting principle	(59,721)	207,415	145,054	(455,608)	(63,340)
Cumulative effect of change in accounting principle	-	(191,398)	-	-	-
Inc/(Dec) in unrestricted net assets after effect of change in accounting principle	(59,721)	16,017	145,054	(455,608)	(63,340)
Changes in temporarily restricted net assets:					
Contributions	153,011	79,773	95,099	81,971	125,813
Investment return, net	40,716	170,551	(554)	(4,757)	(1,975)
Appropriation of endowment distribution	(67,330)	(61,854)	-	-	-
Other	(1,829)	(3,196)	(10,388)	1,260	(15,935)
Net assets released from restrictions	(104,206)	(104,182)	(100,011)	(72,491)	(140,547)
Inc/(Dec) in temporarily restricted net assets before effect of change in accounting principle	20,362	81,092	(15,854)	5,983	(32,644)
Cumulative effect of change in accounting principle	-	191,398	-	-	-
Inc/(Dec) in temporarily net assets after effect of change in accounting principle	20,362	272,490	(15,854)	5,983	(32,644)
Changes in permanently restricted net assets:					
Contributions	101,503	64,279	59,380	49,019	94,739
Other	(5,325)	5,647	10,603	(4,100)	(8,135)
Increase (decrease) in permanently restricted net assets	96,178	69,926	69,983	44,919	86,604
Change in net assets	$ 56,819	$ 358,433	$ 199,183	$ (404,706)	$ (9,380)

Contributions

Contributions (which include the net change in present value of collectible pledges receivable) for the fiscal years ended August 31, 2012, 2011, 2010, 2009, and 2008 were reflected in the Statements of Activities (in accordance with Generally Accepted Accounting Principles in the United States of America) as follows:

Contributions
(in thousands)

	2012	2011	2010	2009	2008
Unrestricted net assets	$124,065	$ 108,942	$ 126,425	$ 104,441	$ 122,864
Temporarily restricted net assets	153,011	79,773	95,099	81,971	125,813
Permanently restricted net assets	101,503	64,279	59,380	49,019	94,739
Total	$ 378,579	$ 252,994	$ 280,904	$ 235,431	$ 343,416

Grants and Contracts

The University has long been a center of research and training programs. Government grants and contracts provide most of the funds for sponsored programs although additional amounts come from industry, foundations and interested individuals. For the fiscal year ended August 31, 2012, approximately $585 million was provided to the University for research and other sponsored programs, including $339 million (unaudited) from Federal, State and City government grants and contracts. See Note 15 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS." In comparison, for the fiscal year ended August 31, 2011, approximately $535 million was provided to the University for research and other sponsored programs, including $337 million (unaudited) from Federal, State and City government grants and contracts.

Fundraising and Development

(Unaudited)

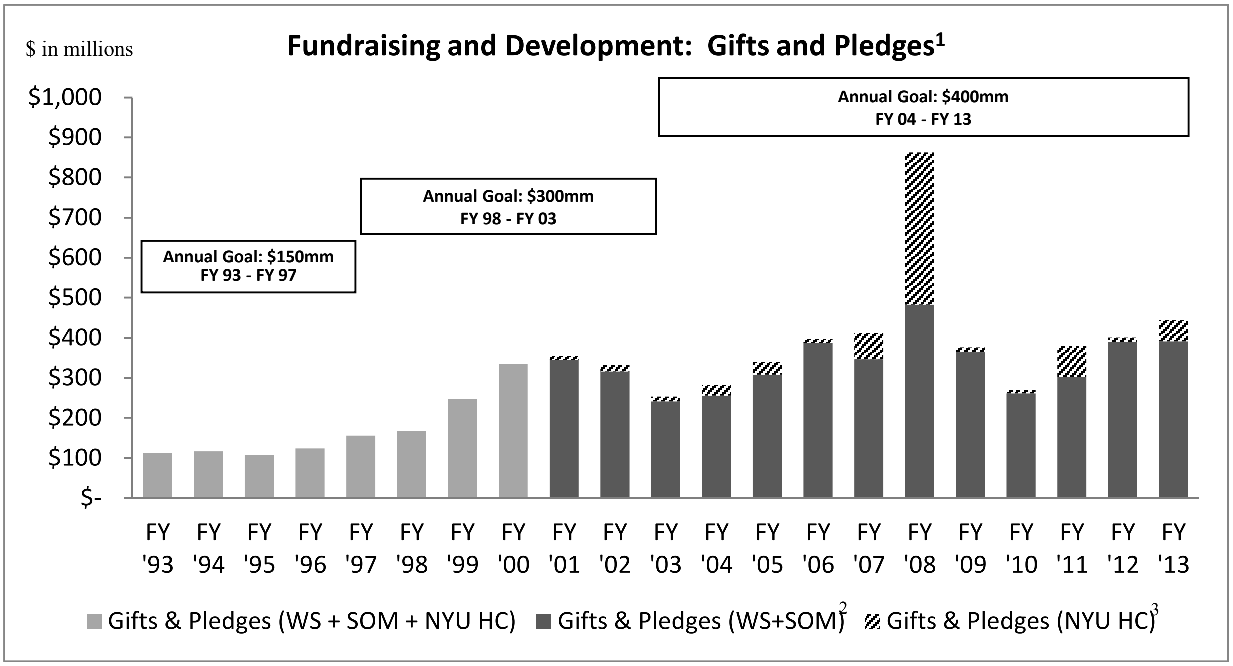
In 2009, the University launched a Call to Action, an effort to raise scholarship funds. In the four-year period ending on August 31, 2012 the University raised $270.5 million, including a record setting $124.8 million in fiscal year 2012. Of that $270.5 million, $181.2 million has been received in either outright gifts or pledge payments.

In fiscal year 2011, in spite of volatile market conditions, the University increased its fundraising by approximately 16% over the previous year and then again by approximately 29% in fiscal year 2012. For the fiscal year ended August 31, 2013, the University raised $391.1 million in gifts and pledges.

The Fund for NYU (Annual Fund) exceeded its fiscal year 2013 goal by more than $858,000 raising more than $32.7 million. The number of undergraduate donors has exceeded last year by more than 1,000.

On October 19, 2013, NYU Alumni Day, the University will formally launch the Momentum Campaign to raise $1 billion for scholarships and fellowships before August 31, 2017. With fundraising efforts initiated in 2012, the six-year effort will focus on graduate and undergraduate financial aid, endowment and expendable funds to support the neediest and most deserving students at the University.

Individual schools and colleges have set goals for this effort in addition to goals for other fundraising initiatives such as faculty support, programmatic and capital needs. Total fundraising during this period is expected to increase from a benchmark $1.05 million per day in fiscal year 2011 to more than $1.5 million per day of total fundraising at the conclusion of the Momentum effort.



[1] As of August 31, 2013. Figures above represent gross pledges and are unaudited.
[2] SOM also includes the NYU MedGrowth Fund (FY'05-FY'08).
[3] The gifts and pledges to NYUHC are not available to pay obligations of the University.

Investment in Plant

The University's physical plant includes approximately 150 buildings, containing approximately 15 million gross square feet, and approximately 260 acres of land. The book value of the University's investment in plant, net of accumulated depreciation, was approximately $3.6 billion at August 31, 2012. The following is a summary of the University's investment in plant at the end of each of the last five fiscal years:

Investment in Plant
As of August 31
(in thousands)

2012	$ 3,605,859
2011	3,506,965
2010	3,181,205
2009	2,726,050
2008	2,278,631

The University carries all-risk property insurance coverage on its buildings and their contents, excluding land. Such insurance presently provides coverage of $4.02 billion for any one occurrence and has no co-insurance clause. The deductible amount currently is $250,000 for each occurrence at the Washington Square campus and $100,000 at the SOM campus. Also, the University carries general liability insurance coverage in the amount of $500 million with a self-insured retention of $500,000 per claim, which the University's management believes to be sufficient for its operations. The University also purchases statutory Worker's Compensation insurance. This program is a guaranteed cost risk transfer product which removes Worker's Compensation liability directly to the insurer for 100% of all losses.

Investments

The University maintains investments in a long-term pool (the investments primarily being Endowment Funds) and in short-term investments (the investments primarily being working capital).

Long-Term Investments

The following table summarizes the market value of the University's long-term investments broken down by restriction at August 31, 2012:

Long-Term Investments at August 31, 2012
(in thousands)

	Market Value
Permanently Restricted	$1,603,090
Temporarily Restricted	25,250
Unrestricted – Designated for Investment	1,197,309
Total	$2,825,649

As of August 31, 2012, approximately $2,800,399,000 of the long-term investments were invested in Endowment Funds.

Endowment Funds

Endowment funds comprise gifts to the University that are not wholly expendable on a current basis as well as funds that have been designated and approved by the University as endowment funds or for specific projects. Management of the endowment funds historically has attempted to achieve a return at least equal to inflation plus the University's spending policy rate, while incurring an acceptable level of risk. At August 31, 2013, endowment funds were distributed across 142 discrete investment accounts with 90 different managers, with no single manager accounting for more than 5.4% of the total. The University's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of total return on the endowment as operating revenues at approved spending rates (5% in fiscal years 2010, 2011, 2012 and 2013). This rate was applied to the twelve-quarter moving average fair value of the endowment fund.

Asset Allocation Policy targets were updated in November 2012 and expected ranges for investment are currently 40 - 60% for equity, 10 - 25% for real assets, 20 - 40% for opportunistic and credit and 10 - 25% for fixed income and other.

Summary by Asset Class
(Unaudited)

Type	**August 31, 2013**
Equity	48.7 %
Real Assets	13.4
Opportunistic and Credit	24.5
Fixed Income	11.9
Other	1.5
Total	100.0%

At August 31, 2013 unfunded capital commitments were approximately $235 million. For the 12 months then ended, the University funded capital calls of approximately $141 million and received approximately $182 million of capital distributions.

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The table below summarizes the market value and total return of the University's endowment funds for each of the last six fiscal years ended August 31 (unaudited):

Changes in Endowment Funds[1]
(in millions)
(Unaudited)

Fiscal Year Ending August 31	Beginning Market Value	Gifts & Additions	Chg in Value of Investments	Spending Policy	Liquidations & Transfers[2]	Ending Market Value
2013	$ 2,824.5	$ 249.7	$ 255.7	$ (117.2)	$ (208.1)	$ 3,004.6
2012	2,749.0	175.0	79.1	(115.9)	(62.6)	2,824.5
2011	2,432.8	135.9	316.2	(108.3)	(27.3)	2,749.3
2010	2,195.9	143.2	195.0	(76.5)	(24.9)	2,432.8
2009	2,494.2	102.5	(274.0)	(96.5)	(30.3)	2,195.9
2008	2,143.4	537.5[3]	(45.9)	(87.5)	(53.3)	2,494.2

1. NYUHC's endowment funds are pooled with those of the University for all periods and accounted for approximately $26.2 million of the Ending Market Value at 8/31/2013 and approximately $0.3 million of Liquidations and Transfers. The investments of NYUHC are not available to pay obligations of the University.
2. Liquidations and Transfers are defined as funds distributed from endowment funds for designated uses.
3. Includes $300 million of the proceeds from the sale of the University's interest in the royalty stream attributable to Remicade; the balance of the proceeds from the sale were held as part of short-term investments.

For the 12 months ended August 31, 2013 the endowment funds returned approximately +9.1%.
For the 12 months ended June 30, 2013 the endowment funds returned approximately +10.2%.
For the 12 months ended August 31, 2012 the endowment funds returned approximately +2.5%.

In September 2010, the New York State Legislature passed the New York Prudent Management of Institutional Funds Act ("NYPMIFA") to supersede the Uniform Management of Institutional Funds Act ("UMIFA") as adopted by New York State in 1978. As a result of the enactment of NYPMIFA, approximately $198.4 million of accumulated endowment gains previously classified as Unrestricted Net Assets were reclassified and transferred to Temporarily Restricted Net Assets as of August 31, 2012.

Liquidity and Short-Term Investments

The University's short-term investments for the last three fiscal years typically fluctuated from a low of approximately $300 million immediately prior to the start of the academic year to a high of approximately $800 million after tuition is collected. Working capital is invested primarily in short-term, fixed rate obligations that can be liquidated in less than 30 days. Of these amounts, approximately $25.4 million are designated as to purpose as of August 31, 2013 (unaudited).

The University is party to contractual loan agreements or lines of credit with two banks. The Bank of America, N.A. facility has maximum availability of $300 million and expires in mid-2015. The J.P.Morgan Chase Bank facility has maximum availability of $200 million and expires in mid-2014.

As of August 31, 2013, approximately $144.6 million was drawn under the Bank of America, N.A. facility, of which approximately $23.0 million is expected to be repaid with the proceeds of the Series 2013 Bonds and of which approximately $39.5 million is expected to be repaid with the proceeds of a prior bond issue.

Outstanding Long-Term Debt

At August 31, 2012, the long-term debt of the University was $2.169 billion. All of the indebtedness is a general obligation of the University unsecured except as described below. See Note 10 in "APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS."

At August 31, 2012, the University's indebtedness to DASNY on outstanding DASNY bonds was approximately $1.947 billion.

The University is indebted to DASNY for loans made to the University from the proceeds of DASNY's bonds. The various agreements between the University and DASNY entered into in connection with the loans obligate the University to make payments in amounts and at times sufficient to make timely payment of the principal of and interest on the DASNY's bonds issued to finance the loans. All of the University's outstanding indebtedness to DASNY issued prior to the Series 2008 Bonds, $532.9 million at August 31, 2012, is secured by a pledge of tuition and fees for academic instruction. The Series 2012A, Series 2012B, Series 2009A, Series 2009B, Series 2008A, 2008B, 2008C, and Taxable Series 2012C and

2008D Bonds issued by DASNY are general obligations of the University to DASNY. Taxable Series 2010 and Taxable Series 2009 issued by the University are general obligations of the University.

At August 31, 2012, the University's outstanding long-term indebtedness to institutions other than DASNY and to other investors totaled approximately $222.9 million.

Additional Borrowing Plans

Other than the issuance of the Series 2013 Bonds, the University has no plan to issue additional debt in the next 12 months. The University has authorized the renovation and construction of various academic and infrastructure projects to be financed, in part, through borrowing. Over the next 24 months, the University plans to draw up to $300 million on its lines of credit to fund a portion of these projects, resulting in net new debt, after repayments, of up to $240 million over the period. The financing of these projects is subject to satisfactory progress on these projects and market conditions at the time of sale. The University continues in the ordinary course to consider additional borrowings in support of its programs, the needs of its students, and its other educational and charitable activities.

Superstorm Sandy Overview

On October 29, 2012, Superstorm Sandy (the "Storm") struck New York City and caused widespread damage in lower Manhattan. The Storm severely damaged several buildings on the SOM campus that are either owned by the University or shared by SOM and its affiliate, NYUHC. In addition, explosions at Con Edison's facilities resulted in loss of electrical supply to the SOM campus and further disrupted SOM operations at the SOM campus and surrounding areas, including research and physician practice operations. The SOM (and NYUHC) incurred costs for remediation and emergency repairs to restore SOM's research and educational functions and physician practice operations. To date, FEMA has provided funding for a portion of the clean-up work and emergency repairs. The SOM and NYUHC have also received some insurance recoveries and are actively pursuing additional insurance claims. There can be no assurance, however, that additional FEMA funding will be approved, or that the insurance claims pursued by the SOM and NYUHC will be fully paid. The University also expects to make appropriate investments to mitigate damages arising from future storms.

Future Development Plan

On July 25, 2012, the New York City Council approved the University's Uniform Land Use Review Procedure (ULURP) application for the development of four new buildings (and the removal of three existing buildings) on two superblocks owned by NYU at the Washington Square campus. The project is known as the "NYU Core Plan." As approved, the four buildings would comprise approximately 1.92 million square feet of predominantly academic space (resulting in a net increase of approximately 1.60 million square feet of space on the superblocks, after accounting for the removal of three existing buildings). A substantial portion of the new space would be below-grade. The two superblocks are comprised of: (i) the North Block bounded by West 3rd Street and Bleecker Street to the north/south and Mercer Street and LaGuardia Place to the east/west, and (ii) the South Block bounded by Bleecker Street and W. Houston Street to the north/south and Mercer Street and LaGuardia Place to the east/west.

Building construction would start first on the South Block and is not expected to commence before the third quarter of 2014, at the earliest. Construction of the new buildings on the North Block is not expected to commence before 2022, at the earliest. In addition to the new buildings, the project includes site enhancements and improvements to open space, and community-dedicated spaces, including a possible public school in one of the new buildings on the South Block. Financing for the NYU Core Plan will be brought before the NYU Board for approval on a building-by-building basis, after detailed design plans and design-based construction-cost estimates are developed for a specific building. At this time, no financing approval has been sought from the NYU Board for any of the NYU Core Plan buildings. The University is currently in the pre-construction planning stages, including early enhancements to existing buildings and open spaces.

Two lawsuits have been commenced by opponents of the NYU Core Plan. The first action, (WSV Green Neighbors, Inc., et al. v. New York University, Index No. 155507/12 (N.Y. County)), was brought by certain rent-stabilized tenants residing in the Washington Square Village buildings on the North Block, and an allegedly affiliated corporate entity. The plaintiffs alleged that potential changes to the interior courtyard located between the east and west perimeters of the two Washington Square Village buildings would deprive them of allegedly required services in violation of the Rent Stabilization Law. On March 14, 2013, the Supreme Court for New York County granted the University's motion to dismiss this suit without prejudice, holding that the issues raised by the plaintiffs should first be brought before the relevant State agency, the Division of Housing and Community Renewal. On March 26, 2013, the plaintiffs filed a notice of appeal, which had not been perfected as of September 19, 2013.

The second lawsuit, an Article 78 proceeding (Weinstein, et al. v. Harvey, et al., Index No. 103844/12 (N.Y. County)), was commenced by various community groups and certain University faculty members to overturn the City Council's approval of the NYU Core Plan, and to overturn the alleged approval of the NYU Core Plan by DASNY and the

Commissioner of the New York State Office of Parks, Recreation and Historic Preservation. The petitioners allege, among other things, that the Environmental Impact Statement was deficient and that certain portions of the superblocks are parkland that cannot be repurposed without approval of the New York State Legislature. Petitioners' motion for discovery was denied. The Article 78 petition and the respondent's motion to dismiss were argued before Justice Mills of the New York State Supreme Court for New York County on July 18, 2013. The parties await a decision.

LITIGATION AND CONTINGENT LIABILITIES

Funds expended by the University under government grants and contracts are subject to audit and claims for reimbursement by governmental agencies. The University also is a defendant in various legal actions arising out of the normal course of its operations. Although the outcome of any such claims or actions cannot be currently determined, the University's administration is of the opinion that the eventual liability therefrom, if any, will not have a material effect on the financial position of the University or on its ability to make required debt service payments.

PART 7 - DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, constituting Titles 4 and 4-B of Article 8 of the Public Authorities Law of the State, 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 Personal Income Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), 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, 2013, DASNY had approximately $45 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 Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

DASNY has a staff of approximately 520 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 55 field sites across the State.

Governance

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

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

The current members of DASNY are as follows:

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

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

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

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

JACQUES JIHA, Ph.D., *Secretary*, Woodbury.

Jacques Jiha was appointed as a Member of DASNY by the Governor on December 15, 2008. Mr. Jiha is the Executive Vice President/Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd/Black Enterprise, a multi-media company with properties in print, digital media, television, events and the internet. He is a member of the Investment Advisory Committee of the New York Common Retirement Fund and previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller. He holds a Ph.D. and a Master's degree in Economics from the New School University and a Bachelor's degree in Economics from Fordham University. His current term expired on March 31, 2011 and by law he continues to serve until a successor shall be chosen and qualified.

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

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

SANDRA M. SHAPARD, Delmar.

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

GERARD ROMSKI, Esq., Mount Kisco.

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

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

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

JOHN B. KING, JR., J.D., Ed.D., *Commissioner of Education of the State of New York,* Slingerlands; *ex-officio.*

John B. King, Jr., was appointed by the Board of Regents to serve as President of the University of the State of New York and Commissioner of Education on July 15, 2011. As Commissioner of Education, Dr. King serves as Chief Executive Officer of the State Education Department and as President of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. He holds a Bachelor of Arts degree in Government from Harvard University, a Master of Arts degree in Teaching of Social Studies from Teachers College, Columbia University, a Juris Doctor degree from Yale Law School and a Doctor of Education degree in Educational Administrative Practice from Teachers College, Columbia University.

NIRAV R. SHAH, M.D., M.P.H., *Commissioner of Health*, Albany; *ex-officio*.

Nirav R. Shah, M.D., M.P.H.., was appointed Commissioner of Health on January 24, 2011. Prior to his appointment he served as Attending Physician at Bellevue Hospital Center, Associate Investigator at the Geisinger Center for Health Research in central Pennsylvania, and Assistant Professor of Medicine at the NYU Langone Medical Center. Dr. Shah is an expert in use of systems-based methods, a leading researcher in use of large scale clinical laboratories and electronic health records and he has served on the editorial boards of various medical journals. He is a graduate of Harvard College, received his medical and master of public health degrees from Yale School of Medicine, was a Robert Wood Johnson Clinical Scholar at UCLA and a National Research Service Award Fellow at NYU.

ROBERT L. MEGNA, *Budget Director of the State of New York,* Albany*; ex-officio.*

Robert L. Megna was appointed Budget Director on June 15, 2009. 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, as well as pensions and employee benefits. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than $90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of DASNY is as follows:

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

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

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

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

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

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 20 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.

CARRA WALLACE is the Managing Director of the Office of Executive Initiatives. Ms. Wallace is responsible for strategic efforts in program development, including maximizing the utilization of Minority and Women-Owned Businesses, sustainability, training and marketing, as well as communications with DASNY's clients, vendors, the public and governmental officials. She has more than 20 years of senior leadership experience in diverse private-sector telecommunications businesses and civic organizations. Ms. Wallace holds a Bachelor's Degree in Business Management from Pepperdine University and recently obtained her Master's Degree in Public Administration from Columbia University.

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2013. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 8 - LEGALITY OF THE SERIES 2013 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2013 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 2013 Bonds may be deposited with the State Comptroller to secure deposits of State money in banks, trust companies and industrial banks.

PART 9 - NEGOTIABLE INSTRUMENTS

The Series 2013 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 2013 Bonds.

PART 10 - TAX MATTERS

Federal Income Taxes - Series 2013A Bonds

General

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2013A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2013A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2013A Bonds. Pursuant to the Series 2013A Resolution, the Loan Agreement and the Tax Certificate, DASNY and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2013A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the University have made certain representations and certifications in the Series 2013A

Resolution, the Loan Agreement and the Tax Certificate. Bond Counsel will also rely on the opinion of the University's General Counsel as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by DASNY and the University described above, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Interest on the Series 2013A Bonds is, however, included in the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed on corporations.

Original Issue Premium

The Series 2013A Bonds (other than the Series 2013A Bonds maturing in 2029 and maturing in 2033 with an interest rate of 4.375 percent) (collectively referred to in this paragraph as the "Premium Bonds") are being offered at prices in excess of their principal amounts. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2013A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits and individuals seeking to claim the earned income credit. Ownership of the Series 2013A Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2013A Bonds; for certain bonds issued during 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the application of those rules as they apply to financial institutions. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2013A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2013A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as Appendix E to this Official Statement. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2013A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Tax Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2013A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2013A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2013A Bonds from gross income for federal or state income tax purposes, or otherwise. We note that in September, 2011, and again in 2012 and 2013, President Obama released legislative proposals that would limit the extent of the exclusion of interest on state and local bonds (including the Series 2013A Bonds) for taxpayers whose incomes exceed certain thresholds for tax years beginning after

2012. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2013A Bonds may occur. Prospective purchasers of the Series 2013A Bonds should consult their own tax advisers regarding the impact of any change in law on the Series 2013A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2013A Bonds may affect the tax status of interest on the Series 2013A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2013A Bonds, or the interest thereon, if any action is taken with respect to the Series 2013A Bonds or the proceeds thereof upon the advice or approval of other counsel.

Federal Income Taxes - Series 2013B Bonds

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the federally taxable Series 2013B Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses Series 2013B Bonds held as capital assets 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 Bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Series 2013B Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2013B Bonds. The advice set forth in this section was not intended or written by Bond Counsel to be used and cannot be used by an owner of the Series 2013B Bonds for the purpose of avoiding penalties that may be imposed on the owner of the Series 2013B Bonds. The advice set forth herein is written to support the promotion or marketing of the Series 2013B Bonds. Each owner of the Series 2013B Bonds should seek advice based on its particular circumstances from an independent tax advisor.

The advice set forth in this section on the federal income tax treatment of the Series 2013B Bonds is not intended or written by Bond Counsel to be used and cannot be used by an owner of the Series 2013B Bonds for the purpose of avoiding penalties that may be imposed on the owner of Series 2013B Bonds. The advice set forth herein is written to support the promotion or marketing of the Series 2013B Bonds. Each owner of a Series 2013B Bond should seek advice based on its particular circumstances from an independent tax advisor.

General

In the opinion of Nixon Peabody LLP, Bond Counsel, interest on the Series 2013B Bonds is not excluded from gross income for federal income tax purposes and so will be fully subject to federal income taxation. Purchasers other than those who purchase Series 2013B Bonds in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such bonds. In general, interest paid on the Series 2013B Bonds and recovery of accrued original issue and market discount, if any, 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.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2013B Bonds issued with original issue discount ("Discount 2013B Bonds"). A Series 2013B Bond will be treated as having been issued at an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2013B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2013B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity.

A Series 2013B Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2013B Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Discount 2013B Bond is the sum of the "daily portions" of original issue discount with respect to such Series 2013B Bond for each day during the taxable year in which such holder held such Series 2013B Bond. The daily portion of original issue discount on any

Discount 2013B Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Series 2013B Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Series 2013B Bond's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Discount 2013B Bond at the beginning of any accrual period is the sum of the issue price of the Discount 2013B Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Series 2013B Bond that were not qualified stated interest payments. Under these rules, holders will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Series 2013B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

Any owner who purchases a Series 2013B Bond at a price which includes market discount in excess of a prescribed de minimis amount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) 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 owner 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 2013B Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner 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.

An owner of a Series 2013B Bond who acquires such Series 2013B Bond at a market discount also may be required to defer, until the maturity date of such Series 2013B Bonds or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2013B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Series 2013B 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 2013B Bond for the days during the taxable year on which the owner held the Series 2013B 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 2013B 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 bondowner elects to include such market discount in income currently as described above.

Bond Premium

A purchaser of a Series 2013B Bond who purchases such Series 2013B Bond at a cost greater than its then principal amount (or, in the case of a Series 2013B Bond issued with original issue premium, at a price in excess of its adjusted issue price) will have amortizable bond premium. If the holder elects to amortize the premium under Section 171 of the Code (which election will apply to all bonds held by the holder on the first day of the taxable year to which the election applies, and to all bonds thereafter acquired by the holder), such a purchaser must amortize the premium using constant yield principles based on the purchaser'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. Different rules apply to Discount 2013B Bonds that are acquired with "acquisition premium" (that is, at a price generally in excess of the Bond's adjusted issue price). Purchasers of any Series 2013B Bonds who acquire such Series 2013B Bonds at a premium (or with acquisition premium) should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2013B Bonds.

Sale or Redemption of Series 2013B Bonds

A bondowner's tax basis for a Series 2013B Bond is the price such owner pays for the Series 2013B Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2013B Bond, measured by the difference between the amount realized and the Series 2013B Bond basis as so adjusted, will generally give rise to capital gain or loss if the Series 2013B Bond is held as a capital asset (except as discussed above under "Market Discount"). The defeasance of the Series 2013B Bonds may result in a deemed sale or exchange of such Series 2013B Bonds under certain circumstances; owners of such Series 2013B Bonds should consult their tax advisors as to the federal income tax consequences of such an event.

Backup Withholding

A bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding tax is 28%) with respect to interest or original issue discount on the Series 2013B Bonds. This withholding generally applies if the owner of a Series 2013B Bond (a) fails to furnish the Trustee or other payor with its taxpayer identification number; (b) furnishes the Trustee or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Trustee or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series 2013B Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2013B Bonds will be reported to the bondowners and to the Internal Revenue Service.

Nonresident Bondowners

Under the Code, interest and original issue discount income with respect to Series 2013B Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if DASNY (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series 2013B Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2013B Bonds.

State Taxes – Series 2013 Bonds

Bond Counsel is also of the opinion that, by virtue of the Act, interest on the Series 2013 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

Bond Counsel expresses no opinion as to other State or local tax law consequences arising with respect to the Series 2013 Bonds nor as to the taxability of the Series 2013 Bonds or the income derived therefrom under the laws of any other state other than the State of New York. In all events, all investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the Series 2013 Bonds.

PART 11 - STATE NOT LIABLE ON THE SERIES 2013 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 or bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2013 Bonds are not a debt of the State and that the State is not liable on them.

PART 12 - COVENANT BY THE STATE

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

PART 13 - LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2013 Bonds by DASNY are subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel, whose approving opinion will be delivered with the Series 2013 Bonds. The proposed form of Bond Counsel's opinion is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the University by its General Counsel, Bonnie Brier, Esq., and its special counsel, Sidley Austin LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Fulbright & Jaworski LLP, New York, New York, a member of Norton Rose Fulbright.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2013 Bonds or questioning or affecting the validity of the Series 2013 Bonds or the proceedings and authority under which they are to be issued.

PART 14 - UNDERWRITING

J.P. Morgan Securities LLC, as representative of the Underwriters, have jointly and severally agreed, subject to certain conditions, to purchase the Series 2013 Bonds from DASNY and to make an initial public offering of Series 2013 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The purchase price (i) for the Series 2013A Bonds shall be $135,234,934.86 (which reflects a par amount of $126,525,000.00, a net original issue premium of $9,402,356.15 and an underwriters' discount of $692,421.29) and (ii) for the Series 2013B Bonds shall be $32,105,462.06 (which reflects a par amount of $32,280,000.00 and an underwriters' discount of $174,537.94). The Underwriters will be obligated to purchase all such Series 2013 Bonds if any are purchased.

The Series 2013 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such initial public offering prices, and such initial public offering prices may be changed, from time to time, by the Underwriters.

The following two sentences have been provided by J.P. Morgan Securities LLC: J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2013 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, including the Series 2013 Bonds, to the retail customers of UBSFS and CS&Co at the original issue prices. Pursuant to each Dealer Agreement, each of UBSFS and CS& Co. will purchase Series 2013 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2013 Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2013 Bonds, has entered into a retail distribution with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2013 Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

Wells Fargo Bank, National Association ("WFBNA"), the senior underwriter of the Series 2013 Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2013 Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2013 Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the Series 2013 Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the University, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) 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 the University.

PART 15 - CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended ("Rule 15c2-12"), the University has undertaken in a written agreement (the "Continuing Disclosure Agreement") for the benefit of the Bondholders to provide to Digital Assurance Certification LLC ("DAC"), on behalf of DASNY as DASNY's disclosure dissemination agent, on or before 120 days after the end of each fiscal year, commencing with the fiscal year of the University ending August 31, 2013, for filing by DAC with the Municipal Securities Rulemaking Board ("MSRB") and its Electronic Municipal Market Access system for municipal securities disclosures, on an annual basis, operating data and financial information of the type hereinafter described which is included in "PART 6 - THE UNIVERSITY" of this Official Statement (the "Annual Information"), together with the University's annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America. However, if audited financial statements are not then available, unaudited financial statements must be delivered to DAC for delivery to the MSRB.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the University, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the University and DASNY, to file such information and financial statements, as promptly as practicable, but no later than three business days after receipt of the information by DAC from the University, with the MSRB.

The University also will undertake in the Continuing Disclosure Agreement to provide to DASNY, the Trustee and DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the "Notices"). In addition, DASNY and the Trustee have undertaken, for the benefit of the Bondholders, to provide such Notices to DAC, should DASNY have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from the University, the Trustee or DASNY, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2013 Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC's obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the University, DASNY or the Trustee has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, Audited Financial Statements, Notices or any other information, disclosures or notices provided to it by the University, the Trustee or DASNY and shall not be deemed to be acting in any fiduciary capacity for DASNY, the University, the Holders of the Series 2013 Bonds or any other party. DAC has no responsibility for the failure of DASNY to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the University, the Trustee or DASNY has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University, the Trustee and DASNY with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as DASNY's disclosure dissemination agent terminate, DASNY will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

The Annual Information will consist of the following: (a) operating data and financial information of the type included in this Official Statement in "PART 6 - THE UNIVERSITY" under the headings "OPERATING INFORMATION" and "FINANCIAL STATEMENT INFORMATION" relating to: (1) *student admissions*, similar to that set forth in the table entitled "UNDERGRADUATE ADMISSION STATISTICS;" (2) *student enrollment*, similar to that set forth in the tables entitled "ENROLLMENT SUMMARY," "ENROLLMENT BY SCHOOL," and "DEGREES CONFERRED;" (3) *tuition and fees*, similar to that set forth in the table entitled "TUITION AND FEE CHARGES;" (4) *financial aid*, similar to that set forth under the subheading "Student Financial Aid;" (5) *faculty*, similar to that set forth in the table entitled "FACULTY PROFILE;" (6) *employee relations*, including material information about union contracts and, unless such information is included in the audited financial statements of the University, retirement plans; (7) *restricted and designated net assets*, unless such information is included in the audited financial statements of the University; (8) *fundraising*, similar to that set forth in the table entitled "Fundraising and Development: Gifts and Pledges;" (9) *University investment in plant*, unless such information is included in the audited financial statements of the University; and (10) *outstanding long-term indebtedness*, unless such information is included in the audited financial statements of the University; together with (b) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the University and in judging the financial and operating condition of the University.

The Notices include notices of any of the following events (the "Notice Events") with respect to the Series 2013 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, IRS notices or events affecting the tax status of the Series 2013 Bonds; (7) modifications to the rights of holders of the Series 2013 Bonds, if material; (8) bond calls, if material; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2013 Bonds, if material; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of the University; (14) merger, consolidation or acquisition of the University, if material; (15) appointment of a successor or additional trustee, or the change in name of a trustee, if material; and (16) failure to provide annual information as required. In addition, DAC will undertake, for the benefit of the Holders of the Series 2013 Bonds, to provide to the MSRB, in a timely manner, notice of any failure by the University to provide the Annual Information and annual financial statements by the date required in the University's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertaking of DAC, the University, the Trustee and/or DASNY, and no person, including any Holder of the Series 2013 Bonds, may recover monetary damages thereunder under any circumstances. DASNY or the University may be compelled to comply with their respective obligations under the Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder of Outstanding Series 2013 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2013 Bonds, or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of the Series 2013 Bonds. However, the Trustee is not required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Series 2013 Bonds at the time Outstanding. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution, the Series 2013 Resolution or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided; the description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2013 Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure

Agreement when executed by the parties thereto upon the delivery of the Series 2013 Bonds will be on file at the principal office of DASNY.

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

PART 16 - RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa3" to the Series 2013 Bonds and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's") has assigned a rating of "AA-" to the Series 2013 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: Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or both of such rating agencies if, in the judgment of any or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2013 Bonds.

PART 17 - MISCELLANEOUS

Reference in this Official Statement to the Act, the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2013A Resolution, the Series 2013B Resolution and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with the Holders of the Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2013 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2013 Bonds.

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

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

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

"APPENDIX A - CERTAIN DEFINITIONS," "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT," "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," and "APPENDIX E - FORMS OF APPROVING OPINIONS OF BOND COUNSEL" have been prepared by Nixon Peabody LLP, New York, New York, Bond Counsel.

"APPENDIX B - NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS" contains the audited financial statements of the University as of and for the years ended August 31, 2012 and 2011, which have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing in Appendix B. The preliminary financial data for any period or date after August 31, 2012 included in this Official Statement has been prepared by, and is the responsibility of, the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

The University has reviewed the parts of this Official Statement describing the University, the Estimated Sources and Uses of Funds, the Projects, and Appendix B. The University, as a condition to issuance of the Series 2013 Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

DORMITORY AUTHORITY OF
THE STATE OF NEW YORK

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

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CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

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

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

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

Additional Bonds means the Bonds, other than the Authorized Bonds, authorized and issued under the Resolution by Series Resolutions, adopted by the Authority on September 11, 2013.

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

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.

Auction Date shall have the meaning given to such term in the Resolution.

Auction Rate Bond shall have the meaning given to such term in the Resolution.

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

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

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice–Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance, the Managing Director of Construction, the Managing Director of Policy and Program Development, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, the General Counsel and the Deputy General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the University, when used with reference to any act or document, means the person or persons authorized by a resolution or the by–laws of the University 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.

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

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

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

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

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

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

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

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

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

Construction Fund means the fund so designated, created and established for a Project pursuant to the Resolution.

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 expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee 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 Credit Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

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

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

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

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in Appendix A.

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

Defeasance Security means:

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

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

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

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

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

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

Exempt Obligation means:

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

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

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

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

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Governing Body means the University's board of directors, board of trustees, or other board or group of individuals by, or under the authority of which, corporate powers of the University are exercised.

Government Obligation means:

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

(ii) an obligation 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 wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Governmental Requirements means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to a Project, 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 hereafter created, and having or asserting jurisdiction over a Project or any part of either.

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

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

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

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

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

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

(iv) the Federal National Mortgage Association or any successor thereto; or

(v) any other federal agency or instrumentality approved by the Authority.

Loan Agreement means the Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University in connection with the issuance of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

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

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

Moody's means Moody's Investor Service, Inc. or its successors or assigns.

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

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

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

(i) any Bond canceled by the Trustee at or before such date;

(ii) any Bond deemed to have been paid in accordance with the Resolution;

(iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and

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

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

Permitted Collateral means:

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

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

(iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category; or

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

Permitted Investments means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

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

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than $125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Services in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral;

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

(vii) to the extent any of the following constitute permitted investments under the “Investment Policy and Guidelines” of the Authority in effect at the time an investment is made:

(1) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, is rated in the highest short term rating category by at least two Rating Services and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least two Rating Service no lower than in the second highest rating category;

(2) an uncollateralized, unsecured certificate of deposit, time deposit or bankers' acceptance that (A) has a maturity of not more than three hundred sixty–five (365) days and (B) is issued by, or are of or with, a bank the short term obligations of which are, at the time an investment in such certificate of deposit, time deposit or bankers' acceptance is made or the same is deposited in any fund or account under the Resolution, rated "A–1" by Standard & Poor's Rating Services and "P–1" by Moody's Investors Service, Inc.; and

(3) shares or an interest in any other mutual fund, partnership or other fund whose objective is to maintain a constant share value of one dollar ($1.00) and that, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, are rated at least "AAm" or "AAm–G" by Standard & Poor's Rating Services and "Aa1" by Moody's Investors Service, Inc.

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.

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

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

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

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

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

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

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

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

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

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

Related Agreements means each Remarketing Agreement, Interest Rate Exchange Agreement and agreement entered into in connection with a Credit Facility or Liquidity Facility, to which the University is a party.

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

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

Resolution means the New York University Revenue Bond Resolution, adopted by the Authority May 28, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

Revenues means all payments received or receivable by the Authority that pursuant to the Loan Agreement are required to be paid to the Trustee (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund).

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

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

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

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

State means the State of New York.

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

Tax Certificate means a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Authorized Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section

141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

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

Trustee means the bank or trust company appointed as Trustee for 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.

University means New York University, 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.

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

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

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

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

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

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

Winning Bid Rate shall have the meaning given to such term in Section 7.11 of the Resolution.

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NEW YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011, AND REPORT OF INDEPENDENT ACCOUNTANTS

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New York University
Consolidated Financial Statements
August 31, 2012 and 2011

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August 31, 2012 and 2011

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Report of Independent Auditors

To the Board of Trustees of
New York University

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of activities and of cash flows present fairly, in all material respects, the consolidated financial position of New York University ("NYU") at August 31, 2012 and 2011 and the results of changes in net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of NYU's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 18 to the consolidated financial statements, in 2011, NYU changed the manner in which it classifies accumulated total investment returns within net assets as a result of the adoption of authoritative guidance, ASC 958 Not-for-Profit Entities.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information included on pages 41 through 48 in Appendix A - Supplemental Schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position and results of operations of the individual entities.

PricewaterhouseCoopers LLP

December 20, 2012

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New York University
Consolidated Balance Sheets
August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Assets		
Cash and cash equivalents	$ 1,417,647	$ 1,180,319
Short-term investments (Note 4)	33,568	48,474
Accounts and loans receivable, net (Note 5)	384,101	349,641
Patient accounts receivable, net	304,419	283,380
Contributions receivable, net (Note 6)	442,864	417,777
Other assets (Note 7)	247,442	234,442
Deposits with trustees (Note 8)	265,381	315,454
Collateral for securities loaned (Note 4)	6,023	4,965
Long-term investments (Note 4)	2,959,755	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	262,628	226,951
Land, buildings, and equipment, net (Note 9)	4,891,939	4,445,318
Total assets	$ 11,215,767	$ 10,396,054
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 956,294	$ 921,698
Deferred revenue	825,525	815,997
Outstanding losses and loss adjustment expenses (Note 12)	188,962	168,530
Security loan agreements payable (Note 4)	6,023	4,965
Bonds and notes payable (Notes 10 and 11)	3,191,772	2,881,201
Federal grants refundable	75,665	74,868
Accrued benefit obligation (Note 13)	296,888	154,328
Accrued postretirement obligation (Note 14)	546,900	416,948
Asset retirement obligation	138,728	137,538
Total liabilities	6,226,757	5,576,073
Net assets		
Unrestricted	2,635,053	2,580,496
Temporarily restricted (Note 18)	850,378	836,751
Permanently restricted (Note 18)	1,503,579	1,402,734
Total net assets	4,989,010	4,819,981
Total liabilities and net assets	$ 11,215,767	$ 10,396,054

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

New York University
Consolidated Statements of Activities
Years Ended August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Changes in unrestricted net assets		
Operating revenues		
Tuition and fees (net of financial aid awards of $401,313 and $369,387)	$ 1,470,547	$ 1,397,999
Grants and contracts (Note 15)	601,103	550,474
Insurance premiums earned	36,892	27,414
Patient care (Note 3)	2,326,120	2,063,192
Hospital affiliations (Note 16)	261,384	250,086
New York State appropriation	12,369	7,484
Contributions	130,281	114,911
Endowment distribution (Note 4)	118,648	109,825
Return on short-term investments (Note 4)	20,614	15,161
Auxiliary enterprises	383,362	369,339
Program fees and other	190,698	127,464
Net assets released from restrictions	129,217	114,752
Total operating revenues	5,681,235	5,148,101
Expenses (Note 17)		
Instruction and other academic programs	1,269,293	1,202,686
Research and other sponsored programs	659,276	580,042
Patient care	1,867,706	1,688,233
Hospital affiliations (Note 16)	242,457	229,475
Libraries	69,092	66,623
Student services	110,805	114,532
Institutional services	686,821	621,504
Auxiliary enterprises	428,161	424,958
Total expenses	5,333,611	4,928,053
Excess of operating revenues over expenses	347,624	220,048
Nonoperating activities		
Investment return (Note 4)	31,167	149,748
Appropriation of endowment distribution (Note 4)	(50,292)	(47,023)
Other	(4,341)	4,991
Net assets released from restrictions for capital purposes	6,836	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	(276,437)	32,629
Increase in unrestricted net assets before effect of change in accounting principle	54,557	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	-	(198,427)
Increase in unrestricted net assets after effect of change in accounting principle	54,557	188,019
Changes in temporarily restricted net assets		
Contributions	183,361	136,625
Investment return (Note 4)	42,165	176,888
Appropriation of endowment distribution (Note 4)	(68,356)	(62,802)
Other	(7,490)	(3,151)
Net assets released from restrictions	(136,053)	(136,992)
Cumulative effect of change in accounting principle (Notes 2 and 18)	-	198,427
Increase in temporarily restricted net assets	13,627	308,995
Changes in permanently restricted net assets		
Contributions	106,170	64,847
Other	(5,325)	5,647
Reclassification to unrestricted net assets (Note 18)	-	(3,813)
Increase in permanently restricted net assets	100,845	66,681
Increase in net assets	$ 169,029	$ 563,695

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

New York University
Consolidated Statements of Cash Flows
Years Ended August 31, 2012 and 2011

(in thousands of dollars)

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 169,029	$ 563,695
Adjustments to reconcile increase in net assets to		
net cash provided by operating activities		
Depreciation and amortization	339,271	293,242
Loss (gain) on disposal of property, plant, and equipment	3,881	(560)
Net gain on investments and deposits with trustees	(69,800)	(309,404)
Bad debt expense	51,525	29,467
Loss on refinancing of debt	3,258	-
Pension and postretirement obligation change	276,437	(32,629)
Asset retirement obligation adjustment	(3,960)	(1,535)
Contributions restricted for permanent investment and capital	(164,563)	(106,060)
Contributed assets	(9,726)	(1,647)
Changes in operating assets and liabilities		
Increase in accounts and loans receivable, net	(21,821)	(65,062)
Increase in patient accounts receivable	(60,245)	(77,697)
Increase in nonendowment and noncapital contributions receivable	(39,703)	(7,293)
Increase in other assets	(10,173)	(1,927)
(Decrease) increase in accounts payable and accrued expenses	(869)	107,683
Increase (decrease) in outstanding losses and adjustment expenses	20,432	(27,381)
Increase in deferred revenue	9,528	201,530
Decrease in accrued pension obligation	(5,145)	(22,218)
Increase in accrued postretirement obligation	1,220	19,178
Net cash provided by operating activities	488,576	561,382
Cash flows from investing activities		
Purchases of investments	(1,628,887)	(1,428,777)
Sales and maturities of investments	1,679,500	1,446,304
Increase in deposits held with captive	(24,057)	(12,877)
Drawdowns of unexpended bond proceeds	65,598	112,305
Additions to land, buildings, and equipment, net of disposals	(725,960)	(734,109)
Net cash used in investing activities	(633,806)	(617,154)
Cash flows from financing activities		
Contributions restricted for permanent investment and capital	112,968	82,413
Decrease in endowment and capital contributions receivable	12,053	13,260
Proceeds from short-term borrowings	374,682	196,375
Proceeds from long-term borrowings	268,907	-
Principal payments on short-term borrowings	(296,550)	(76,000)
Principal payments on bonds and notes payable	(83,937)	(89,078)
Payments of deferred financing costs	(2,191)	(2,830)
Increase in federal grants refundable	797	1,247
(Increase) decrease in deposits with bond trustees	(4,171)	13,960
Net cash provided by financing activities	382,558	139,347
Net increase in cash	237,328	83,575
Cash		
Beginning of year	1,180,319	1,096,744
End of year	$ 1,417,647	$ 1,180,319
Supplemental disclosure of cash flow information		
Bond proceeds	$ 324,988	$ 128,969
Interest paid	$ 125,847	$ 131,549
Non-cash acquisitions of property, plant and equipment	$ 50,965	$ 50,295
Assets acquired under capital leases	$ 33,431	$ 735

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

(in thousands of dollars)

1. Description of New York University

Founded in 1831, New York University (NYU) is a private institution of higher education, research, and patient care located primarily in New York City. NYU is recognized both nationally and internationally as a leader in scholarship and is a member of the distinguished Association of American Universities.

The consolidated reporting entities for NYU consist of the University, which represents the consolidation of the Washington Square and Polytechnic Institute of New York University (Polytechnic) campuses, and the NYU Langone Medical Center (Medical Center), which represents the consolidation of the NYU Hospitals Center (the Hospitals Center or NYUHC), the NYU School of Medicine (NYUSoM) and CCC550 as described below. Consolidating balance sheets and statements of activities for the University and the NYU Langone Medical Center are presented in Appendix A.

The University
Washington Square includes eighteen colleges and divisions each with its own traditions, programs and faculty. The schools, in order of founding date, are the College of Arts and Science, School of Law, NYU School of Medicine (reported with the Hospitals Center as a part of NYU Langone Medical Center), College of Dentistry, Graduate School of Arts and Science, Steinhardt School of Culture, Education and Human Development, Leonard N. Stern School of Business, Courant Institute of Mathematical Sciences, School of Continuing and Professional Studies, Institute of Fine Arts, Robert F. Wagner Graduate School of Public Service, Post-Graduate Medical School, Silver School of Social Work, Tisch School of the Arts, Gallatin School of Individualized Study, College of Nursing, the Institute for the Study of the Ancient World and NYU Abu Dhabi. Washington Square also operates academic program sites and research programs in other parts of the United States and abroad.

In addition to the colleges and divisions, NYU will be operating NYU Shanghai, which will grant NYU degrees, as a joint venture with East China Normal University, with an intended opening Fall 2013.

Effective July 1, 2008, Polytechnic University became affiliated with NYU under the name Polytechnic Institute of New York University. On that date, NYU became the sole member of Polytechnic. Polytechnic is a private, co-educational institution founded in 1854, offering programs in engineering, applied sciences and management. Polytechnic has its main campus in downtown Brooklyn. The University has not assumed any responsibility or liability for the financial obligations of Polytechnic.

Polytechnic financial results have been included as of June 30, 2012 and 2011 and for the twelve month fiscal years ended June 30, 2012 and 2011. The effect of using this fiscal reporting period was not material to the consolidated financial statements.

NYU Langone Medical Center
NYU is the sole member of the Hospitals Center. The NYU Board of Trustees appoints the members of the Hospitals Center Board, who are also appointed as members of the New York University School of Medicine Advisory Board. The Hospitals Center and the NYU School of Medicine are referred to collectively as the NYU Langone Medical Center and share a common management. The University has not assumed any responsibility or liability for the financial obligations of the Hospitals Center.

(in thousands of dollars)

The Hospitals Center represents one of the nation's premier centers of excellence in health care and encompasses three hospitals and an off-shore captive insurance corporation, CCC550 Insurance, Inc. (CCC550). The central component of the Hospitals Center is Tisch Hospital, a 705-bed acute care facility and a major center for specialized procedures in cardiovascular services, neurosurgery, cancer treatment, reconstructive surgery and transplantation. The Rusk Institute of Rehabilitation Medicine, a 174-bed unit, has earned worldwide recognition for its leadership in treatment of the physically challenged. The Hospital for Joint Diseases (HJD) is a 190-bed acute care facility specializing in orthopedic services. The Cancer Center is a New York not-for-profit corporation whose purpose is to promote and support the diagnosis and treatment of cancer. The Hospitals Center is the sole member of the Cancer Center, with the University retaining approval rights over certain matters. CCC550 is solely owned by the Hospitals Center and provides hospital professional liability and hospital general liability insurance to the Hospitals Center and professional liability insurance to voluntary attending physicians (VAPs) affiliated with the Hospitals Center. CCC550 is subject to taxation in accordance with section 29 of the Exempt Insurance Act in Barbados.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of NYU have, in all material respects, been prepared on an accrual basis in accordance with generally accepted accounting principles in the United States.

The accompanying consolidated financial statements include the accounts of NYU, as well as its separately incorporated affiliates. NYU and, generally, all of its affiliates are exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code.

NYU prepares its consolidated financial statements in accordance with the provisions of Accounting Standards Codification (ASC), Topic 958. This standard focuses on the entity as a whole and requires classification of net assets as unrestricted, temporarily restricted or permanently restricted, as determined by the existence or absence of restrictions placed on the assets' uses by donors or by provision of law. A description of the net assets classifications follows:

Permanently Restricted net assets include gifts, pledges, trusts, and gains explicitly required by donors to be retained in perpetuity, while allowing the use of the investment return for general or specific purposes, in accordance with donor provisions.

Temporarily Restricted net assets include contributions and investment return that can be expended when donor or legal restrictions have been met. Contributions receivable that do not carry a purpose restriction are deemed to be time restricted. Temporary restrictions are removed either through the passage of time or because certain actions are taken by NYU that fulfill the restrictions or both.

Unrestricted net assets are the remaining net assets of NYU that are used to carry out its missions of education, research and patient care which are not subject to donor restrictions.

(in thousands of dollars)

Operations

Tuition and fees are derived from degree programs as well as executive and continuing education programs. Tuition and fee revenue is recognized as operating income in the period in which it is earned. Tuition and fee receipts received in advance are recorded as deferred revenue. Net tuition and fees are computed after deducting certain scholarships and fellowships awarded to students. Revenues and expenses related to conducting programmatic activities and provision of services by NYU are classified as operating in the consolidated statement of activities. Investment return relating to board-designated endowment funds and the related endowment appropriation, as well as changes in pension and postretirement obligations and unusual or nonrecurring activity, are classified as nonoperating in the consolidated statement of activities.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received at their fair value. Contributions receivable are reported at their discounted present value, using an estimated interest rate for the year in which the promise was received and considers market and credit risk as applicable (1.9% in 2012 and 3.0% in 2011). Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Allowances are recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Collections

The University does not assign values to collection items. Collection items are generally held for educational purposes and are not disposed of for financial gain or otherwise encumbered in any manner.

Uncompensated Care

As a matter of policy, the Hospitals Center provides significant amounts of partially or totally uncompensated patient care. For accounting purposes, such uncompensated care is treated either as charity care or bad debt expense.

Charity Care: The Hospitals Center's charity care policy, in accordance with the New York State Department of Health's guidelines, ensures the provision of quality health care to the community served while carefully considering the ability of the patient to pay. The policy has sliding fee schedules for inpatient, ambulatory and emergency services provided to the uninsured and under-insured patients that qualify. Patients are eligible for the charity care fee schedule if they meet certain income and liquid asset tests. For accounting and disclosure purposes, charity care is reported at cost. Since payment of this difference is not sought, charity care allowances are not reported as revenue. Total charity care for all patient services was $23,083 and $21,190 for the years ended August 31, 2012 and 2011, respectively. This equated to an approximate cost of $7,191 and $7,210 for the years ended August 31, 2012 and 2011, which is based on a ratio of cost to charges during the period.

Bad Debt Expense: Patients who do not qualify for sliding scale fees and all uninsured inpatients who do not qualify for Medicaid assistance are billed at the Hospitals Center's full rates. Uncollected balances for these patients are categorized as bad debts. Similarly, at the School of Medicine, those balances which are deemed uncollectible based on an inability or unwillingness to pay are written off. Uncollected balances for these patients are categorized as bad debts and totaled $39,206 and $24,127 for the years ended August 31, 2012 and 2011, respectively.

(in thousands of dollars)

Cash and Cash Equivalents
Cash and cash equivalents include cash and all highly-liquid debt instruments with maturities of three months or less when purchased. This does not include pooled investments with less than three months to maturity held within the long-term investment portfolio. The carrying amount of cash and cash equivalents approximates fair value due to the short-term maturity of the instruments.

Land, Buildings, and Equipment
Land, buildings and equipment are carried at their acquisition or construction cost. If donated, these assets are recorded at their fair value on the date of the gift. Buildings and equipment are depreciated over their estimated useful lives (buildings and building improvements 10-55 years, equipment 3-10 years) using the straight-line method.

Asset Retirement Obligation
NYU recognizes asset retirement obligations on future events, such as the abatement of asbestos, and removal of lead-based paint and petroleum bulk storage tanks from buildings. The fair value of the liability for a conditional asset retirement obligation is recognized in the period in which it occurred, provided that it can be reasonably estimated. Corresponding asset retirement costs (net of accumulated depreciation) have been included in land, buildings and equipment.

Accounting Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications
Certain amounts in the 2011 consolidated financial statements have been reclassified to conform to the current year's presentation.

New Authoritative Pronouncements
Effective for the fiscal year ended August 31, 2012, NYU adopted Accounting Standards Update (ASU) No. 2010-23, *Measuring Charity Care for Disclosure*. ASU No. 2010-23 requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. ASU No. 2010-23 also requires separate disclosure of the amount of any cash reimbursements received for providing charity care. These disclosures are included in the Uncompensated Care section of Note 2.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2010-24*, Presentation of Insurance Claims and Related Insurance Recoveries*. Under ASU No. 2010-24, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. Adoption of the standard had no impact on NYU's balance sheets.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2011-07, *Presentation and Disclosures of Patient Service Revenue Provision for Bad Debts and Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU No. 2011-07, requires that health care entities must reclassify their provisions for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and

(in thousands of dollars)

discounts). This guidance is effective for fiscal years beginning after December 15, 2011, with early adoption permitted. The Medical Center has early adopted this guidance within its combined statements of operations for the fiscal year ended August 31, 2012, and also applied the guidance retrospectively for the year ended August 31, 2011. The enhanced disclosures required under this guidance are included in Note 3.

Effective for the fiscal year ended August 31, 2012, NYU adopted ASU No. 2011-09, *Compensation Retirement Benefits Multiemployer Plans*. ASU No. 2011-09 requires that employers provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans. These disclosures are provided in Note 13.

Effective for the fiscal year ended August 31, 2012, NYU adopted additional disclosure requirements of ASC Topic 820, *Fair Value Measurements and Disclosures*, which requires gross reporting of changes of Level 3 investments related to purchase and sale activity. This standard requires that information, such as description of and reason for transfers be disclosed. There were no significant transfers in and out of Levels 1 and 2 fair value measurements in 2012.

3. Patient Care Revenue

The Medical Center has agreements with third party payers that provide for payments at amounts different from its established rates (i.e. gross charges). Payment arrangements include prospective determined rates per discharge, reimbursed costs, discounted charges and per diem payments.

Patient care revenue for the Medical Center is reported at the estimated net realizable amounts due from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to ongoing and future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Patient service revenue for the Medical Center, net of contractual allowances and discounts, recognized in the period from these major sources, is as follows for the years ended August 31, 2012 and 2011:

	2012	2011
Gross charges	$ 7,168,847	$ 5,342,641
Allowances	(4,850,613)	(3,300,604)
Patient service revenue, net of contractual allowances	2,318,234	2,042,037
Bad debt	(39,206)	(24,127)
Total net patient service revenue	$ 2,279,028	$ 2,017,910

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. The Medical Center's estimation process includes a monthly review of the collectability of receivables based on the payer classification and the period from which the receivables have been outstanding.

(in thousands of dollars)

The Medical Center has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates, based on industry-wide and Medical Center-specific data. The net amounts due to third party payers at August 31, 2012 and 2011 are $104,082 and $74,175, respectively. Additionally, certain payers' payment rates for various years have been appealed by the Medical Center. If the appeals are successful, additional income applicable to those years may be realized.

The Hospital Centers' Medicare cost reports have been audited through December 31, 2004 and finalized through 2002 by the Medicare intermediary.

The mix of receivables (net of contractual allowances and advances from certain third-parties) from patients and third party payers at August 31, 2012 and 2011 are as follows:

	2012		2011	
	NYUHC	**NYUSoM**	**NYUHC**	**NYUSoM**
Medicare	14 %	26 %	21 %	23 %
Medicaid	2	6	3	4
Blue Cross	14	18	17	18
Managed care and other	70	50	59	55
	100 %	100 %	100 %	100 %

4. Investments

Fair Value Measurements

Authoritative guidance of fair value measurements, ASC Topic 820, *Fair Value Measurements and Disclosures*, *Fair Value Measurements*, establishes a hierarchy of valuation methodologies based on the extent to which asset valuations are observable in the marketplace. The following describes the hierarchy of methodologies used to measure fair value of investments:

Fair value for Level 1 is based on quoted prices in actively traded markets that NYU has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. NYU does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for instruments similar to those held by NYU in actively traded markets, quoted prices for identical instruments held by NYU in markets that are not actively traded and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources including market participants, dealers and brokers.

Fair value for Level 3 is based on valuation techniques used to assess prices that are unobservable as the assets trade infrequently or not at all.

Investments included in Level 3 primarily consist of NYU's ownership in alternative investments (principally limited partnership interests in Fixed Income, Equity, Opportunistic & Credit, Real Assets and other similar funds). The net asset value (NAV) of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general

(in thousands of dollars)

partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer and subsequent developments concerning the companies to which the securities relate. NYU has performed due diligence around these investments to ensure NAV is an appropriate measure of fair value as of August 31, 2012 and 2011.

Asset Classes
Investments held by NYU's investment pool are categorized as follows:

NYU invests across a broad range of asset classes, including Equity, Real Assets, Opportunistic & Credit, and Fixed Income. NYU may invest directly in the securities of these asset classes, or indirectly or through interests in funds and limited partnerships. Securities held directly by NYU are valued at their observable market prices. The value of holdings in funds and limited partnerships are in accordance with the valuations provided by their investment managers. Funds and limited partnerships may make investments in securities that are publicly traded, which are generally valued based on observable market prices, unless a restriction exists. Managers of investment funds and limited partnerships value those investments based upon the best information available for a given circumstance and may incorporate assumptions that are the investment manager's best estimates after consideration of a variety of internal and external factors. If no public market exists for the investments, the fair value is determined by the investment manager taking into consideration, among other things, the cost of the investment, prices of recent significant placements of similar investments of the same issuer and subsequent developments concerning the companies to which the investments relate. If NYU has the ability to redeem from an alternative investment up to 90 days beyond the measurement date at NAV, the investment is generally categorized as Level 2. If the redemption period extends beyond 90 days, the investment is categorized as Level 3. Funds that NYU does not have discretion for timing of withdrawals are categorized as Level 3.

Equity
Equity consists of public equity (which may include passive index exposure) and alternative equity strategies including long/short equity and private equity. Included in this asset class are $240,919 and $242,939 of private equity funds as of August 31, 2012 and 2011, respectively.

Real Assets
Real Assets includes public and private investments in real estate and natural resources. Included in this asset class are $100,198 and $85,072 of private investments as of August 31, 2012 and 2011, respectively.

Opportunistic & Credit
Opportunistic & Credit includes a diverse range of strategies which includes: credit, distressed situations, opportunistic value, macro, event driven, relative value, risk arbitrage and special situations.

Fixed Income
Fixed Income includes investments in cash and cash equivalents, U.S. and foreign bonds, and corporate and asset-backed securities.

Other Long-Term Investments
Other Long-Term Investments is predominantly comprised of liquidating investments (valued at NAV as determined by the general partner).

(in thousands of dollars)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NYU believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table summarizes the fair value of financial instruments at August 31:

	2012			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Long-term investments				
Equity	$ 178,505	$ 625,877	$ 570,259	$ 1,374,641
Real assets	53,147	115,538	100,198	268,883
Opportunistic & credit	-	294,708	582,978	877,686
Fixed income	47,351	171,683	132,366	351,400
Other	23,333	5,745	32,817	61,895
Subtotal investment pool	302,336	1,213,551	1,418,618	2,934,505
Equity	18,843	3,144	-	21,987
Fixed income	-	1,238	-	1,238
Other	-	-	2,025	2,025
Subtotal other long-term investments	18,843	4,382	2,025	25,250
Total long-term investments	321,179	1,217,933	1,420,643	2,959,755
Short-term investments				
Working capital	33,568	-	-	33,568
Total short-term investments	33,568	-	-	33,568
Other financial instruments				
Funds held in perpetual trust (Note 7)	-	-	11,179	11,179
Deposits with trustees (Note 8)	231,552	33,829	-	265,381
Assets held by CCC550 (Note 12)	-	-	262,628	262,628
Total	$ 586,299	$ 1,251,762	$ 1,694,450	$ 3,532,511

(in thousands of dollars)

	2011			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Long-term investments				
Equity	$ 207,461	$ 623,870	$ 522,479	$ 1,353,810
Real assets	-	152,674	85,072	237,746
Opportunistic & credit	-	192,112	592,025	784,137
Fixed income	82,179	173,191	176,078	431,448
Other	6,391	5,717	45,183	57,291
Subtotal investment pool	296,031	1,147,564	1,420,837	2,864,432
Equity	18,877	3,141	-	22,018
Fixed income	-	1,183	-	1,183
Other	-	-	1,700	1,700
Subtotal other long-term investments	18,877	4,324	1,700	24,901
Total long-term investments	314,908	1,151,888	1,422,537	2,889,333
Short-term investments				
Working capital	48,474	-	-	48,474
Total short-term investments	48,474	-	-	48,474
Other financial instruments				
Funds held in perpetual trust (Note 7)	-	-	11,967	11,967
Deposits with trustees (Note 8)	271,163	44,291	-	315,454
Assets held by CCC550 (Note 12)	-	-	226,951	226,951
Total	$ 634,545	$ 1,196,179	$ 1,661,455	$ 3,492,179

The following table provides the changes in the amounts reported in the balance sheets for financial instruments classified by NYU within Level 3 of the fair value hierarchy defined above:

	2012							
	Equity	Real Assets	Opportunistic & Credit	Fixed Income	CCC550	Perpetual Trust	Other	Total Investments
Fair value, August 31, 2011	$ 522,479	$ 85,072	$ 592,025	$ 176,078	$ 226,951	$ 11,967	$ 46,883	$ 1,661,455
Realized gains (losses)	16,497	9,582	29,257	5,654	2,159	-	(1,479)	61,670
Unrealized (losses) gains	10,203	(6,143)	(9,758)	(4,305)	3,299	(788)	2,229	(5,263)
Purchases	89,416	25,138	119,897	-	30,219	-	-	264,670
Sales	(68,336)	(13,451)	(148,443)	(45,061)	-	-	(12,791)	(288,082)
Fair value, August 31, 2012	$ 570,259	$ 100,198	$ 582,978	$ 132,366	$ 262,628	$ 11,179	$ 34,842	$ 1,694,450

	2011							
	Equity	Real Assets	Opportunistic & Credit	Fixed Income	CCC550	Perpetual Trust	Other	Total Investments
Fair value, August 31, 2010	$ 429,901	$ 62,409	$ 589,055	$ 156,498	$ 205,998	$ 14,250	$ 57,278	$ 1,515,389
Realized gains (losses)	25,886	4,394	31,859	-	-	-	(2,480)	59,659
Unrealized gains (losses)	52,747	5,444	23,613	19,580	20,953	(2,283)	5,865	125,919
Net purchases, sales, settlements	13,945	12,825	(52,502)	-	-	-	(13,780)	(39,512)
Fair value, August 31, 2011	$ 522,479	$ 85,072	$ 592,025	$ 176,078	$ 226,951	$ 11,967	$ 46,883	$ 1,661,455

(in thousands of dollars)

At August 31, 2012, NYU's unfunded commitments are as follows:

	Unfunded Commitments	Remaining Life	Timing to Draw Commitments
Equity	$ 51,800	Up to 10 years	7 to 30 days
Opportunistic & credit	66,900	Up to 10 years	7 to 30 days
Real assets	56,000	Up to 15 years	7 to 30 days
	$ 174,700		

NYU records purchases and sales of securities on a trade-date basis. NYU has included receivables for securities sold of $5,600 and $4,000 at August 31, 2012 and 2011, respectively, and liabilities for securities purchased of $2,465 and $1,000 at August 31, 2012 and 2011, respectively, in long-term investments.

Investment securities having a fair value of $5,838 and $4,836 at August 31, 2012 and 2011, respectively, were lent to various brokerage firms. The securities are returnable on demand and were collateralized by cash deposits of $6,023 and $4,965 at August 31, 2012 and 2011, respectively. The collateral is invested in short-term securities and income is credited to the long-term investment pool.

Total investment return for the years ended August 31, 2012 and 2011 is as follows:

	2012	2011
Dividends and interest	$ 24,861	$ 33,258
Realized and unrealized gains, net	75,156	315,925
Investment expenses	(6,071)	(7,386)
Total investment return, net	$ 93,946	$ 341,797
Endowment distribution approved for spending	$ 118,648	$ 109,825
Return on short-term investments	20,614	15,161
Unrestricted investment return, net of spending	(19,125)	102,725
Temporarily restricted investment return, net of spending	(26,191)	114,086
Total investment return, net	$ 93,946	$ 341,797

(in thousands of dollars)

NYU (with the exception of Polytechnic) maintains an investment pool for its long-term investments which include its endowment and similar funds. The pool is managed to achieve the maximum long-term return given prudent risk parameters. NYU's Board of Trustees has authorized a policy designed to allow asset growth while providing a predictable flow of return to support operations. This policy permits the use of investment return at approved spending rates (approximately 5% in 2012 and 2011). The rate is applied to the twelve-quarter moving average fair value of the investment pool. Investment return (realized and unrealized net gains or losses on investments, interest and dividends) and the appropriation for the approved endowment distribution for board-designated endowment funds are reported as nonoperating activities in the consolidated statement of activities. Investment return and the appropriation for the approved endowment distribution for true endowment funds are reported as temporarily restricted activities in the consolidated statement of activities.

Polytechnic has endowment and similar funds invested in a separate pool. Polytechnic's Board of Trustees authorized spending rates for 2012 and 2011 of 5.5% and 3.4%, respectively, of the three-year rolling average market value of the endowment.

5. Accounts and Loans Receivable

Accounts and loans receivable consist of the following at August 31, 2012 and 2011:

	2012	2011
Students and other	$ 145,985	$ 98,257
Grants and contracts	53,040	62,580
Student loans	110,295	108,641
Housing loans and other loans to employees	70,108	70,359
Insurance premiums (CCC550)	35,849	45,149
	415,277	384,986
Allowance for uncollectible amounts	(31,176)	(35,345)
Accounts and loans receivable, net	$ 384,101	$ 349,641

The allowance for uncollectible amounts at August 31, 2012 and 2011 consists of the following:

	2012	2011
Students and other	$ (12,480)	$ (16,823)
Grants and contracts	(11,104)	(11,418)
Student loans	(7,037)	(7,082)
Housing loans and other loans to employees	(555)	(22)
Total allowance for uncollectible amounts	$ (31,176)	$ (35,345)

A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the notes cannot be sold and can only be assigned to the U.S. Government or its designees. The fair value of loans receivable from students under NYU's loan programs approximates carrying value.

(in thousands of dollars)

Student loans consist primarily of federal advances to the University under the Perkins Loan Program which totaled $77,007 and $74,981 at August 31, 2012 and 2011, respectively. The University records a liability on its balance sheet for these advances.

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluation of the student loan and student receivable portfolios.

Housing loans and other loans to employees are secured by an interest in the underlying property or continued employment.

6. Contributions Receivable

Contributions receivable consist of the following at August 31, 2012 and 2011:

	2012	2011
Amounts expected to be collected in:		
Less than one year	$ 113,328	$ 126,132
One to five years	368,089	333,622
More than five years	81,483	78,751
	562,900	538,505
Discount to present value	(51,132)	(54,407)
Allowance for uncollectible amounts	(68,904)	(66,321)
Contributions receivable, net	$ 442,864	$ 417,777

Contributions receivable activity for the years ended August 31, 2012 and 2011 is as follows:

	2012	2011
Contributions receivable, beginning of year, net	$ 417,777	$ 417,025
Add discount to present value and allowance for uncollectible amounts	120,728	131,493
Contributions receivable beginning of year, gross	538,505	548,518
New pledges received (undiscounted)	250,005	161,079
Adjustments and write-offs	(14,486)	(6,542)
Pledge payments received	(211,124)	(164,550)
Subtotal	562,900	538,505
Deduct discount to present value and allowance for uncollectible amounts	(120,036)	(120,728)
Contributions receivable, end of year, net	$ 442,864	$ 417,777

Conditional promises to give, not included in these financial statements, are $625,827 and $656,621 at August 31, 2012 and 2011, respectively.

(in thousands of dollars)

Expenses related to fundraising activities are $34,266 and $31,347 for the years ended August 31, 2012 and 2011, respectively.

7. Other Assets

Other assets consist of the following at August 31, 2012 and 2011:

	2012	2011
Prepaid expenses and deferred charges	$ 82,883	$ 61,216
Third-party payer receivables	9,598	14,691
Inventory	33,232	36,497
Unamortized bond issuance costs	45,282	44,598
Real estate held for sale	10,360	18,272
Donated royalty	17,708	17,760
Perpetual trusts	11,179	11,967
Other	37,200	29,441
Other assets	$ 247,442	$ 234,442

Real estate held for sale of $10,360 and $18,272 at August 31, 2012 and 2011, respectively, represents the remaining inventory of units in the Riverwalk Landing Condominium. These residential units are held by the University for sale to faculty and administrators.

8. Deposits with Trustees

Deposits with trustees consist of the following at August 31, 2012 and 2011:

	2012	2011
Unexpended Bond Proceeds		
Construction funds	$ 157,488	$ 192,051
Debt service funds	5,502	5,435
Debt service reserve funds	72,228	69,154
Capitalized interest funds	7,626	12,973
Other	648	14,665
Perpetual trust	21,889	21,176
Deposits with trustees	$ 265,381	$ 315,454

NYU is the income beneficiary of a perpetual trust. The income from this trust must be used for the support, maintenance and utilization of Villa La Pietra and the Acton Collection located in Florence, Italy. The trust income is also to be used for the education, benefit and assistance of faculty and students of the arts and crafts, architecture, literature, music, history of the arts and all other arts either in the United States or abroad.

(in thousands of dollars)

9. Land, Buildings, and Equipment

Land, buildings and equipment consist of the following at August 31, 2012 and 2011:

	2012	2011
Land	$ 205,445	$ 202,444
Buildings and building improvements	5,899,661	5,372,563
Equipment	1,075,360	1,029,805
Construction in progress	707,713	612,279
	7,888,179	7,217,091
Less: Accumulated depreciation	(2,996,240)	(2,771,773)
Land, buildings, and equipment, net	$ 4,891,939	$ 4,445,318

Depreciation expense is $333,730 and $287,811 for the years ended August 31, 2012 and 2011, respectively.

Capitalized software is $99,021 and $103,835 for the years ended August 31, 2012 and 2011, respectively.

10. Bonds and Notes Payable

NYU has various bond issues outstanding, primarily issued through the Dormitory Authority of the State of New York (DASNY). Washington Square and the School of Medicine are considered the legally obligated group for certain borrowings presented below as the "Total Obligated Group".

Bonds and notes payable consist of the following at August 31, 2012 and 2011:

	2012					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	$ 1,732,706	$ 213,799	$ 1,946,505	$ -	$ 504,049	$ 2,450,554
New York City Industrial Development Agency (NYCIDA)	-	-	-	103,141	-	103,141
New York University (NYU)	41,868	86,432	128,300	-	248,964	377,264
Other bonds and notes payable	87,913	6,638	94,551	16,002	150,260	260,813
Bonds and notes payable	$ 1,862,487	$ 306,869	$ 2,169,356	$ 119,143	$ 903,273	$ 3,191,772

* As of June 30

(in thousands of dollars)

	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
Issuer						
Dormitory Authority of the State of New York (DASNY)	$ 1,528,530	$ 215,523	$ 1,744,053	$ -	$ 517,210	$ 2,261,263
New York City Industrial Development Agency (NYCIDA)	62,061	-	62,061	105,146	-	167,207
New York University (NYU)	41,868	86,432	128,300	-	-	128,300
Other bonds and notes payable	226,130	735	226,865	15,899	81,667	324,431
Bonds and notes payable	$ 1,858,589	$ 302,690	$ 2,161,279	$ 121,045	$ 598,877	$ 2,881,201

* As of June 30

In 2012, DASNY issued $208,625 of revenue bonds (Series 2012A) on behalf of the Obligated Group with interest rates ranging from 2.0% to 5.0%. The Series 2012A Bonds mature serially from July 2013 through July 2032, as well as in July 2037 and July 2042. The Series 2012A Bonds maturing in 2037 and 2042 are payable in annual sinking fund installments from July 2033 and July 2038, respectively, to maturity. The proceeds are to be disbursed as follows: (i) pay or reimburse costs incurred in connection with acquiring, constructing, equipping, repairing or otherwise providing for projects at various campus locations at Washington Square; (ii) refund the outstanding balances of the New York City Industrial Development Agency Civic Facility Revenue Bonds (New York University Project), Series 2001 and DASNY's New York University Insured Revenue Bonds, 2001 Series 2 ($63,295 and $93,010, respectively); and (iii) repay a line of credit that was used to pay, upon maturity, the outstanding balance of $26,875 of DASNY's New York University Insured Revenue Bonds, Series 2003B.

In 2012, DASNY issued $55,035 of revenue bonds (Series 2012B) on behalf of the Obligated Group with interest rates ranging from 4.0% to 5.0%. The Series 2012B Bonds mature serially from July 2027 through July 2032, as well as in July 2037 and July 2042. The Series 2012B Bonds maturing in 2037 and 2042 are payable in annual sinking fund installments from July 2033 and July 2038, respectively, to maturity. The proceeds are to be used to pay or to reimburse costs incurred in connection with acquiring, constructing and equipping the Obligated Group's portion of a building located at Washington Square.

In 2012, DASNY issued $31,110 of taxable revenue bonds (Series 2012C) on behalf of the Obligated Group with interest rates ranging from 0.4% to 3.6%. The Series 2012C Bonds mature serially from July 2013 through July 2027. The proceeds are to be used to pay or to reimburse costs incurred in connection with acquiring, constructing and equipping the Obligated Group's portion of a building located at Washington Square.

In 2012, the Hospital Center issued Series 2012A taxable bonds totaling $250,000. The Series 2012A bonds required annual interest payments through July 2042 at a fixed rate of 4.4%. Principal on this bond is payable in full in 2042. The proceeds of the Series 2012A bonds are to be used to pay the costs of various construction, renovation and equipment projects, repay certain outstanding lines of credit and for working capital and other eligible corporate purposes.

In 2011, DASNY issued $130,930 of revenue bonds (Series 2011A) on behalf of the Hospitals Center. The Series 2011A bonds are payable at varying dates through July 2040 at fixed rates ranging from 2.0% to 6.0%. The proceeds of the Series 2011A bonds will be used to finance the renovation and equipping of the Emergency Department of the Hospitals Center, renovation and

(in thousands of dollars)

equipping of the new Musculoskeletal Center, various capital improvements, and the funding of a debt service reserve fund.

The principal amounts outstanding for bonds and notes payable consist of the following at August 31, 2012 and 2011:

	2012					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY						
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of $11,597)	$ 192,057	$ -	$ 192,057	$ -	$ -	$ 192,057
Series 2000D bonds, with interest rates ranging from 1.50% to 6.80%, maturing serially through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2025 and July 2026	-	-	-	-	43,300	43,300
Series 2001A bonds, with an interest rate of 5.75%, maturing serially to maturity in July 2015 (including premiums of $1,009 and $80)	30,192	2,392	32,584	-	-	32,584
2001 Series 1 bonds, with interest rates ranging from 5.25% to 5.50%, maturing serially from July 2011 through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of $3,627 and $2,966)	67,741	55,423	123,164	-	-	123,164
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of $935)	55,720	-	55,720	-	-	55,720
Series 2006A bonds, with an interest rate of 4.80%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of $1,892)	-	-	-	-	96,482	96,482
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of $3,553)	-	-	-	-	152,783	152,783
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of $3,208)	129,353	-	129,353	-	-	129,353
Series 2007B bonds, with interest rates ranging from 4.25% to 5.00%, payable in annual sinking fund installments from July 2009 and July 2025, respectively, to maturities in July 2024 and July 2037 (including discount of $2,516)	-	-	-	-	85,084	85,084
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $4,777)	285,027	-	285,027	-	-	285,027
Series 2008B bonds, with interest rates ranging from 3.13% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $3,542)	223,232	-	223,232	-	-	223,232

(in thousands of dollars)

	2012					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008C bonds, with interest rates ranging from 3.13% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of $890)	94,125	-	94,125	-	-	94,125
Series 2008D taxable bonds, with interest rates ranging from 5.23% to 5.33%, maturing serially to maturity in July 2013	2,495	-	2,495	-	-	2,495
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of $14,997 and $1,420)	381,597	37,200	418,797	-	-	418,797
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of $984)	-	65,244	65,244	-	-	65,244
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of $1,852)	-	-	-	-	126,400	126,400
Series 2012A bonds, with interest rates ranging from 2.00% to 5.00%, maturing serially from July 2013 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including net premiums of $18,517 and $5,291)	178,893	53,540	232,433	-	-	232,433
Series 2012B bonds, with interest rates ranging from 4.00% to 5.00%, maturing serially from July 2027 through July 2032, payable thereafter in annual sinking fund installments to maturities in July 2037 and July 2042 (including premium of $6,129)	61,164	-	61,164	-	-	61,164
Series 2012C taxable bonds, with interest rates ranging from 0.40% to 3.62%, maturing serially from July 2013 through July 2027	31,110	-	31,110	-	-	31,110
Subtotal of DASNY bonds	1,732,706	213,799	1,946,505	-	504,049	2,450,554
NYCIDA						
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of $1,391)	-	-	-	103,141	-	103,141
Subtotal of NYCIDA	-	-	-	103,141	-	103,141
NYU						
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	-	25,300
Series 2012 taxable bonds, with an interest rate of 4.40%, maturing in July 2042 (including discount of $1,036)	-	-	-	-	248,964	248,964
Subtotal of NYU bonds	41,868	86,432	128,300	-	248,964	377,264
Other bonds and notes payable (Note 11)						
Various with interest rates ranging from 3.00% to 5.25%, due through November 2017	10,596	-	10,596	-	20,703	31,299
Promissory note	60,170	-	60,170	-	-	60,170
Lines of credit	-	-	-	10,000	90,000	100,000
Capital leases	17,147	6,638	23,785	6,002	39,557	69,344
Subtotal of other bonds and notes payable	87,913	6,638	94,551	16,002	150,260	260,813
Total amounts outstanding	$ 1,862,487	$ 306,869	$ 2,169,356	$ 119,143	$ 903,273	$ 3,191,772

* As of June 30

(in thousands of dollars)

	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY						
Series 1998A bonds, with interest rates ranging from 5.75% to 6.00%, maturing serially through July 2020, payable thereafter in annual sinking fund installments to maturity in 2027 (including premium of $12,370)	$ 200,260	$ -	$ 200,260	$ -	$ -	$ 200,260
Series 2000D bonds, with interest rates ranging from 6.00% to 6.75%, maturing serially through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2025 and July 2026	-	-	-	-	45,100	45,100
Series 2001A bonds, with interest rates ranging from 5.50% to 5.75%, maturing serially to maturity in July 2015 (including premiums of $1,345 and $107)	40,484	3,207	43,691	-	-	43,691
2001 Series 1 bonds, with interest rates ranging from 4.38% to 5.50%, maturing serially from July 2011 through July 2025, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including premiums of $3,757 and $3,073)	68,833	56,317	125,150	-	-	125,150
2001 Series 2 bonds, with interest rates ranging from 4.00% to 5.50%, maturing serially from July 2011 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2026, July 2031 and July 2041 (including discount of $140)	39,404	53,466	92,870	-	-	92,870
Series 2004A bonds, with interest rates ranging from 3.50% to 5.00%, maturing serially from July 2014 through July 2024, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2034 (including premium of $980)	55,765	-	55,765	-	-	55,765
Series 2006A bonds, with an interest rate of 5.00%, maturing serially from July 2013 through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2020 and July 2026 (including premium of $2,028)	-	-	-	-	96,618	96,618
Series 2006B bonds, with an interest rate of 6.09%, privately placed with a commercial bank, maturing in July 2012	-	-	-	-	5,750	5,750
Series 2007A bonds, with an interest rate of 5.00%, maturing serially through July 2016, payable thereafter in annual sinking fund installments to maturities in July 2022, July 2026 and July 2036 (including premium of $3,702)	-	-	-	-	156,462	156,462
Series 2007A bonds, with interest rates ranging from 4.25% to 5.00%, maturing serially from July 2017 through July 2027, payable thereafter in annual sinking fund installments to maturities in July 2032 and July 2037 (including premium of $3,333)	129,478	-	129,478	-	-	129,478
Series 2007B bonds, with interest rates ranging from 5.25% to 5.63%, payable in annual sinking fund installments from July 2009 and July 2025, respectively, to maturities in July 2024 and July 2037 (including discount of $2,673)	-	-	-	-	86,697	86,697
Series 2008A bonds, with interest rates ranging from 4.00% to 5.25%, maturing serially from July 2013 through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $4,910)	285,160	-	285,160	-	-	285,160
Series 2008B bonds, with interest rates ranging from 3.13% to 5.25%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029, July 2038 and July 2048 (including premium of $3,643)	225,743	-	225,743	-	-	225,743

(in thousands of dollars)

	2011					
	Washington Square	School of Medicine	Total Obligated Group	Polytechnic*	Hospitals Center	Consolidated NYU
DASNY, continued						
Series 2008C bonds, with interest rates ranging from 3.13% to 5.00%, maturing serially through July 2023, payable thereafter in annual sinking fund installments to maturities in July 2029 and July 2038 (including premium of $925)	96,075	-	96,075	-	-	96,075
Series 2008D taxable bonds, with interest rates ranging from 4.98% to 5.33%, maturing serially to maturity in July 2013	5,360	-	5,360	-	-	5,360
Series 2009A bonds, with interest rates ranging from 3.10% to 5.25%, maturing serially from July 2015 through July 2029, payable thereafter in annual sinking fund installments to maturities in July 2034 and July 2039 (including net premiums of $15,369 and $1,472)	381,968	37,252	419,220	-	-	419,220
Series 2009B bonds, with an interest rate of 5.00%, payable in annual sinking fund installments from July 2030 and July 2034, respectively, to maturities in July 2034 and July 2039 (including premium of $1,020)	-	65,281	65,281	-	-	65,281
Series 2011A bonds, with interest rates ranging from 2.00% to 6.00%, maturing serially from July 2011 through July 2026, payable thereafter in annual sinking fund installments to maturities in July 2031 and July 2040 (including discount of $1,922)	-	-	-	-	126,583	126,583
Subtotal of DASNY bonds	1,528,530	215,523	1,744,053	-	517,210	2,261,263
NYCIDA						
NYCIDA Series 2001 bonds, with interest rates ranging from 4.13% to 5.38%, maturing serially from July 2011 through July 2018, payable thereafter in annual sinking fund installments to maturities in July 2021, July 2031 and July 2041 (including discount of $1,234)	62,061	-	62,061	-	-	62,061
NYCIDA Series 2007 bonds, with interest rates ranging from 4.35% to 5.25%, maturing serially from November 2011 to maturity in November 2037 (including premium of $1,446)	-	-	-	105,146	-	105,146
Subtotal of NYCIDA	62,061	-	62,061	105,146	-	167,207
NYU						
Series 2009 taxable bonds, with an interest rate of 5.24%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	16,568	86,432	103,000	-	-	103,000
Series 2010 taxable bonds, with an interest rate of 4.96%, maturing in July 2032, payable in annual sinking fund installments from July 2015 to maturity	25,300	-	25,300	-	-	25,300
Subtotal of NYU bonds	41,868	86,432	128,300	-	-	128,300
Other bonds and notes payable (Note 11)						
Various with interest rates ranging from 0.99% to 5.25%, due through November 2017	10,743	-	10,743	-	51,667	62,410
Promissory note	62,623	-	62,623	-	-	62,623
Lines of credit	136,375	-	136,375	10,000	30,000	176,375
Capital leases	16,389	735	17,124	5,899	-	23,023
Subtotal of other bonds and notes payable	226,130	735	226,865	15,899	81,667	324,431
Total amounts outstanding	$ 1,858,589	$ 302,690	$ 2,161,279	$ 121,045	$ 598,877	$ 2,881,201

* As of June 30

The fair value of NYU's bonds and notes payable is $3,442,086 and $2,939,995 at August 31, 2012 and 2011, respectively. The fair value of NYU's bonds and notes payable is estimated based on the quoted market prices for the same or similar issues or based on NYU's current incremental borrowing rates for similar types of borrowing arrangements.

(in thousands of dollars)

Interest expense on long-term debt totaled $120,126 and $125,823 for the years ended August 31, 2012 and 2011, respectively. This excludes $17,169 and $7,995 of capitalized interest (net of income earned on deposits with bond trustees) for the years ended August 31, 2012 and 2011, respectively, which is included in land, buildings and equipment, net.

In conjunction with the current debt agreements, various security agreements were executed by the Hospitals Center. The agreements include pledging, as collateral, a security interest in the Hospitals Center's property, plant and equipment, and gross receipts and also place limitations on the use of certain assets.

Other agreements include covenants requiring that the Hospitals Center and Polytechnic maintain certain financial ratios.

At August 31, 2012 and 2011, NYU is compliant with all financial and administrative covenants.

Future Principal Payments
The aggregate required principal payments on all bonds and notes payable for each of the next five fiscal years, and thereafter to maturity, are as follows:

Year Ending August 31,	
2013	$ 87,924
2014	170,422
2015	100,152
2016	77,971
2017	80,855
Thereafter	2,593,049
Total principal payments	3,110,373
Unamortized premiums and discounts, net	81,399
	$ 3,191,772

11. Obligations With Financial Institutions

At August 31, 2012 and 2011, the Obligated Group's contractually committed bank credit agreements totaled $500,000. A $300,000 agreement extends through August 2013. A $200,000 agreement extends through June 2014. The interest is accrued for both lines of credit at a rate based on LIBOR. The combined amounts outstanding under these agreements are $0 and $136,375 as of August 31, 2012 and 2011, respectively.

The Hospitals Center has three unsecured lines of credit totaling $400,000 (Commitment 1, 2 and 3). The interest is accrued for all lines of credit at a rate based on LIBOR. Commitment 1 was amended in 2012 to increase the total capacity to $200,000. Commitment 2, with a total capacity of $100,000, was amended in 2012 to extend the maturity date to March 2013. Commitment 3, obtained in July 2012, provides a $100,000 line of credit capacity and expires in 2015. As of August 31, 2012, the Hospitals Center has drawn $90,000 from these lines of credit ($45,000 each from Commitment 1 and 3).

(in thousands of dollars)

In August 2010, NYU entered into a $65,000 loan agreement with a bank on behalf of the Obligated Group. The loan bears interest at 3.2% with principal installments due annually in July and final maturity in July 2015. The amounts outstanding under this promissory note are $60,170, and $62,623 as of August 31, 2012 and 2011, respectively.

In August 2009, the Hospitals Center entered into a lease agreement with DASNY under its tax exempt leasing program (TELP). The lease line, totaling $46,000, provides financing to the Hospitals Center for various capital equipment. The amounts outstanding on this lease are $20,703 and $29,867, as of August 31, 2012 and 2011, respectively.

In April 2004, the Hospitals Center arranged for a bank syndicate to acquire all of its Series 2000D bonds thereby removing the Series 2000D bonds from the 28-day auction mode for a period of five years. This arrangement has been subsequently renewed on several occasions with the latest amendment extending for a period of 3 years and maturing on January 1, 2014. Interest was reset at an interest rate based on a 30-day LIBOR. The Hospitals Center's obligation under Series 2000D is $43,300 and $45,100 as of August 31, 2012 and 2011, respectively.

During 2003, the Hospitals Center entered into an accounts receivable financing agreement. Under the terms of the agreement, the Hospitals Center received $17,000 in cash and recorded a corresponding amount of long-term debt which is collateralized by accounts receivable. In 2004, the Hospitals Center refinanced this lending agreement with another bank. Additionally, in 2004, HJD entered into a similar accounts receivable lending agreement with a bank for $7,000. The total amount outstanding for both agreements is $0 and $21,800 at August 31, 2012 and 2011, respectively. Interest is payable monthly based on 30-day LIBOR. The loan agreements expired in June 2012.

Polytechnic has a line of credit with a commercial bank. The line of credit is collateralized by several of Polytechnic's investments with a market value of $11,799 and $16,129 at August 31, 2012 and 2011, respectively. The amount outstanding is $10,000 as of June 30, 2012 and 2011. The line of credit borrowing is payable on demand.

12. Self-Insured Professional Liabilities

As described in Note 1, the Hospitals Center is self insured for professional liability, primarily through a wholly-owned segregated cell captive company, CCC550. Prior coverage for professional and general liability risks was provided through a multi-provider pooled insurance program that includes commercial coverage and a captive insurance program. Self-insured loss reserves comprise estimates for known reported losses and loss expenses plus a provision for losses incurred but not reported. Losses are valued by an independent actuary and are based on the loss experience of the insured. In management's opinion, recorded reserves for self-insured exposures are adequate to cover the ultimate net cost of losses incurred to date; however, the provision is based on estimates and may ultimately be settled for a significantly greater or lesser amount.

CCC550 has investment assets of $262,628 and $226,951 at August 31, 2012 and 2011, respectively, to fund related obligations. CCC550 has total obligation for insurance exposure of $188,962 and $168,530 as of August 31, 2012 and 2011, respectively. Also, within accounts payable and accrued expenses, the Hospitals Center has recorded obligations related to the multi-provider pooled program, obligations related to excess self-insured exposures not covered by CCC550 and other self-insured risks.

(in thousands of dollars)

CCC550 also provides insurance coverage to certain voluntary attending physicians servicing the School of Medicine and the Hospitals Center. The cost of this insurance coverage is the responsibility of such physicians.

13. Retirement Plans

Substantially all NYU employees are covered by retirement plans. These plans include various defined contribution plans, multi-employer defined benefit plans and three NYU-sponsored defined benefit plans. NYU contributes to its defined contribution and multi-employer defined benefit plans based on rates required by union or other contractual arrangements. Expenses related to NYU's defined contribution plans are $115,255 and $104,411 in 2012 and 2011, respectively.

Contributions to defined benefit plans are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Contributions to the three defined benefit plans are made in amounts sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as the sponsors may deem appropriate, from time to time. Pension benefits under these three plans are based on participants' final average compensation levels and years of service.

The following tables provide information with respect to the defined benefit plans for the years ended August 31:

Plans' Funded Status:

	2012	2011
Change in benefit obligation		
Benefit obligation, beginning of year	$ 679,528	$ 648,611
Service cost	14,407	15,019
Interest cost	36,267	33,457
Actuarial loss	170,333	2,874
Benefits paid	(25,958)	(20,055)
Plan amendment	-	21
Administrative expense	(396)	(399)
Benefit obligation, end of year	874,181	679,528
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	525,200	453,936
Actual return on plan assets	47,296	43,005
Employer contributions	31,151	48,713
Benefits paid	(25,958)	(20,055)
Administrative expense	(396)	(399)
Fair value of plan assets, end of year	577,293	525,200
Accrued benefit obligation	$ 296,888	$ 154,328
Benefit obligation weighted average assumptions as of August 31		
Discount rate	3.75% - 4.00%	5.25% - 5.50%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%

(in thousands of dollars)

Net Periodic Benefit Cost:

	2012	2011
Components of net periodic benefit cost		
Service cost	$ 14,407	$ 15,019
Interest cost	36,267	33,457
Expected return on plan assets	(42,072)	(39,373)
Amortization of prior service cost	108	136
Amortization of actuarial loss	17,297	17,259
Net periodic benefit cost	$ 26,007	$ 26,498
Other changes recognized in unrestricted net assets		
Prior service cost arising during period	$ -	$ 21
Actuarial net loss (gain) arising during period	165,109	(755)
Amortization of prior service cost	(108)	(136)
Amortization of actuarial loss	(17,297)	(17,259)
Total recognized in nonoperating activities	$ 147,704	$ (18,129)
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net asset		
Prior service cost	$ 17	$ 125
Accumulated loss	403,468	255,656
Amounts in unrestricted net assets, end of year	$ 403,485	$ 255,781
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2013		
Actuarial loss	$ 33,989	
Prior service cost	2	
Net periodic benefit cost weighted average assumptions		
Discount rate	4.00% - 5.25%	5.25%
Rate of increase in compensation levels	3.50% - 4.00%	3.50% - 4.00%
Expected long-term rate of return on plan assets	6.00% - 8.00%	6.00% - 8.00%

The accumulated benefit obligation for the pension plans is $810,001 and $630,016 at August 31, 2012 and 2011, respectively.

(in thousands of dollars)

Plan Assets:
The following table presents the fair value of the defined benefit plan investments (according to the hierarchy defined in Note 4) at August 31:

	2012			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 7,017	$ -	$ -	$ 7,017
Fixed income	-	209,551	-	209,551
Equity	-	313,152	-	313,152
Real estate	-	35,625	-	35,625
Other	-	11,948	-	11,948
Total	$ 7,017	$ 570,276	$ -	$ 577,293

	2011			
	Active Markets (Level 1)	**Observable Inputs (Level 2)**	**Unobservable Inputs (Level 3)**	**Total**
Cash equivalents	$ 5,895	$ -	$ -	$ 5,895
Fixed income	-	193,451	-	193,451
Equity	-	274,233	-	274,233
Real estate	-	28,802	-	28,802
Other	-	22,819	-	22,819
Total	$ 5,895	$ 519,305	$ -	$ 525,200

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The asset allocations for the plans combine tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, weighing the asset class returns by the plans' investment in each class, and taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes 6%-8% is a reasonable range of long-term rates of return on plan assets for 2012 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

(in thousands of dollars)

The plans' asset allocations as of August 31, 2012 and 2011, by asset category are as follows:

	2012	2011
Equity	54 %	53 %
Fixed income	37 %	37 %
Real estate	6 %	5 %
Other	2 %	4 %
Cash equivalents	1 %	1 %

Contributions:
Annual contributions are determined by NYU based upon calculations prepared by the plans' actuaries. Expected contributions for the 2013 fiscal year are $13,400.

Benefit Payments:
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid in the following years:

Year Ending August 31	
2013	$ 29,523
2014	31,400
2015	34,031
2016	36,884
2017	39,618
Thereafter	231,372

Multi-employer Benefit Plans:
NYU participates in multi-employer defined benefit pension plans. NYU makes cash contributions to these plans under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in these multi-employer plans are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers and (3) if NYU chooses to stop participating in some of its multi-employer plans, NYU may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability. NYU has contributed cash and recorded expenses for the multi-employer plans noted in the table below. The measurement dates for the following plans are as of August 31 and December 31 as applicable.

	2012	2011
Pension Fund		
United Wire, Metal & Machine Pension Fund	$ 1,794	$ 2,834
Building Service 32 BJ Pension Fund	174	179
1199 SEIU Health Care Employees Pension Fund	18,314	14,062
	$ 20,282	$ 17,075

(in thousands of dollars)

NYU's contributions to the Building Service 32 BJ Pension Fund and the 1199 SEIU Health Care Employees Pension Fund represent less than 5% of total plan contributions.

The following table includes additional disclosure information related to the Pension Funds:

EIN/Pension Plan Number	Pension Protection Act Zone Status 2012	Pension Protection Act Zone Status 2011	FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
13-6596940/001	Red	Green	Pending	No	6/30/2013
13-1879376/001	Red	Red	Yes	No	2/29/2012-4/20/2014
13-3604862/001	Green	Green	N/A	No	4/30/2015

The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP).

14. Other Postretirement Benefits

NYU has three health and welfare plans that provide certain health care and life insurance benefits for eligible retired employees. NYU employees may become eligible for these benefits if they reach the age and service requirements of the plan while working for NYU. The costs related to these plans are accrued during the period the employees provide service to NYU.

(in thousands of dollars)

The following tables provide information with respect to the other postretirement plans for the years ended August 31:

Plans' Funded Status:

	2012	2011
Change in benefit obligation		
Benefit obligation, beginning of year	$ 463,699	$ 449,978
Service cost	17,378	22,810
Interest cost	24,087	23,134
Plan changes	-	(30,037)
Actuarial loss	111,938	10,601
Participants' contributions	4,105	3,722
Retiree drug subsidy receipts	1,591	1,221
Benefits paid	(18,352)	(17,730)
Benefit obligation, end of year	604,446	463,699
Change in fair value of plan assets		
Fair value of plan assets, beginning of year	46,751	37,708
Actual return on plan assets	1,799	43
Employer contributions	21,652	21,787
Plan participants' contributions	4,105	3,722
Retiree drug subsidy receipts	1,591	1,221
Benefits paid	(18,352)	(17,730)
Fair value of plan assets, end of year	57,546	46,751
Accrued postretirement benefit obligation	$ 546,900	$ 416,948
Weighted average assumptions to determine benefit obligations and net cost as of August 31		
Discount rate	3.75% - 4.25%	5.25% - 5.50%
Expected long-term rate of return	6.00% - 8.50%	8.00% - 8.50%
Ultimate retiree health-care cost trend	4.50% - 5.00%	4.50% - 5.00%
Year ultimate trend rate is achieved	2019 - 2027	2019 - 2027

(in thousands of dollars)

Net Periodic Benefit Cost:

	2012	2011
Components of net periodic benefit cost		
Service cost	$ 17,378	$ 22,810
Interest cost	24,087	23,134
Expected return on plan assets	(3,200)	(3,016)
Amortization of transition obligation	22	22
Amortization of plan service cost	(22,704)	(8,096)
Amortization of actuarial loss	7,291	6,111
Net periodic benefit cost	$ 22,874	$ 40,965
Other changes recognized in unrestricted net assets		
Amortization of actuarial net loss	$ (7,291)	$ (6,111)
Actuarial net loss arising during period	113,342	13,574
Amortization of prior service cost	22,704	8,096
Prior service cost arising during period	-	(30,037)
Amortization of transition obligation	(22)	(22)
Total recognized in nonoperating activities	$ 128,733	$ (14,500)
Amounts not yet reflected in net periodic benefit cost and included in unrestricted net assets		
Transition assets	$ 21	$ 43
Prior service credit	(38,767)	(61,470)
Accumulated loss	249,259	143,207
Amounts in unrestricted net assets, end of year	$ 210,513	$ 81,780
Amounts in unrestricted net assets expected to be recognized in net periodic pension cost in fiscal 2013		
Actuarial loss	$ (16,251)	
Prior service credit	9,237	
Transition obligation	21	

In 2012 and 2011, the effect of a 1% change in the health care cost trend rate is as follows:

	2012		2011	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on net periodic benefit cost	$ 7,810	$ (6,256)	$ 9,947	$ (7,766)
Effect on postretirement benefit obligation	104,185	(84,279)	74,635	(60,878)

Contributions:

Expected contributions for the 2013 fiscal year are $9,000.

(in thousands of dollars)

Plan Assets:
The following table presents the fair value of the postretirement plan investments (according to the hierarchy defined in Note 4) at August 31:

	2012			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 36,050	$ -	$ -	$ 36,050
Fixed income	-	21,496	-	21,496
Total	$ 36,050	$ 21,496	$ -	$ 57,546

	2011			
	Active Markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Cash equivalents	$ 46,335	$ -	$ -	$ 46,335
Fixed income	-	416	-	416
Total	$ 46,335	$ 416	$ -	$ 46,751

The plans' investment objectives seek a positive long-term total rate of return after inflation to meet NYU's current and future plan obligations. The asset allocation for the plans combine tested theory and informed market judgments to balance investment risks with the need for high returns.

The expected long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, taking into account expected volatility and correlation between the returns of various asset classes. NYU management believes that 6.0-8.5% is a reasonable range of long-term rates of return on plan assets for 2012 and will continue to evaluate the actuarial assumptions and adjust them as necessary.

Benefit Payments:
The following benefit payments (net of retiree contributions), which reflect the effects of the Medicare Act and expected future service, as appropriate, are expected to be paid in:

Year Ending August 31,	
2013	$ 16,357
2014	17,639
2015	19,307
2016	20,923
2017	22,507
Thereafter	137,101

(in thousands of dollars)

15. Grants and Contracts

Grant and contract revenues represent reimbursements of costs incurred in direct support of research and other sponsored activities. Additionally, such sponsored grants and contracts generally provide for the recovery of indirect costs supporting these activities. Indirect costs, included in grant and contract revenues, are recovered at rates established in advance by NYU through negotiations with the federal government and other private sponsors and amount to $118,541 and $113,996 for the years ended August 31, 2012 and 2011, respectively.

16. Hospital Affiliations

The School of Medicine has three affiliation agreements with the New York City Health and Hospitals Corporation (HHC) to provide general care and mental health services. The first agreement is with Woodhull Medical & Mental Health Center and Cumberland Diagnostic & Treatment Center which is effective for July 1, 2011 through June 30, 2014. The second agreement is with Bellevue Hospital Center and Gouverneur Diagnostic & Treatment Center which is effective for July 1, 2011 through June 30, 2014. The third agreement was entered into in fiscal year 2012 with Coler Hospital and Nursing Facility and the Goldwater Hospital and Nursing Facility, and is effective for July 1, 2012 through June 30, 2014, however, the final documents have not been signed as of the date of this report.

17. Allocated Expenses

Certain expenses incurred by NYU are allocated to specific program and support service activities on the basis of utilization of the underlying assets. Expenses included in this allocation are operation and maintenance of plant, interest on indebtedness, and depreciation and amortization. These expenses, which are included in total operating expenses for the years ended August 31, 2012 and 2011, are presented below:

	2012			
	Operation and Maintenance of Plant	**Interest on Indebtedness**	**Depreciation and Amortization**	**Total**
Instruction and other academic programs	$ 60,598	$ 34,198	$ 76,217	$ 171,013
Research and other sponsored programs	44,764	7,760	36,269	88,793
Patient care	52,036	18,377	83,663	154,076
Libraries	7,174	1,332	8,421	16,927
Student services	11,995	4,188	15,148	31,331
Institutional services	104,565	12,564	41,021	158,150
Auxiliary enterprises	75,907	41,707	78,532	196,146
Total	$ 357,039	$ 120,126	$ 339,271	$ 816,436

(in thousands of dollars)

	2011			
	Operation and Maintenance of Plant	**Interest on Indebtedness**	**Depreciation and Amortization**	**Total**
Instruction and other academic programs	$ 55,244	$ 33,988	$ 63,363	$ 152,595
Research and other sponsored programs	40,526	10,061	25,905	76,492
Patient care	57,818	22,013	67,912	147,743
Libraries	7,592	1,465	8,087	17,144
Student services	13,838	4,440	16,196	34,474
Institutional services	107,734	12,698	35,619	156,051
Auxiliary enterprises	71,958	41,158	76,460	189,576
Total	$ 354,710	$ 125,823	$ 293,542	$ 774,075

18. Components of Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at August 31, 2012 and 2011:

	2012	**2011**
Contributions and earnings for operating purposes	$ 626,722	$ 527,817
Contributions for buildings and equipment	131,463	210,438
Annuity trust agreements	21,377	20,859
Scholarships and fellowships	70,816	77,637
Total	$ 850,378	$ 836,751

Permanently restricted net assets at August 31, 2012 and 2011 are retained in perpetuity to support the following activities:

	2012	**2011**
Program support	$ 505,523	$ 486,078
Faculty and staff salaries	590,570	546,725
Scholarships and fellowships	351,016	319,070
Library books	12,223	11,601
Research and sponsored programs	39,809	35,727
Buildings and equipment	2,283	2,082
Student loans	2,155	1,451
Total	$ 1,503,579	$ 1,402,734

(in thousands of dollars)

NYU's investment pools include individual endowed funds established for a variety of purposes. Pooled assets include both donor restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NYU classifies as permanently restricted net assets: (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 required by the applicable donor gift instrument. Accumulated unspent earnings from the permanently restricted endowment are classified as temporarily restricted net assets. Board-designated endowments, as well as any accumulated losses on any individual permanently restricted endowment (underwater endowment), are classified as unrestricted net assets.

NYU defines the appropriation of endowment net assets for expenditure as the authorization of its investment spending rate as approved annually by the Board of Trustees. In making a determination to appropriate or accumulate, NYU adheres to the standard of prudence prescribed by New York Prudent Management of Institutional Funds Act (NYPMIFA) and considers the following factors: the duration and preservation of the endowment fund; the purposes of NYU and the endowment fund; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of NYU; where appropriate and circumstances would otherwise warrant, alternatives to expenditures of the endowment fund giving due consideration to the effect that such alternatives may have on NYU; and the investment policy of NYU.

NYU has adopted investment and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to support NYU's activities while preserving the real purchasing power of the endowment. NYU's primary investment objective is to maximize total return within reasonable and prudent levels of risk while ensuring preservation of capital. To satisfy its long-term rate-of-return objectives, NYU relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income and capital appreciation, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various asset classes and utilizes strategies to help reduce risk.

NYU's investment policy states that spending will be determined annually by the Board of Trustees. For the years ended August 31, 2012 and 2011, the spending rate was determined to be approximately 5% of the preceding twelve-quarter moving average of the market value of the endowment. However, when donors have expressly stipulated the payout percentage of earnings on endowments that differs from NYU policies, the donors' intent prevails.

(in thousands of dollars)

The following table represents the net asset classes of NYU's endowment funds as of August 31:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ -	$ 285,174	$ 1,440,858	$ 1,726,032
Board-designated endowment	1,217,585	-	-	1,217,585
Underwater endowment	(9,112)	-	-	(9,112)
Total	$ 1,208,473	$ 285,174	$ 1,440,858	$ 2,934,505

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	$ -	$ 313,074	$ 1,357,083	$ 1,670,157
Board-designated endowment	1,199,589	-	-	1,199,589
Underwater endowment	(5,314)	-	-	(5,314)
Total	$ 1,194,275	$ 313,074	$ 1,357,083	$ 2,864,432

The following table provides the changes in the net asset classes of NYU's endowment funds at August 31:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment pool net assets, beginning of year	$ 1,194,275	$ 313,074	$ 1,357,083	$ 2,864,432
Investment return	30,644	40,375	-	71,019
Contributions	94,387	-	86,851	181,238
Endowment distribution	(50,373)	(68,275)	-	(118,648)
Liquidations	(60,754)	-	-	(60,754)
Reclassification of net assets	294	-	(3,076)	(2,782)
Investment pool net assets, end of year	$ 1,208,473	$ 285,174	$ 1,440,858	$ 2,934,505

(in thousands of dollars)

	2011			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Investment pool net assets, beginning of year	$ 1,262,983	$ -	$ 1,267,422	$ 2,530,405
Reclassification due to accounting change	(198,427)	198,427	-	-
Investment return	147,273	177,449	-	324,722
Contributions	76,562	-	68,531	145,093
Endowment distribution	(47,023)	(62,802)	-	(109,825)
Liquidations	(25,963)	-	-	(25,963)
Reclassification of net assets	(21,130)	-	21,130	-
Investment pool net assets, end of year	$ 1,194,275	$ 313,074	$ 1,357,083	$ 2,864,432

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gift donated to the permanent endowment. In accordance with accounting principles generally accepted in the United States, deficits of this nature are reported as a reduction of unrestricted net assets. These deficits resulted from unfavorable market fluctuations that eroded accumulated gains for the permanently restricted endowments as well as the continued appropriation of certain programs which was deemed prudent by the University's Board of Trustees. Current and future gains will be classified as increases in unrestricted net assets until the shortfalls previously charged to unrestricted net assets have been eliminated and the individual endowment funds are returned to their required levels as stipulated by donors.

As of August 31, 2012 and 2011, there were a total of 272 and 191 individual endowment funds, respectively, within the permanently restricted net asset category with a market value less than their historical corpus value. The aggregate deficit of underwater endowment funds at August 31, 2012 and 2011 totaled approximately $9,112 and $5,314, respectively.

In 2011, NYU reclassified $198,427 relating to accumulated earnings on the true endowment funds and unspent distributions.

In 2009, Polytechnic filed a petition to apply for a three-year cy pres relief. On October 25, 2009, the cy pres relief was granted to allow Polytechnic to reclassify a total of $38,000 from permanently restricted to unrestricted net assets beginning in fiscal year 2009. Polytechnic is required to return the total amount that is reclassified to unrestricted back to permanently restricted net assets when Polytechnic is no longer required to meet the requirements of Title IV financial responsibility ratios and the debt service coverage ratio, or by 2036 at the latest. In 2011, Polytechnic reclassified $3,813 of permanently restricted net assets to unrestricted net assets.

(in thousands of dollars)

19. Commitments and Contingencies

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

		Rental Lease Payments
Year Ending August 31,		
2013	$	156,741
2014		130,983
2015		124,206
2016		99,393
2017		93,494
Thereafter		731,384

Rent expense is $148,485 and $121,253 for the years ended August 31, 2012 and 2011, respectively.

The Hospitals Center is self-insured for workers' compensation benefits. In connection with being self-insured, the Hospitals Center has maintained stand-by letters of credit aggregating approximately $19,375 and $13,920 at August 31, 2012 and 2011, respectively. Cash and marketable securities collateralize the letters of credit.

NYU is a defendant in various legal actions arising from the normal course of its operations and amounts expended under government grants and contracts are subject to audit by governmental agencies. In addition, amounts received for patient care from Medicare and Medicaid are subject to audit. Although the final outcome of such actions and audits cannot be determined, management believes that eventual liability, if any, will not have a material effect on NYU's consolidated financial position.

20. Subsequent Events

NYU has performed an evaluation of subsequent events through December 20, 2012, which is the issuance date of the consolidated financial statements.

In October 2012, the Hospitals Center drew $50,000 under an existing loan agreement with a bank to fund capital projects.

On October 11, 2012, the Boards of Trustees for NYU and Polytechnic announced their agreement to move forward with the remaining set of steps necessary for Polytechnic to formally become the School of Engineering of NYU. The processes of obtaining the necessary approvals and endorsements, conducting due diligence and seeking applicable regulatory approvals are underway and, if successful, are expected to be completed in no event later than the start of the 2014-2015 academic year.

On October 29, 2012, Superstorm Sandy struck New York City causing widespread damage to properties throughout the region, including lower Manhattan. The Medical Center experienced extensive property damage to buildings, mechanical systems, equipment and materials. All of the

(in thousands of dollars)

Medical Center's operations were impacted, with the main campus inpatient and outpatient facilities and the NYUSoM buildings on the main campus temporarily closed. The Hospitals Center has been able to restore operations at the majority of its outpatient and ambulatory care facilities; however, the Hospitals Center has not yet resumed hospital operations at the main campus, including Tisch Hospital, and as a result, the Hospitals Center continues to experience business interruption. Approximately 60% of the Hospitals Center's net patient service revenue for the year ended August 31, 2012 was generated by services provided at the main campus. Patient services provided on the main campus prior to the storm have been partially redeployed to other service locations of the Hospitals Center. Based on the Hospitals Center's current plans, a phased re-opening of a number of procedural and surgical services located at the main campus will begin in mid-December 2012, including limited inpatient services at Tisch Hospital beginning before the end of the year. The Hospitals Center expects to have the majority of the services provided on the main campus prior to the storm up and running by the end of January 2013. The NYUSoM has reopened the main research buildings on the main campus and has been able to redeploy some of its research, teaching and clinical faculty and staff to other owned off campus space and rental space, as well as to space in other research and healthcare facilities in the area on a temporary basis.

In addition to the financial implications of the business interruption referred to above, the Medical Center will incur significant costs to replace, repair and remediate damage to its affected property and facilities. The Medical Center is still in the midst of quantifying the extent of the damage as well as determining what the costs of remediation will be. Therefore, at this time, the Medical Center is not able to make an estimate of the range of losses from the resulting business interruption, the impairment of the carrying amount of damaged property and equipment and the cost to replace such property and equipment, however, the amount of the impairment could be material.

The Medical Center has business interruption, property casualty and other insurance coverage with respect to the incurred losses in effect at the time of the losses. Discussions with the insurance carriers are ongoing as is the investigation into and measurement of the losses. Management expects to receive substantial recoveries; however, the amount of recovery cannot be determined at this time. In addition, management has submitted three applications for assistance to the Federal Emergency Management Association (FEMA) for an initial amount of approximately $200,000 of which $114,000 has been obligated by FEMA on the first application, with the two remaining applications pending review. Management will apply for additional FEMA funding for reconstruction and mitigation as rebuilding plans and costs become known. Management expects FEMA to provide funding of at least 75% of submitted expenses not covered by insurance. The ultimate losses and any associated recoveries cannot be determined at this time and could be material.

The University will be filing with FEMA Superstorm Sandy disaster assistance reimbursement claims for its eligible expenditures (principally for staff overtime and material loss) in addition to the Medical Center claims.

The Obligated Group has drawn down $52,000 as of December 5, 2012, under one of its lines of credit to fund capital projects.

Appendix A

Supplemental Schedules to the Consolidated Financial Statements

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2012

(in thousands of dollars)

	2012			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Assets				
Cash and cash equivalents	$ 749,899	$ 667,748	$ -	$ 1,417,647
Short-term investments (Note 4)	32,667	901	-	33,568
Accounts and loans receivable, net (Note 5)	428,857	91,569	(136,325)	384,101
Patient accounts receivable, net	3,990	300,429	-	304,419
Contributions receivable, net (Note 6)	295,799	147,065	-	442,864
Other assets (Note 7)	127,095	120,347	-	247,442
Deposits with trustees (Note 8)	118,261	147,120	-	265,381
Collateral for securities loaned (Note 4)	6,023	-	-	6,023
Long-term investments (Note 4)	2,154,282	805,473	-	2,959,755
Assets held by insurance captive (CCC550) (Note 12)	-	262,628	-	262,628
Land, buildings and equipment, net (Note 9)	3,050,031	1,841,908	-	4,891,939
Total assets	$ 6,966,904	$ 4,385,188	$ (136,325)	$ 11,215,767
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 226,037	$ 866,582	$ (136,325)	$ 956,294
Deferred revenue	788,119	37,406	-	825,525
Outstanding losses and loss adjustment expenses (Note 12)	-	188,962	-	188,962
Security loan agreements payable (Note 4)	6,023	-	-	6,023
Bonds and notes payable (Notes 10 and 11)	1,981,630	1,210,142	-	3,191,772
Federal grants refundable	74,789	876	-	75,665
Accrued benefit obligation (Note 13)	81,183	215,705	-	296,888
Accrued postretirement obligation (Note 14)	359,353	187,547	-	546,900
Asset retirement obligation	116,219	22,509	-	138,728
Total liabilities	3,633,353	2,729,729	(136,325)	6,226,757
Net assets				
Unrestricted	1,691,011	944,042	-	2,635,053
Temporarily restricted (Note 18)	455,500	394,878	-	850,378
Permanently restricted (Note 18)	1,187,040	316,539	-	1,503,579
Total net assets	3,333,551	1,655,459	-	4,989,010
Total liabilities and net assets	$ 6,966,904	$ 4,385,188	$ (136,325)	$ 11,215,767

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Summary)
August 31, 2011

(in thousands of dollars)

	2011			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Assets				
Cash and cash equivalents	$ 761,488	$ 418,831	$ -	$ 1,180,319
Short-term investments (Note 4)	48,474	-	-	48,474
Accounts and loans receivable, net (Note 5)	360,968	106,451	(117,778)	349,641
Patient accounts receivable, net	4,106	279,274	-	283,380
Contributions receivable, net (Note 6)	232,979	184,798	-	417,777
Other assets (Note 7)	117,249	117,193	-	234,442
Deposits with trustees (Note 8)	119,442	196,012	-	315,454
Collateral for securities loaned (Note 4)	4,965	-	-	4,965
Long-term investments (Note 4)	2,056,410	832,923	-	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	-	226,951	-	226,951
Land, buildings and equipment, net (Note 9)	3,035,770	1,409,548	-	4,445,318
Total assets	$ 6,741,851	$ 3,771,981	$ (117,778)	$ 10,396,054
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 255,678	$ 783,798	$ (117,778)	$ 921,698
Deferred revenue	764,174	51,823	-	815,997
Outstanding losses and loss adjustment expenses (Note 12)	-	168,530	-	168,530
Security loan agreements payable (Note 4)	4,965	-	-	4,965
Bonds and notes payable (Notes 10 and 11)	1,979,634	901,567	-	2,881,201
Federal grants refundable	73,218	1,650	-	74,868
Accrued benefit obligation (Note 13)	42,665	111,663	-	154,328
Accrued postretirement obligation (Note 14)	274,791	142,157	-	416,948
Asset retirement obligation	111,019	26,519	-	137,538
Total liabilities	3,506,144	2,187,707	(117,778)	5,576,073
Net assets				
Unrestricted	1,684,697	895,799	-	2,580,496
Temporarily restricted (Note 18)	439,273	397,478	-	836,751
Permanently restricted (Note 18)	1,111,737	290,997	-	1,402,734
Total net assets	3,235,707	1,584,274	-	4,819,981
Total liabilities and net assets	$ 6,741,851	$ 3,771,981	$ (117,778)	$ 10,396,054

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2012

(in thousands of dollars)

	2012								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	$ 748,734	$ 130,751	$ -	$ 879,485	$ 1,165	$ 536,997	$ -	$ -	$ 1,417,647
Short-term investments (Note 4)	32,667	901	-	33,568	-	-	-	-	33,568
Accounts and loans receivable, net (Note 5)	414,452	54,299	(136,325)	332,426	14,405	18,788	69,336	(50,854)	384,101
Patient accounts receivable, net	3,990	55,393	-	59,383	-	245,036	-	-	304,419
Contributions receivable, net (Note 6)	291,705	55,028	-	346,733	4,094	92,037	-	-	442,864
Other assets (Note 7)	117,026	32,850	-	149,876	10,069	185,227	1,617	(99,347)	247,442
Deposits with trustees (Note 8)	110,984	2,800	-	113,784	7,277	144,320	-	-	265,381
Collateral for securities loaned (Note 4)	6,023	-	-	6,023	-	-	-	-	6,023
Long-term investments (Note 4)	2,045,164	780,485	-	2,825,649	109,118	24,988	-	-	2,959,755
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	-	262,628	-	262,628
Land, buildings, and equipment, net (Note 9)	2,929,210	676,649	-	3,605,859	120,821	1,165,259	-	-	4,891,939
Total assets	$ 6,699,955	$ 1,789,156	$ (136,325)	$ 8,352,786	$ 266,949	$ 2,412,652	$ 333,581	$ (150,201)	$ 11,215,767
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	$ 190,764	$ 423,525	$ (136,325)	$ 477,964	$ 35,273	$ 460,215	$ 29,096	$ (46,254)	$ 956,294
Deferred revenue	785,749	25,830	-	811,579	2,370	-	45,063	(33,487)	825,525
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	188,962	-	188,962
Security loan agreements payable (Note 4)	6,023	-	-	6,023	-	-	-	-	6,023
Bonds and notes payable (Notes 10 and 11)	1,862,487	306,869	-	2,169,356	119,143	903,273	-	-	3,191,772
Federal grants refundable	71,310	876	-	72,186	3,479	-	-	-	75,665
Accrued benefit obligation (Note 13)	81,183	73,865	-	155,048	-	141,840	-	-	296,888
Accrued postretirement obligation (Note 14)	342,787	117,063	-	459,850	16,566	70,484	-	-	546,900
Asset retirement obligation	114,572	8,515	-	123,087	1,647	13,994	-	-	138,728
Total liabilities	3,454,875	956,543	(136,325)	4,275,093	178,478	1,589,806	263,121	(79,741)	6,226,757
Net assets									
Unrestricted	1,693,258	325,983	-	2,019,241	(2,247)	618,059	70,460	(70,460)	2,635,053
Temporarily restricted (Note 18)	446,204	203,102	-	649,306	9,296	191,776	-	-	850,378
Permanently restricted (Note 18)	1,105,618	303,528	-	1,409,146	81,422	13,011	-	-	1,503,579
Total net assets	3,245,080	832,613	-	4,077,693	88,471	822,846	70,460	(70,460)	4,989,010
Total liabilities and net assets	$ 6,699,955	$ 1,789,156	$ (136,325)	$ 8,352,786	$ 266,949	$ 2,412,652	$ 333,581	$ (150,201)	$ 11,215,767

* As of June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Balance Sheet for NYU - Detail)
August 31, 2011

(in thousands of dollars)

	2011								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Assets									
Cash and cash equivalents	$ 760,598	$ 62,513	$ -	$ 823,111	$ 890	$ 356,318	$ -	$ -	$ 1,180,319
Short-term investments (Note 4)	48,474	-	-	48,474	-	-	-	-	48,474
Accounts and loans receivable, net (Note 5)	348,289	61,311	(117,778)	291,822	12,679	11,054	77,384	(43,298)	349,641
Patient accounts receivable, net	4,106	50,878	-	54,984	-	228,396	-	-	283,380
Contributions receivable, net (Note 6)	229,885	61,301	-	291,186	3,094	123,497	-	-	417,777
Other assets (Note 7)	107,519	27,231	-	134,750	9,730	177,741	1,664	(89,443)	234,442
Deposits with trustees (Note 8)	112,165	7,511	-	119,676	7,277	188,501	-	-	315,454
Collateral for securities loaned (Note 4)	4,965	-	-	4,965	-	-	-	-	4,965
Long-term investments (Note 4)	1,941,330	807,706	-	2,749,036	115,080	25,217	-	-	2,889,333
Assets held by insurance captive (CCC550) (Note 12)	-	-	-	-	-	-	226,951	-	226,951
Land, buildings, and equipment, net (Note 9)	2,921,646	585,319	-	3,506,965	114,124	824,229	-	-	4,445,318
Total assets	$ 6,478,977	$ 1,663,770	$ (117,778)	$ 8,024,969	$ 262,874	$ 1,934,953	$ 305,999	$ (132,741)	$ 10,396,054
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	$ 233,714	$ 303,181	$ (117,778)	$ 419,117	$ 21,964	$ 491,317	$ 45,590	$ (56,290)	$ 921,698
Deferred revenue	762,970	36,395	-	799,365	1,204	-	47,663	(32,235)	815,997
Outstanding losses and loss adjustment expenses (Note 12)	-	-	-	-	-	-	168,530	-	168,530
Security loan agreements payable (Note 4)	4,965	-	-	4,965	-	-	-	-	4,965
Bonds and notes payable (Notes 10 and 11)	1,858,589	302,690	-	2,161,279	121,045	598,877	-	-	2,881,201
Federal grants refundable	69,690	1,650	-	71,340	3,528	-	-	-	74,868
Accrued benefit obligation (Note 13)	42,665	38,396	-	81,061	-	73,267	-	-	154,328
Accrued postretirement obligation (Note 14)	259,998	86,348	-	346,346	14,793	55,809	-	-	416,948
Asset retirement obligation	109,338	11,284	-	120,622	1,681	15,235	-	-	137,538
Total liabilities	3,341,929	779,944	(117,778)	4,004,095	164,215	1,234,505	261,783	(88,525)	5,576,073
Net assets									
Unrestricted	1,676,590	402,372	-	2,078,962	8,107	493,427	44,216	(44,216)	2,580,496
Temporarily restricted (Note 18)	429,741	199,203	-	628,944	9,532	198,275	-	-	836,751
Permanently restricted (Note 18)	1,030,717	282,251	-	1,312,968	81,020	8,746	-	-	1,402,734
Total net assets	3,137,048	883,826	-	4,020,874	98,659	700,448	44,216	(44,216)	4,819,981
Total liabilities and net assets	$ 6,478,977	$ 1,663,770	$ (117,778)	$ 8,024,969	$ 262,874	$ 1,934,953	$ 305,999	$ (132,741)	$ 10,396,054

* As of June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2012

(in thousands of dollars)

	2012			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of $396,237 University; $5,076 NYU Langone Medical Center)	$ 1,425,514	$ 45,033	$ -	$ 1,470,547
Grants and contracts (Note 15)	341,379	261,243	(1,519)	601,103
Insurance premiums earned	-	36,892	-	36,892
Patient care (Note 3)	47,092	2,279,028	-	2,326,120
Hospital affiliations (Note 16)	-	261,384	-	261,384
New York State appropriation	12,140	229	-	12,369
Contributions	91,423	38,858	-	130,281
Endowment distribution (Note 4)	82,264	36,384	-	118,648
Return on short-term investments (Note 4)	6,222	14,392	-	20,614
Auxiliary enterprises	362,305	26,367	(5,310)	383,362
Program fees and other	91,724	105,590	(6,616)	190,698
Net assets released from restrictions	65,290	63,927	-	129,217
Total operating revenues	2,525,353	3,169,327	(13,445)	5,681,235
Expenses (Note 17)				
Instruction and other academic programs	1,214,411	54,882	-	1,269,293
Research and other sponsored programs	302,680	358,115	(1,519)	659,276
Patient care	47,324	1,820,382	-	1,867,706
Hospital affiliations (Note 16)	-	242,457	-	242,457
Libraries	60,209	8,883	-	69,092
Student services	101,132	9,673	-	110,805
Institutional services	288,062	405,375	(6,616)	686,821
Auxiliary enterprises	376,323	57,148	(5,310)	428,161
Total expenses	2,390,141	2,956,915	(13,445)	5,333,611
Excess of operating revenues over expenses	135,212	212,412	-	347,624
Nonoperating activities				
Investment return (Note 4)	19,720	11,447	-	31,167
Appropriation of endowment distribution (Note 4)	(29,121)	(21,171)	-	(50,292)
Other	(3,676)	(665)	-	(4,341)
Net assets released from restrictions for capital purposes	3,226	3,610	-	6,836
Changes in pension and postretirement obligations (Notes 13 and 14)	(119,047)	(157,390)	-	(276,437)
Increase in unrestricted net assets	6,314	48,243	-	54,557
Changes in temporarily restricted net assets				
Contributions	105,808	77,553	-	183,361
Investment return (Note 4)	33,868	8,297	-	42,165
Appropriation of endowment distribution (Note 4)	(53,143)	(15,213)	-	(68,356)
Other	(1,790)	(5,700)	-	(7,490)
Net assets released from restrictions	(68,516)	(67,537)	-	(136,053)
Increase (decrease) in temporarily restricted net assets	16,227	(2,600)	-	13,627
Changes in permanently restricted net assets				
Contributions	80,628	25,542	-	106,170
Other	(5,325)	-	-	(5,325)
Increase in permanently restricted net assets	75,303	25,542	-	100,845
Increase in net assets	$ 97,844	$ 71,185	$ -	$ 169,029

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Summary)
Year Ended August 31, 2011

(in thousands of dollars)

	2011			
	University	NYU Langone Medical Center	Eliminations	Consolidated NYU
Changes in unrestricted net assets				
Operating revenues				
Tuition and fees (net of financial aid awards of $364,559 University; $4,828 NYU Langone Medical Center)	$ 1,359,950	$ 38,049	$ -	$ 1,397,999
Grants and contracts (Note 15)	294,517	258,046	(2,089)	550,474
Insurance premiums earned	-	27,414	-	27,414
Patient care (Note 3)	45,282	2,017,910	-	2,063,192
Hospital affiliations (Note 16)	-	250,086	-	250,086
New York State appropriation	7,225	259	-	7,484
Contributions	72,359	42,552	-	114,911
Endowment distribution (Note 4)	74,923	34,902	-	109,825
Return on short-term investments (Note 4)	4,331	10,830	-	15,161
Auxiliary enterprises	345,164	29,568	(5,393)	369,339
Program fees and other	72,566	62,144	(7,246)	127,464
Net assets released from restrictions	66,203	48,549	-	114,752
Total operating revenues	2,342,520	2,820,309	(14,728)	5,148,101
Expenses (Note 17)				
Instruction and other academic programs	1,155,000	47,686	-	1,202,686
Research and other sponsored programs	247,530	334,601	(2,089)	580,042
Patient care	45,448	1,642,785	-	1,688,233
Hospital affiliations (Note 16)	-	229,475	-	229,475
Libraries	58,864	7,759	-	66,623
Student services	102,487	12,045	-	114,532
Institutional services	276,027	352,723	(7,246)	621,504
Auxiliary enterprises	375,740	54,611	(5,393)	424,958
Total expenses	2,261,096	2,681,685	(14,728)	4,928,053
Excess of operating revenues over expenses	81,424	138,624	-	220,048
Nonoperating activities				
Investment return (Note 4)	95,998	53,750	-	149,748
Appropriation of endowment distribution (Note 4)	(25,247)	(21,776)	-	(47,023)
Other	(1,743)	6,734	-	4,991
Net assets released from restrictions for capital purposes	5,344	20,709	-	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	915	31,714	-	32,629
Increase in unrestricted net assets before effect of change in accounting principle	156,691	229,755	-	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	(127,850)	(70,577)	-	(198,427)
Increase in unrestricted net assets after effect of change in accounting principle	28,841	159,178	-	188,019
Changes in temporarily restricted net assets				
Contributions	59,979	76,646	-	136,625
Investment return (Note 4)	130,433	46,455	-	176,888
Appropriation of endowment distribution (Note 4)	(49,676)	(13,126)	-	(62,802)
Other	(2,859)	(292)	-	(3,151)
Net assets released from restrictions	(67,734)	(69,258)	-	(136,992)
Increase in temporarily restricted net assets before effect of change in accounting principle	70,143	40,425	-	110,568
Cumulative effect of change in accounting principle (Notes 2 and 18)	127,850	70,577	-	198,427
Increase in temporarily restricted net assets after effect of change in accounting principle	197,993	111,002	-	308,995
Changes in permanently restricted net assets				
Contributions	40,847	24,000	-	64,847
Other	5,647	-	-	5,647
Reclassification to unrestricted net assets (Note 18)	(3,813)	-	-	(3,813)
Increase in permanently restricted net assets	42,681	24,000	-	66,681
Increase in net assets	$ 269,515	$ 294,180	$ -	$ 563,695

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2012

(in thousands of dollars)

	2012								
	Washington Square	**School of Medicine**	**Eliminations**	**Subtotal**	**Polytechnic***	**Hospitals Center**	**CCC550**	**Eliminations**	**Total Consolidated NYU**
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of $396,237 University; and $5,076 NYU Langone Medical Center)	$ 1,347,341	$ 45,033	$ -	$ 1,392,374	$ 78,173	$ -	$ -	$ -	$ 1,470,547
Grants and contracts (Note 15)	326,321	260,404	(1,519)	585,206	15,058	839	-	-	601,103
Insurance premiums earned	-	-	-	-	-	-	55,586	(18,694)	36,892
Patient care (Note 3)	47,092	550,782	-	597,874	-	1,830,158	-	(101,912)	2,326,120
Hospital affiliations (Note 16)	-	245,439	-	245,439	-	15,945	-	-	261,384
New York State appropriation	11,917	229	-	12,146	223	-	-	-	12,369
Contributions	88,759	35,306	-	124,065	2,664	3,552	-	-	130,281
Endowment distribution (Note 4)	79,445	35,316	-	114,761	2,819	1,068	-	-	118,648
Return on short-term investments (Note 4)	6,222	702	-	6,924	-	2,070	11,620	-	20,614
Auxiliary enterprises	356,403	26,367	(5,310)	377,460	5,902	-	-	-	383,362
Program fees and other	90,944	95,794	(6,616)	180,122	780	97,277	-	(87,481)	190,698
Net assets released from restrictions	57,089	43,391	-	100,480	8,201	20,536	-	-	129,217
Total operating revenues	2,411,533	1,338,763	(13,445)	3,736,851	113,820	1,971,445	67,206	(208,087)	5,681,235
Expenses (Note 17)									
Instruction and other academic programs	1,152,449	54,882	-	1,207,331	61,962	-	-	-	1,269,293
Research and other sponsored programs	287,431	358,115	(1,519)	644,027	15,249	-	-	-	659,276
Patient care	47,324	558,217	-	605,541	-	1,364,077	-	(101,912)	1,867,706
Hospital affiliations (Note 16)	-	242,457	-	242,457	-	-	-	-	242,457
Libraries	60,209	8,883	-	69,092	-	-	-	-	69,092
Student services	90,726	9,673	-	100,399	10,406	-	-	-	110,805
Institutional services	268,971	85,728	(6,616)	348,083	19,091	358,616	35,962	(74,931)	686,821
Auxiliary enterprises	365,686	57,148	(5,310)	417,524	10,637	-	-	-	428,161
Total expenses	2,272,796	1,375,103	(13,445)	3,634,454	117,345	1,722,693	35,962	(176,843)	5,333,611
Excess (deficiency) of operating revenues over expenses	138,737	(36,340)	-	102,397	(3,525)	248,752	31,244	(31,244)	347,624
Nonoperating activities									
Investment return (Note 4)	21,702	11,343	-	33,045	(1,982)	104	-	-	31,167
Appropriation of endowment distribution (Note 4)	(26,302)	(21,129)	-	(47,431)	(2,819)	(42)	-	-	(50,292)
Other	(3,676)	503	-	(3,173)	-	(1,168)	-	-	(4,341)
Mission based payment	-	37,813	-	37,813	-	(37,813)	-	-	-
Net assets released from restrictions for capital purposes	3,226	500	-	3,726	-	3,110	-	-	6,836
Changes in pension and postretirement obligations (Notes 13 and 14)	(117,019)	(69,079)	-	(186,098)	(2,028)	(88,311)	-	-	(276,437)
Increase (decrease) in unrestricted net assets	16,668	(76,389)	-	(59,721)	(10,354)	124,632	31,244	(31,244)	54,557
Changes in temporarily restricted net assets									
Contributions	98,727	54,284	-	153,011	7,081	23,269	-	-	183,361
Investment return (Note 4)	33,023	7,693	-	40,716	845	604	-	-	42,165
Appropriation of endowment distribution (Note 4)	(53,143)	(14,187)	-	(67,330)	-	(1,026)	-	-	(68,356)
Other	(1,829)	-	-	(1,829)	39	(5,700)	-	-	(7,490)
Net assets released from restrictions	(60,315)	(43,891)	-	(104,206)	(8,201)	(23,646)	-	-	(136,053)
Increase (decrease) in temporarily restricted net assets	16,463	3,899	-	20,362	(236)	(6,499)	-	-	13,627
Changes in permanently restricted net assets									
Contributions	80,226	21,277	-	101,503	402	4,265	-	-	106,170
Other	(5,325)	-	-	(5,325)	-	-	-	-	(5,325)
Increase in permanently restricted net assets	74,901	21,277	-	96,178	402	4,265	-	-	100,845
Increase in net assets	$ 108,032	$ (51,213)	$ -	$ 56,819	$ (10,188)	$ 122,398	$ 31,244	$ (31,244)	$ 169,029

*For the year ended June 30

New York University
Supplemental Schedule to the Consolidated Financial Statements
(Consolidating Statement of Activities for NYU - Detail)
Year Ended August 31, 2011

(in thousands of dollars)

	2011								
	Washington Square	School of Medicine	Eliminations	Subtotal	Polytechnic*	Hospitals Center	CCC550	Eliminations	Total Consolidated NYU
Changes in unrestricted net assets									
Operating revenues									
Tuition and fees (net of financial aid awards of $364,559 University; and $4,828 NYU Langone Medical Center)	$ 1,286,180	$ 38,049	$ -	$ 1,324,229	$ 73,770	$ -	$ -	$ -	$ 1,397,999
Grants and contracts (Note 15)	280,934	255,727	(2,089)	534,572	13,583	2,319	-	-	550,474
Insurance premiums earned	-	-	-	-	-	-	55,804	(28,390)	27,414
Patient care (Note 3)	45,282	462,991	-	508,273	-	1,625,839	-	(70,920)	2,063,192
Hospital affiliations (Note 16)	-	240,020	-	240,020	-	10,066	-	-	250,086
New York State appropriation	6,777	259	-	7,036	448	-	-	-	7,484
Contributions	71,186	37,756	-	108,942	1,173	4,796	-	-	114,911
Endowment distribution (Note 4)	73,268	33,909	-	107,177	1,655	993	-	-	109,825
Return on short-term investments (Note 4)	4,331	349	-	4,680	-	2,405	8,076	-	15,161
Auxiliary enterprises	339,733	29,568	(5,393)	363,908	5,431	-	-	-	369,339
Program fees and other	70,845	51,349	(7,246)	114,948	1,721	44,364	-	(33,569)	127,464
Net assets released from restrictions	55,615	38,112	-	93,727	10,588	10,437	-	-	114,752
Total operating revenues	2,234,151	1,188,089	(14,728)	3,407,512	108,369	1,701,219	63,880	(132,879)	5,148,101
Expenses (Note 17)									
Instruction and other academic programs	1,095,153	47,686	-	1,142,839	59,847	-	-	-	1,202,686
Research and other sponsored programs	233,103	334,601	(2,089)	565,615	14,427	-	-	-	580,042
Patient care	45,448	460,131	-	505,579	-	1,253,574	-	(70,920)	1,688,233
Hospital affiliations (Note 16)	-	229,475	-	229,475	-	-	-	-	229,475
Libraries	58,864	7,759	-	66,623	-	-	-	-	66,623
Student services	92,826	12,045	-	104,871	9,661	-	-	-	114,532
Institutional services	258,518	88,920	(7,246)	340,192	17,509	261,882	58,934	(57,013)	621,504
Auxiliary enterprises	365,590	54,611	(5,393)	414,808	10,150	-	-	-	424,958
Total expenses	2,149,502	1,235,228	(14,728)	3,370,002	111,594	1,515,456	58,934	(127,933)	4,928,053
Excess (deficiency) of operating revenues over expenses	84,649	(47,139)	-	37,510	(3,225)	185,763	4,946	(4,946)	220,048
Nonoperating activities									
Investment return (Note 4)	81,212	53,245	-	134,457	14,786	505	-	-	149,748
Appropriation of endowment distribution (Note 4)	(23,592)	(21,731)	-	(45,323)	(1,655)	(45)	-	-	(47,023)
Other	(1,743)	4,842	-	3,099	-	1,892	-	-	4,991
Transfer of equity	-	3,925	-	3,925	-	(3,925)	-	-	-
Mission based payment	-	45,000	-	45,000	-	(45,000)	-	-	-
Net assets released from restrictions for capital purposes	5,344	5,111	-	10,455	-	15,598	-	-	26,053
Changes in pension and postretirement obligations (Notes 13 and 14)	1,593	16,699	-	18,292	(678)	15,015	-	-	32,629
Increase in unrestricted net assets before effect of change in accounting principle	147,463	59,952	-	207,415	9,228	169,803	4,946	(4,946)	386,446
Cumulative effect of change in accounting principle (Notes 2 and 18)	(127,850)	(63,548)	-	(191,398)	-	(7,029)	-	-	(198,427)
Increase (decrease) in unrestricted net assets after effect of change in accounting principle	19,613	(3,596)	-	16,017	9,228	162,774	4,946	(4,946)	188,019
Changes in temporarily restricted net assets									
Contributions	50,978	28,795	-	79,773	9,001	47,851	-	-	136,625
Investment return (Note 4)	126,725	43,826	-	170,551	3,708	2,629	-	-	176,888
Appropriation of endowment distribution (Note 4)	(49,676)	(12,178)	-	(61,854)	-	(948)	-	-	(62,802)
Other	(2,904)	(292)	-	(3,196)	45	-	-	-	(3,151)
Net assets released from restrictions	(60,959)	(43,223)	-	(104,182)	(6,775)	(26,035)	-	-	(136,992)
Increase in temporarily restricted net assets before effect of change in accounting principle	64,164	16,928	-	81,092	5,979	23,497	-	-	110,568
Cumulative effect of change in accounting principle (Notes 2 and 18)	127,850	63,548	-	191,398	-	7,029	-	-	198,427
Increase in temporarily restricted net assets after effect of change in accounting principle	192,014	80,476	-	272,490	5,979	30,526	-	-	308,995
Changes in permanently restricted net assets									
Contributions	40,279	24,000	-	64,279	568	-	-	-	64,847
Other	5,647	-	-	5,647	-	-	-	-	5,647
Reclassification to unrestricted net assets (Note 18)	-	-	-	-	(3,813)	-	-	-	(3,813)
Increase (decrease) in permanently restricted net assets	45,926	24,000	-	69,926	(3,245)	-	-	-	66,681
Increase in net assets	$ 257,553	$ 100,880	$ -	$ 358,433	$ 11,962	$ 193,300	$ 4,946	$ (4,946)	$ 563,695

*For the year ended June 30

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Construction of Projects

The University agrees that, whether or not there is sufficient money available to it under the provisions of the Resolution and under the Loan Agreement, the University shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of each Project, substantially in accordance with the Contract Documents relating thereto. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of money available in the applicable Construction Fund, cause the University to be reimbursed for, or pay, any costs and expenses incurred by the University which constitute Costs of the Project, provided such costs and expenses are approved by an Authorized Officer of the Authority.

(Section 5)

Amendment of a Project; Cost Increases; Additional Bonds

A Project may be amended by the University with the prior written consent of an Authorized Officer of the Authority, which consent will not be unreasonably withheld, to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing furnishing and equipping of a Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments

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

(a) On or before the date of delivery of the Bonds of a Series, the Authority Fee agreed to by the Authority and the University in connection with issuance of the Bonds of such Series;

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

(c) Three days (or the preceding Business Day if such day is not a Business Day) prior to an interest payment date on Outstanding Variable Interest Rate Bonds, the interest coming due on such Variable Interest Rate Bonds on such interest payment date, assuming that such Bonds will, from and after the next succeeding date on which the rates at which such Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum for such Bonds on the immediately preceding Business Day, plus one percent (1%) per annum;

(d) On the fifth Business Day immediately preceding the July 1 and January 1 on which interest becomes due on Outstanding Bonds, other than Variable Interest Rate Bonds, the interest becoming due on such July 1 or January 1 interest payment date for such Bonds;

(e) On the fifth Business Day immediately preceding the date on which the principal or Sinking Fund Installments on any Outstanding Bonds becomes due, the principal and Sinking Fund Installments on the Bonds coming due on date;

(f) At least five Business Days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or to be purchased is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(g) On December 10 of each Bond Year, one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with each Series of 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 a Series of 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 such Series of 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);

(h) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to the Loan Agreement and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of a Series of Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable under a remarketing agreement, a Credit Facility or a Liquidity Facility; (iv) for the costs and expenses incurred to compel full and punctual performance by the University of all the provisions of the Loan Agreement or the Resolution in accordance with the terms thereof, and (v) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution;

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

(j) Promptly upon demand by an Authorized Officer of the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Bonds of a Series or otherwise available therefor under the Resolution and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds of such Series;

(k) By 5:00 P.M., New York City time, on the date Option Bonds are tendered for purchase by the Holders thereof or on the date Variable Rate Bonds are subject to mandatory tender for purchase, as the case may be, the amount, in immediately available funds, required to pay the purchase price of Option Bonds or Variable Rate Bonds tendered for purchase and not remarketed or remarketed at less than the principal amount thereof and which is not to be paid from money to be made available pursuant to a Liquidity Facility; *provided, however*, that if such notice is given to the University by 10:00 A.M., New York City time, then such amount shall be paid, in immediately available funds, by 12:30 P.M., New York City time, on such day; *provided, further*, that, if such notice is given to the University after 3:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 10:00 A.M., New York City time, on the next succeeding day; and

(l) Promptly upon demand by an Authorized Officer of the Authority, all amounts required to be paid by the Authority to a Counterparty in accordance with an Interest Rate Exchange Agreement or to reimburse the Authority for any amounts paid to a Counterparty in accordance with an Interest Rate Exchange Agreement.

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

The Authority directs the University, and the University agrees, to make the payments required by paragraphs (c), (d), (e), (f), (i) and (j) above directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraph (b) above directly to the Trustee for deposit in a Construction Fund or other fund established under the Resolution, as directed by an Authorized Officer of the Authority, the payments required by paragraphs (a), (g) and (h) above directly to the Authority and the payments required by paragraphs (k) and (l) above to or upon the order of the Authority.

Notwithstanding any provision in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in the Loan Agreement), all money paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the University's indebtedness to the Authority thereunder 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 money is applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such money has 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, the Trustee shall hold such money 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.

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

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

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

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

The University, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the University, the Authority agrees to direct the Trustee to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with the Resolution with respect to such Series of Bonds; *provided, however*, that in the event such voluntary payment is in the sole judgment of the Authority sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with the Resolution, the Authority agrees, in accordance with the instructions of the University, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds outstanding to be paid or to be deemed paid in accordance with the Resolution.

(Section 9)

Consent to Pledge and Assignment

The University consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee of (i) the Authority's rights to receive the payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (ii) any or all security interests that may be granted by the University under the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (iii) all funds and accounts established by the Resolution and pledged thereby in each case to secure any payment or the performance of any obligation of the University under the Loan Agreement or arising out of the transactions contemplated in the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The University further agrees that the Authority may pledge and assign to the Trustee any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by the Loan Agreement, the Trustee shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to the Authority's rights (x) to receive payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*, (y) in any security interest that may be granted by the University pursuant to the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* and (z) to enforce all other obligations required to be performed by the University pursuant to the Loan Agreement. Any realization upon any pledge made or security interest that may be granted in accordance with the second paragraph of the provisions of the Loan Agreement summarized below under the caption *"Management Consultant"* shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the University pursuant thereto.

(Section 10)

Management Consultant

The University shall (i) at the request of the Authority made at any time the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's Investor Service, Inc. (**"Moody's"**), "A1" or, in the case of Fitch, Inc (**"Fitch"**) or Standard & Poor's Rating Services (**"S&P"**), "A+", or (ii) if the rating on any Outstanding Bonds or on any of the University's long term unsecured, unenhanced debt obligations is reduced by a Rating Service to below, in the case of Moody's "A2" or, in the case of Fitch or S&P, "A", or (iii) if any rating is suspended or withdrawn by a Rating Service, engage, at the University's expense, a Management Consultant within sixty (60) days after such request, reduction, suspension or withdrawal, unless the Authority has waived such obligation which it may do in its sole discretion. The Management Consultant shall review the fees and tuition, operations and management of the University and any other matter deemed appropriate by the Authority and make such recommendations with respect to such fees and tuition, operations, management and other matters. Copies of the report and recommendations of the Management Consultant (the **"Report"**) shall be delivered to the Authority, the Trustee, and the University's President and General Counsel no later than one hundred twenty (120) days following the date of engagement of such Management Consultant. The President of the University shall promptly cause the Report to be sent to each member of the University's Board of Trustees and to the members of each committee of the Board of Trustees as shall be determined by the President, on the advice of the General Counsel, shall consider appropriate. The University shall:

(i) not later than (30) days after receipt of the Report by the University's President deliver to the Authority, the Trustee, each member of the Board of Trustees and the members of each committee to which the Report was delivered, a written report setting forth the University's comment and reaction to the Report;

(ii) not later than sixty (60) days after receipt of the Report by the University's President, deliver to the Authority and the Trustee, a plan approved by either the University's Board of Trustees or the Executive Committee of the Board of Trustees setting forth in reasonable detail the following:

(a) the steps the University proposes to take to implement the recommendations contained in the Report;

(b) the timetable on which the University proposes to implement such recommendations; and

(c) with respect to any recommendations that the University does not plan to implement, an explanation of the University's reasons therefor, including any legal or regulatory restrictions or impediments to implementation of any such recommendations, and any business, financial or other factors that in the reasonable judgment of the University affect the feasibility of implementing any such recommendations; and

(iii) within thirty (30) days after the end of each fiscal quarter of the University, deliver a written report to the Authority and the Trustee demonstrating the progress made by the University in implementing the recommendations. The University shall continue to deliver such reports until it gives written notice to the authority and the Trustee that, in the University's reasonable judgment, either (1) the recommendations to have been implemented have been fully implemented or (2) it is no longer feasible to implement any recommendation that has not yet been implemented.

Notwithstanding the foregoing provisions of this section, the University in lieu of engaging a Management Consultant or implementation of the recommendations contained in the Report may elect to provide security in form and substance acceptable to the Authority in its sole discretion for the University's obligations under the Loan Agreement.

(Section 12)

Tax-Exempt Status of the University

The University represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been the Loan Agreement modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for the payment of unrelated business income tax.

(Section 13)

Use and Control of Projects; Restrictions on Religious Use

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

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

(Sections 17 and 18)

Maintenance, Repair and Replacement.

The University agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Projects 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 Projects may be properly and advantageously conducted. The University shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Projects which may have been financed by the proceeds of the sale of Bonds provided the University substitutes for any removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

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

(Section 19)

Covenant as to Insurance

The University agrees to maintain or cause to be maintained insurance with insurance companies or by means of self–insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the University, 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 University shall at all times also maintain worker's compensation coverage as required by the laws of the State.

The University shall furnish to the Authority annually a report of an Insurance Consultant that the insurance coverage maintained by the University is adequate and in accordance with the standards above.

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

(Section 20)

Reports and Financial Information

The University shall, if and when requested by an Authorized Officer of the Authority, render to the Authority and the Trustee reports with respect to all repairs, replacements and maintenance made to each Project. In addition, the University shall, if and when requested by an Authorized Officer of the Authority, render such other reports concerning the condition of each Project as an Authorized Officer of the Authority may request. The University shall also furnish annually, not later than one hundred sixty-five (165) days after the end of the University's fiscal year, to the Trustee, the Authority and to such other parties as an Authorized Officer of the Authority may reasonably designate, including Rating Services, (i) a certificate stating whether the University is in compliance with the provisions of the Loan Agreement, (ii) copies of its financial statements audited by a nationally recognized independent public accountant selected by the University and acceptable to an Authorized Officer of the Authority and prepared in conformity with generally accepted accounting principles applied on a consistent basis, except that such audited financial statements may contain such changes as are concurred in by such accountants, and (iii) such other statements, reports and schedules describing the finances, operation and management of the University and such other information reasonably required by an Authorized Officer of the Authority.

(Section 23)

Defaults and Remedies

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

(a) the University shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (except as described in paragraphs (B) and (C) of this paragraph (a)) or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement or the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amount payable pursuant to paragraph (c), (d), (e) or (f) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"* and such default continues for a period in excess of (1) day or (C) default in the timely payment of any payment pursuant to paragraph (k) of the provision of the Loan Agreement summarized above under the caption *"Financial Obligations of the University; General and Unconditional Obligation; Voluntary Payments"*; or

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

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

(d) the University shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility or a Credit Facility (which default has not been waived or cured) if the University's obligations thereunder are secured by a lien upon, security interest in or pledge of property which is equal or prior to any lien upon, security interest in or pledge of such property given or made pursuant to the Loan Agreement and, upon such default, (A) the principal of any indebtedness thereunder may be declared to be due and payable or (B) the lien security interest or pledge may be foreclosed or realized upon;

(e) the University shall (i) be generally not paying its debts as they become due, (ii) 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, (iii) make a general assignment for the benefit of its general creditors, (iv) 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, (v) be adjudicated insolvent or be liquidated, or (vi) take corporate action for the purpose of any of the foregoing;

(f) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the University, 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 University, or any petition for any such relief shall be filed against the University and such petition shall not have been stayed or dismissed within ninety (90) days;

(g) the charter of the University shall be suspended or revoked;

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

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

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

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

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

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

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

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

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

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

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan

Agreement, the Authority may annul any declaration made or action taken pursuant to the Loan Agreement and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 26)

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 University shall have been made or provision made for the payment thereof; ***provided, however,*** that the liabilities and the obligations of the University to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement and the obligations of the University under the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the University 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 University to the Authority pursuant the Loan Agreement.

(Section 39)

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2013 Bonds and the Project. 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.

Contract with Bondholders

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 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)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Revenues, and all funds and accounts established by the Resolution and any Series Resolution, excluding the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge of the Revenues and the assignment of the Authority's security interest therein shall also be for the benefit of each Provider as security for the payment of any amounts payable to such Provider under the Resolution; *provided, however*, that such pledge and assignment shall, in all respects, be subject and subordinate to the rights and interest therein of the Bondholders. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and any Series Resolution which are pledged thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and are pledged thereby, which pledge shall constitute a first lien thereon.

(Section 5.01)

Tax Exemption; Rebates

In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Authorized Bonds, the Authority shall comply with the provisions of the Code applicable to the Authorized Bonds, including without limitation the provisions of the Code relating to the computation of the yield on investments of the "gross proceeds" of the Authorized Bonds, as such term is defined in the Code, reporting of the earnings on such gross proceeds and rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the provisions of the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

The Authority shall not take any action or fail to take any action which would cause the Authorized Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Authorized Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Authorized Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Authorized Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor.

(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;
Debt Service Fund; and
Arbitrage Rebate Fund.

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

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of the proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified in the Resolution and in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Projects.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the money, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of 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, to be applied in accordance with the Resolution, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

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

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

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

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

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

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

(Section 5.05)

Debt Service Fund

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

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

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

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

The amounts paid out pursuant to this subdivision shall be irrevocably pledged to and applied to such payments.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the University and delivered to the Trustee in accordance with the Resolution 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.

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

(Section 5.06)

Arbitrage Rebate Fund

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

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date on which all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the University. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by 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 the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Investment of Funds and Accounts

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 Exempt Obligations, and, if not inconsistent with the investments guidelines of a Rating Service applicable to funds held under the Resolution, any other permitted investment; *provided, however,* that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution *provided, further,* that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person..

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.

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

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in the Resolution. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the University 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 the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(Section 6.02)

Creation of Liens

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

(Section 7.06)

Amendment of Loan Agreement

Except as expressly otherwise provided in Section 7.11 of the Resolution, the Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; ***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 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 the Resolution; ***provided, further,*** that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the University under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to the Resolution by the Holders of Bonds shall, except as otherwise provided in the Resolution , be given in the same manner required by the Resolution.

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

For the purposes of the Resolution, 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 in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however,*** that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by the Resolution 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 particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **"Winning Bid Rate"** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

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

For all purposes of the Resolution , 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.

Bonds owned or held by or for the account of the Authority or the University shall not be deemed Outstanding for the purpose of the consent provided for in the Resolution , and neither the Authority nor the University 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.

(Section 7.11)

Modification and Amendment Without Consent

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

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

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, 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 of any other money, securities or funds;

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

(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 Holders 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 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.

(Section 9.02)

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 set forth in the provision of the Resolution summarized below under the caption *"Consent of Bondholders"*, (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 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 the Resolution. 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 the Resolution, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(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 to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption *"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 thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Resolution. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds 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 that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds 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 Holder of such Bonds 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 below 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 the 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 the Resolution, 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 in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, upon such purchase, may consent to a modification or amendment permitted under the headings above titled, "Powers of Amendment" or "Consent of Bondholders" 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 modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution 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 and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to Bondholders either by mailing or publication shall be required.

(Section 10.03)

Events of Default

Each of the following constitutes an “event of default” under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) The Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof, and, as a result thereof, the interest on the Bonds of a Series shall no longer be excludable from gross income under Section 103 of the Code; or

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

(d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (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 to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(e) The Authority shall have notified the Trustee that an "Event of Default", as defined in the Loan Agreement shall have occurred and is continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled and the Authority shall have notified the Trustee of such "Event of Default."

(Section 11.02)

Acceleration of Maturity

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

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of Default"*, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution 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 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.

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

(Section 11.04)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Resolution), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds has become or been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

Whenever money is to be applied by the Trustee pursuant to the provisions of the Resolution, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with the Resolution shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

(Section 11.05)

Termination of Proceedings

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Provider, the University and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or in the case of an event of default described in subparagraph (c) under the heading "Event of Default" above, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Series Resolution, provided such direction shall be in accordance with law or the provisions of the Resolution and of each Series Resolution and the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

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, or, in the case of an event of default under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of 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. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

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

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. 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 the preceding paragraph if (a) in case any of such 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, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such 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 an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in the manner provided in the Resolution. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to the Resolution 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 such 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 such 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 by the Resolution 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 Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, 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 (b) of the preceding paragraph, 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 Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the Resolution only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee 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 the Resolution, 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 the Resolution. 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 each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the University, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

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 such 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 and the Holders shall look only to the Authority for 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 remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

FORM OF APPROVING OPINION OF BOND COUNSEL

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437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000
Fax: (212) 940-3111

[Date of Issuance]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $126,525,000 principal amount of New York University Revenue Bonds, Series 2013A (the "Series 2013A Bonds"), by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2013A Bonds are issued under and pursuant to the Act, the New York University Revenue Bond Resolution of the Authority, adopted on May 28, 2008 (the "Resolution"), the New York University Series 2013A Resolution Authorizing the Issuance of a Series of New York University Revenue Bonds, adopted by the Authority on September 11, 2013 (the "Series Resolution") and the Bond Series Certificate, dated as of September 26, 2013, executed by the Authority and relating to the Series 2013A Bonds (the "Bond Series Certificate"). Said resolutions and the Bond Series Certificate are herein collectively referred to as the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

The Series 2013A Bonds are part of an issue of bonds of the Authority (the "Bonds"), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2013A Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2013A Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with the Series 2013A Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2013A Bonds are dated their date of delivery and will bear interest at the rates and mature on July 1 of each of the years and in the principal amounts set forth below.

Due July 1	Amount	Interest Rate	Due July 1	Amount	Interest Rate
2014	$1,495,000	2.000%	2026	$3,455,000	5.000%
2015	2,080,000	3.000	2027	3,625,000	5.000
2016	2,140,000	4.000	2028	3,805,000	5.000
2017	2,225,000	5.000	2029	3,995,000	4.000
2018	2,335,000	5.000	2030	4,155,000	5.000
2019	2,455,000	5.000	2031	4,365,000	5.000
2020	2,575,000	5.000	2032	4,585,000	5.000
2021	2,705,000	5.000	2033	3,870,000	5.000
2022	2,840,000	5.000	2033	940,000	4.375
2023	2,985,000	5.000	2037	21,745,000	5.000
2024	3,130,000	5.000	2043	41,725,000	5.000
2025	3,290,000	5.000			

The Series 2013A Bonds are issuable in the form of fully registered Bonds in denominations of $5,000 or any integral multiples thereof and are numbered consecutively from one upward in order of issuance.

The Series 2013A Bonds are subject to redemption and purchase-in-lieu of optional redemption prior to maturity as provided in the Resolutions.

The Series 2013A Bonds are being issued to (i) finance or refinance the cost of the acquisition, construction, furnishing and equipping of the Series 2013 Project and (ii) pay certain Costs of Issuance of the Series 2013A Bonds.

The Authority and the University have entered into a Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University (the "Loan Agreement"), by which the University is required to make payments sufficient to pay the principal and Redemption Price of and interest on Outstanding Bonds, including the Series 2013A Bonds, as well as the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal or Redemption Price of or interest on the Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds including the Series 2013A Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2013A Bonds thereunder.

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

3. The Series 2013A Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2013A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled to the benefits of the Resolutions and the Act.

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

5. The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2013A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2013A Bonds to be included in gross income retroactive to the date of issue of the Series 2013A Bonds. The Authority has covenanted in the Series Resolution and the Tax Certificate as to Arbitrage and the Provisions of Section 141–150 of the Internal Revenue Code (the "Tax Certificate") and the University has covenanted in the Loan Agreement and the Tax Certificate to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2013A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. In addition, the Authority and the University have made certain representations and certifications in the Tax Certificate. We have also relied on the opinion of counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law and assuming compliance with the tax covenants described above, and the accuracy of certain representations and certifications made by the Authority and the University described above, interest on the Series 2013A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. No opinion is expressed as to whether the interest on any portion of the Series 2013A Bonds is excluded from the adjusted current earnings of corporations for purposes of computing the alternative minimum tax imposed such corporations.

6. Interest on the Series 2013A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City

of New York and the City of Yonkers. No opinion is expressed as to other State or local tax law consequences arising with respect to the Series 2013A Bonds or as to the taxability of the Series 2013A Bonds or the income derived therefrom under the laws of any state other than the State of New York.

We have examined an executed Series 2013A Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2013A Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2013A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2013A Bonds, or the interest thereon, if any action is taken with respect to Series 2013A Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the University. We have assumed due authorization, execution and delivery by the University of the agreements to which they are a party.

Very truly yours,

437 Madison Avenue
New York, New York 10022-7001
(212) 940-3000
Fax: (212) 940-3111

[Date of Issuance]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $32,280,000 principal amount of New York University Revenue Bonds, Series 2013B (Federally Taxable) (the "Series 2013B Bonds"), by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2013B Bonds are issued under and pursuant to the Act, the New York University Revenue Bond Resolution of the Authority, adopted on May 28, 2008 (the "Resolution"), the Series Resolution which authorizes the issuance of the Series 2013B Bonds adopted by the Authority on September 11, 2013 (the "Series Resolution") and the Bond Series Certificate, to be dated as of September 26, 2013, executed by the Authority and relating to the Series 2013B Bonds (the "Bond Series Certificate"). The Resolution, the Series Resolution and the Bond Series Certificate are herein collectively referred to as the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meaning given to them in the Resolutions.

The Series 2013B Bonds are part of an issue of bonds of the Authority (the "Bonds"), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2013B Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2013B Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with the Series 2013B Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2013B Bonds are dated their date of delivery and will bear interest at the rates and mature on July 1 of each of the years and in the principal amounts set forth below.

Due July 1	Amount	Interest Rate	Due July 1	Amount	Interest Rate
2014	$850,000	0.440%	2023	$1,415,000	3.826%
2015	1,170,000	0.674	2024	1,470,000	3.976
2016	1,175,000	1.194	2025	1,525,000	4.176
2017	1,190,000	1.883	2026	1,585,000	4.376
2018	1,215,000	2.333	2027	1,660,000	4.526
2019	1,240,000	2.768	2028	1,730,000	4.626
2020	1,275,000	3.098	2033	3,075,000	5.000
2021	1,320,000	3.476	2043	9,020,000	5.250
2022	1,365,000	3.676			

The Series 2013B Bonds are issuable in the form of fully registered Bonds in denominations of $5,000 or any integral multiples thereof and are numbered consecutively from one upward in order of issuance.

The Series 2013B Bonds are subject to redemption and purchase-in-lieu of optional redemption prior to maturity as provided in the Resolutions.

The Series 2013B Bonds are being issued to (i) finance or refinance the cost of the acquisition, construction, furnishing and equipping of the Series 2013 Project and (ii) pay certain Costs of Issuance of the Series 2013B Bonds.

The Authority and the University have entered into a Loan Agreement, dated as of May 28, 2008, by and between the Authority and the University (the "Loan Agreement"), by which the University is required to make payments sufficient to pay the principal and Redemption Price of and interest on Outstanding Bonds, including the Series 2013B Bonds, as well as the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal or Redemption Price of or interest on the Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Bonds including the Series 2013B Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2013B Bonds thereunder.

2. The Series Resolution has been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolution and Series Resolution have been duly and lawfully adopted by the

Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2013B Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2013B Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled to the benefits of the Resolutions and the Act.

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

5. Interest on the Series 2013B 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. This opinion is not intended or provided by Bond Counsel to be used and cannot be used by an owner of the Series 2013B Bonds for the purpose of avoiding penalties that may be imposed on the owner of the Series 2013B Bonds. The opinions set forth herein are provided to support the promotion or marketing of such Series 2013B Bonds. Each owner of the Series 2013B Bonds should seek advice based on its particular circumstances from an independent tax advisor

6. Interest on the Series 2013B Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers. No opinion is expressed as to other State or local tax law consequences arising with respect to the Series 2013B Bonds nor as to the taxability of the Series 2013B Bonds or the income derived therefrom under the laws of any state other than the State of New York.

We have examined an executed Series 2013B Bond and, in our opinion, the form of said Bond and its execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2013B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2013B Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2013B Bonds, or the interest thereon, if any action is taken with respect to Series 2013B Bonds or the proceeds thereof upon the advice or approval of other counsel.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the University. We have assumed due authorization, execution and delivery by the University of the agreements to which they are a party.

Very truly yours,

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