



\$316,220,000		
DORMITORY AUTHORITY OF THE STATE OF NEW YORK ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS		
\$119,635,000	\$148,240,000	\$48,345,000
Series 2019A[†]	Series 2019B	Series 2020A
	(Federally Taxable)	(Forward Delivery)
Dated: Date of Delivery	Due: July 1, as shown on the inside covers	

Payment and Security: The Dormitory Authority of the State of New York Rochester Institute of Technology Revenue Bonds, Series 2019A Bonds (the "Series 2019A Bonds"), the Dormitory Authority of the State of New York Rochester Institute of Technology Revenue Bonds, Series 2019B Bonds (Federally Taxable) (the "Series 2019B Bonds") and the Dormitory Authority of the State of New York Rochester Institute of Technology Revenue Bonds, Series 2020A Bonds (Forward Delivery) (the "Series 2020A Bonds" and together with the Series 2019A Bonds and the Series 2019B Bonds, the "Series 2019AB/2020A Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of September 11, 2019, between Rochester Institute of Technology (the "University") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established under DASNY's Rochester Institute of Technology Revenue Bond Resolution, adopted September 11, 2019 (the "Resolution"), the Series 2019A Resolution, adopted on September 11, 2019, Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019A (the "Series 2019A Resolution"), the Series 2019B Resolution, adopted on September 11, 2019, Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019B (the "Series 2019B Resolution"), and the Series 2020A Resolution, adopted on September 11, 2019, Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2020A (the "Series 2020A Resolution" and together with the Series 2019A Resolution, the Series 2019B Resolution and the Resolution, the "Resolutions").

The Loan Agreement is a general 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, and Redemption Price of and interest on the Series 2019AB/2020A Bonds. The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations 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.

The Series 2019AB/2020A Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2019AB/2020A Bonds. DASNY has no taxing power.

Description: The Series 2019AB/2020A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due January 1, 2020 and each July 1 and January 1 thereafter in the case of the Series 2019A Bonds and the Series 2019B Bonds and July 1, 2020 and each January 1 and July 1 thereafter in the case of the Series 2020A Bonds) will be payable by check or draft mailed to the registered owners of the Series 2019AB/2020A Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2019A Bonds, Series 2019B Bonds or Series 2020A Bonds, by wire transfer to the holder of such Series 2019AB/2020A Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2019AB/2020A Bonds will be payable at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2019A Bonds, Series 2019B Bonds, or Series 2020A Bonds by wire transfer to the holders of such Series 2019AB/2020A Bonds as more fully described herein.

The Series 2019AB/2020A Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2019AB/2020A Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2019AB/2020A Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2019AB/2020A Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 - THE SERIES 2019AB/2020A BONDS - Book-Entry Only System" herein.

Redemption or Purchase: The Series 2019AB/2020A Bonds are subject to redemption or purchase prior to maturity as more fully described herein.

Tax Exemption: In the opinion of Barclay Damon LLP, Co-Bond Counsel to DASNY, under existing law, and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the University, and others, interest on the Series 2019A Bonds and the Series 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and interest on the Series 2019A Bonds and the Series 2020A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code. In the opinion of Barclay Damon LLP, Co-Bond Counsel to DASNY, interest on the Series 2019B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. In addition, Barclay Damon LLP is further of the opinion that, under existing statutes, interest on the Series 2019AB/2020A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "PART 11 - TAX MATTERS" herein regarding certain other tax considerations.

The Series 2019AB/2020A Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2019AB/2020A Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Barclay Damon LLP, Albany, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Cozen O'Connor, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York. DASNY expects to deliver the Series 2019A Bonds and the Series 2019B Bonds in definitive form in Albany, New York, on or about October 8, 2019 and the Series 2020A Bonds in definitive form in Albany, New York, on or about April 3, 2020. See "PART 3 - THE SERIES 2019AB/2020A BONDS - Delayed Delivery of the Series 2020A Bonds" for a discussion regarding the delayed delivery of the Series 2020A Bonds, certain conditions regarding the obligation of the Series 2020A Underwriter to purchase the Series 2020A Bonds and certain risks to registered owners of the Series 2020A Bonds resulting from the delayed delivery thereof.

RBC Capital Markets

(Senior Manager for the Series 2019A Bonds and Sole Underwriter for the Series 2019B Bonds and Series 2020A Bonds)

†M&T Securities, Inc.

(Co-Manager for the Series 2019A Bonds Only)

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ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS		
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Series 2019A	Series 2019B	Series 2020A
	(Federally	(Forward
	Taxable)	Delivery)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS[†]

SERIES 2019A BONDS

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u>
2033	\$2,500,000	5.00%	1.950% ^c	64990G TE2
2034	5,040,000	5.00	1.990 ^c	64990G TF9
2035	5,300,000	5.00	2.070 ^c	64990G TG7
2036	5,570,000	5.00	2.120 ^c	64990G TH5
2037	5,855,000	5.00	2.180 ^c	64990G TJ1
2038	6,155,000	5.00	2.220 ^c	64990G TK8
2039	6,470,000	5.00	2.260 ^c	64990G TL6

\$36,710,000 – 4.00% Term Bond, Due July 1, 2044, Yield 2.61%^c, CUSIP No.[†] 64990G TM4

\$46,035,000 – 5.00% Term Bond, Due July 1, 2049, Yield 2.42%^c, CUSIP No.[†] 64990G TN2

[†] Copyright, American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are included solely for the convenience of the holders of the Series 2019A Bonds. None of DASNY, the University or the Underwriters is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2019A Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2019A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2019A Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2019A Bonds.

^c Priced at stated yield to the July 1, 2029 optional redemption date.

\$316,220,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS**

\$119,635,000

Series 2019A

\$148,240,000

Series 2019B

**(Federally
Taxable)**

\$48,345,000

Series 2020A

**(Forward
Delivery)**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICE AND CUSIPS[†]

SERIES 2019B BONDS (FEDERALLY TAXABLE)

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP[†]</u>
1/1/2020	\$ 1,340,000	2.044%	100%	64990G TP7
7/1/2020	1,200,000	2.094	100	64990G TQ5
7/1/2021	1,225,000	2.094	100	64990G TR3
7/1/2022	1,250,000	2.189	100	64990G TS1
7/1/2023	9,005,000	2.208	100	64990G TT9
7/1/2024	9,535,000	2.258	100	64990G TU6
7/1/2025	9,745,000	2.402	100	64990G TV4
7/1/2026	10,115,000	2.502	100	64990G TW2
7/1/2027	10,365,000	2.604	100	64990G TX0
7/1/2028	10,630,000	2.684	100	64990G TY8
7/1/2029	10,915,000	2.734	100	64990G TZ5
7/1/2030	11,180,000	2.784	100	64990G UA8
7/1/2031	11,475,000	2.834	100	64990G UB6
7/1/2032	11,790,000	2.884	100	64990G UC4

\$13,925,000 – 3.084% Term Bond, Due July 1, 2034, Price 100%, CUSIP No.[†] 64990G UD2

\$24,545,000 – 3.439% Term Bond, Due July 1, 2042, Price 100%, CUSIP No.[†] 64990G UE0

[†] Copyright, American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are included solely for the convenience of the holders of the Series 2019B Bonds. None of DASNY, the University or the Underwriters is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2019B Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2019B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2019B Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2019B Bonds.

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Series 2019A	Series 2019B	Series 2020A
	(Federally Taxable)	(Forward Delivery)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS[†]

SERIES 2020A BONDS (FORWARD DELIVERY)

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u>
2020	\$ 545,000	5.00%	1.530%	64990G UF7
2021	3,310,000	5.00	1.530	64990G UG5
2022	3,480,000	5.00	1.580	64990G UH3
2023	2,335,000	5.00	1.620	64990G UJ9
2024	2,450,000	5.00	1.660	64990G UK6
2025	2,570,000	5.00	1.700	64990G UL4
2026	2,715,000	5.00	1.780	64990G UM2
2027	2,855,000	5.00	1.820	64990G UN0
2028	3,000,000	5.00	1.890	64990G UP5
2029	3,140,000	5.00	1.960	64990G UQ3
2030	3,300,000	5.00	2.040 ^c	64990G UR1
2031	3,470,000	5.00	2.110 ^c	64990G US9
2032	3,640,000	5.00	2.160 ^c	64990G UT7

\$5,210,000 – 5.00% Term Bond, Due July 1, 2036, Yield 2.34%^c, CUSIP No.[†] 64990G UU4

\$6,325,000 – 5.00% Term Bond, Due July 1, 2040, Yield 2.49%^c, CUSIP No.[†] 64990G UV2

[†] Copyright, American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Financial, Inc. The CUSIP numbers listed above are included solely for the convenience of the holders of the Series 2020A Bonds. None of DASNY, the University or the Underwriters is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2020A Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2020A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2020A Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2020A Bonds.

^c Priced at stated yield to the July 1, 2029 optional redemption 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 2019AB/2020A Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriters.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2019AB/2020A 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. Neither DASNY nor the Underwriters guarantees the accuracy or completeness of such information and such information is not to be construed as a representation of DASNY or the Underwriters.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the financial covenants, the 2019 Project, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2019AB/2020A Bonds, the University will certify that as of the date of this Official Statement and as of delivery of each of the Series 2019AB/2020A Bonds, that 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 representation as to the accuracy or completeness of any other information included in this Official Statement.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities law, but the Underwriters do not guarantee the accuracy or completeness of such information.

References in this Official Statement to the Act, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement are on file with DASNY and the Trustee.

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

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 CONNECTION WITH THE OFFERING OF THE SERIES 2019AB/2020A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2019AB/2020A 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
MICHAEL T. CORRIGAN – VICE PRESIDENT

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

OFFICIAL STATEMENT RELATING TO

\$316,220,000

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ROCHESTER INSTITUTE OF TECHNOLOGY REVENUE BONDS

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Series 2019A

\$148,240,000
Series 2019B
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Taxable)

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Series 2020A
(Forward
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PART 1 - INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about DASNY and the University, in connection with the offering by DASNY of \$119,635,000 aggregate principal amount of its Rochester Institute of Technology Revenue Bonds, Series 2019A (the “Series 2019A Bonds”), \$148,240,000 aggregate principal amount of its Rochester Institute of Technology Revenue Bonds, Series 2019B (Federally Taxable) (the “Series 2019B Bonds”), and \$48,345,000 aggregate principal amount of its Rochester Institute of Technology Revenue Bonds, Series 2020A (Forward Delivery) (the “Series 2020A Bonds” and, together with the Series 2019A Bonds and the Series 2019B Bonds, the “Series 2019AB/2020A Bonds”).

The following is a brief description of certain information concerning the Series 2019AB/2020A Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2019AB/2020A Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2019A Bonds are being issued for the purpose of providing funds (i) to pay a portion of the Costs of the 2019 Project (described herein), (ii) to refinance the University’s outstanding taxable bank loan, and (iii) to pay the Costs of issuance of the Series 2019A Bonds.

The Series 2019B Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used (i) to advance refund a portion of DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2012 (the “Series 2012 Bonds”), and (ii) to pay the Costs of Issuance of the Series 2019B Bonds.

The Series 2020A Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used (i) to current refund a portion of DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2010 (the “Series 2010 Bonds”), and (ii) to pay the Costs of Issuance of the Series 2020A Bonds.

In conjunction with the issuance of the Series 2019AB/2020A Bonds, the University anticipates the substantially simultaneous issuance of the DASNY Rochester Institute of Technology Revenue Bonds, Series 2019C (the “Series 2019C Bonds”) in the amount of \$30,000,000. The Series 2019C Bonds will be privately purchased by M&T Bank (an affiliate of M&T Securities, Inc., one of the Underwriters of the Series 2019A Bonds) and are expected to bear interest at a variable rate. The proceeds of the Series 2019C Bonds will be used, along with the proceeds of the Series 2019A Bonds, to finance the 2019 Project. M&T Bank has committed to holding the Series 2019C Bonds for an initial period of seven (7) years.

See “PART 4 — THE 2019 PROJECT,” “PART 5 – THE REFUNDING PLAN” and “PART 6 — ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Resolution authorizes the issuance of Bonds pursuant to separate Series Resolutions for the benefit of the University. The Series 2019AB/2020A Bonds will be issued pursuant to the Act, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution and the Series 2020A Resolution. In addition to the Series 2019AB/2020A Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY or other issuers that were issued on behalf of the University. Each Series of Bonds will be separately secured from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery dates of the Series 2019A Bonds, the Series 2019B Bonds or the Series 2020A Bonds. See “PART 3 — THE SERIES 2019AB/2020A BONDS.”

DASNY

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

The University

The University is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Board of Regents of the State. The University is located in Rochester, New York. See “PART 7 — THE UNIVERSITY” and “Appendix B — Financial Statements of Rochester Institute of Technology and Report of Independent Accountants.”

The Series 2019AB/2020A Bonds

The Series 2019AB/2020A Bonds are dated their respective dates of delivery and bear interest from such date (payable January 1, 2020 and each July 1 and January 1 thereafter in the case of the Series 2019A Bonds and the Series 2019B Bonds and payable July 1, 2020 and each January 1 and July 1 thereafter in the case of the Series 2020A Bonds) at the rates and will mature at the times set forth on the inside cover pages of this Official Statement. See “PART 3 - THE SERIES 2019AB/2020A BONDS - Description of the Series 2019AB/2020A Bonds and – Delayed Delivery of the Series 2020A Bonds.”

Payment of the Series 2019AB/2020A Bonds

The Series 2019AB/2020A Bonds 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, which payments are pledged and assigned to the Trustee. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019AB/2020A BONDS - Payment of the Series 2019AB/2020A Bonds.”

Security for the Series 2019AB/2020A Bonds

Each Series of the Series 2019AB/2020A Bonds will be secured by the proceeds from the sale of such Series of the Series 2019AB/2020A Bonds (until disbursed as provided by the Resolution) and by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund). Each Series of Bonds issued under the Resolution will be separately secured from each other Series of Bonds. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019AB/2020A BONDS - Security for the Series 2019AB/2020A Bonds.”

The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations 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 may grant and has granted security interests in certain revenues and assets of the University to secure certain of the University’s outstanding indebtedness other than the Series 2019AB/2020A Bonds. See “PART 7 – THE UNIVERSITY – ANNUAL FINANCIAL STATEMENT INFORMATION – Outstanding Indebtedness” 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.

The Series 2019AB/2020A 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 2019AB/2020A Bonds except for DASNY’s responsibility to make payments from moneys received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

Financial Covenants

The University covenants in the Loan Agreement that, except to the extent permitted under the Loan Agreement, it will not issue, incur, assume or guarantee any Indebtedness without the prior written consent of DASNY. For a summary of the circumstances in which the University may incur such Indebtedness, see “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019AB/2020A BONDS – Financial Covenants – *Additional Indebtedness.*”

The 2019 Project

The 2019 Project consists of (A) the construction of (i) a new Innovative Maker and Learning Complex, (ii) a new student musical performance theater, (iii) a new athletic stadium complex, and (iv) renovations to a student housing apartment complex, and (B) the refinancing of the University’s outstanding taxable bank loan. See “PART 4 – THE 2019 PROJECT.”

PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2019AB/2020A BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2019AB/2020A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution and the Series 2020A Resolution. Copies of the Loan Agreement, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution and the Series 2020A 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 2019AB/2020A Bonds

The Series 2019AB/2020A Bonds will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2019AB/2020A Bonds 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 Series 2019AB/2020A Bonds. The Revenues and the right to receive them have been pledged and assigned to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the University and requires the University to make payments to satisfy the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on all Outstanding Series 2019AB/2020A Bonds and Series 2019C Bonds. Payments made by the University in respect of interest on the Series 2019AB/2020A Bonds are to be made on the 15th day of each May immediately preceding the July 1 and on the 15th day of each November immediately preceding the January 1 on which interest is payable, 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 are to be made on the 15th day of each May immediately preceding the July 1 on which such principal becomes due and on the 15th day of each November immediately preceding the January 1 on which such principal becomes due. The Loan Agreement also obligates the University to pay, at least 45 days prior to a redemption date or purchase date of Series 2019AB/2020A Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the Purchase Price or Redemption Price of such Bonds. See “PART 3 - THE SERIES 2019AB/2020A BONDS - Redemption and Purchase in Lieu of Redemption Provisions.”

DASNY has directed, 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 and Redemption Price of and interest on the Series 2019AB/2020A Bonds.

Security for the Series 2019AB/2020A Bonds

Each Series of the Series 2019AB/2020A Bonds will be separately secured from each other Series of Bonds by the funds and accounts established pursuant to the Resolution, the Series 2019A Resolution, the Series 2019B Resolution and the Series 2020A Resolution (other than the Arbitrage Rebate Fund). Each Series of Bonds will be separately secured from each other. See “Appendix D - Summary of Certain Provisions of the Resolution.”

The Series 2019AB/2020A 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 2019AB/2020A Bonds except for DASNY’s responsibility to make payments from moneys 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 may grant and has granted security interests in certain revenues and assets of the University to secure certain of the University's outstanding indebtedness other than the Series 2019AB/2020A Bonds. See "PART 7 – THE UNIVERSITY – ANNUAL FINANCIAL STATEMENT INFORMATION - Outstanding Indebtedness" 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.

Financial Covenants

The Loan Agreement contains certain covenants by the University wherein the University agrees to the following:

Additional Indebtedness

Except as otherwise described below, the University covenants that it will not issue, incur, assume or guarantee any Indebtedness following the issuance of the Series 2019AB/2020A Bonds and the Series 2019C Bonds without the prior written consent of DASNY.

The University may issue, incur, assume or guarantee Indebtedness without the consent of DASNY provided that (a) (i) it maintains a debt rating in the "BBB" category without regard for "+" or "-" from at least one Rating Service and (ii) such Long-Term Indebtedness issued in any Fiscal Year is in an amount less than or equal to ten percent (10%) of the amount of its Expendable Resources as reported for the most recently concluded Fiscal Year for which audited financial statements are available or (b) the University provides to DASNY a certificate of an Authorized Officer of the University containing pro forma calculations demonstrating that Expendable Resources are at least equal to 50% of Long-Term Indebtedness for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the additional Long-Term Indebtedness proposed to be issued.

Notwithstanding the foregoing, the University may issue Non Recourse Indebtedness without DASNY's consent.

The University may incur Short-Term Indebtedness without DASNY's consent if, with respect to such indebtedness, during any twelve (12) month period, there will be no outstanding balance for a period of not less than thirty (30) days.

For a more complete description of the financial covenants of the University contained in the Loan Agreement, see "Appendix C - Summary of Certain Provisions of the Loan Agreement."

Events of Default and Acceleration

The following are events of default under the Resolution: (i) with respect to the Series 2019AB/2020A Bonds, a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Bond; (ii) with respect to the Series 2019AB/2020A Bonds, a default by DASNY in the payment of interest on any Bond; (iii) with respect to the Series 2019A Bonds and the Series 2020A Bonds, a default by DASNY in the due and punctual performance of any covenant or agreement contained in the Series 2019A Resolution or the Series 2020A Resolution to comply with the provisions of the Code necessary to maintain the exclusion of interest on such Bonds from gross income for purposes of federal income taxation; (iv) with respect to the Series 2019AB/2020A Bonds, a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Bonds or in the Resolutions which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if DASNY fails to commence within 30 days and diligently prosecute the cure thereof; or (v) with respect to the Series 2019AB/2020A Bonds, DASNY shall have notified the Trustee that an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration shall have 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 may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Bonds of a Series, shall declare the principal of and interest on all the Outstanding Bonds of such Series to be immediately due and payable. At any time after the principal of a Series of the Series 2019AB/2020A Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than 25% in principal amount of the Bonds of such Series

not yet due by their terms and then Outstanding, by written notice to DASNY, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the University within five days, and to the Holders of Bonds of a Series within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments, if any, or Redemption Price of, or interest on, any of the Series 2019AB/2020A Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2019AB/2020A Bonds.

Issuance of Additional Bonds

In addition to the Series 2019AB/2020A Bonds and the Series 2019C Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other issuers that were issued on behalf of the University. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds, Variable Interest Rate Bonds and Fixed Rate Bonds. Each Series of Bonds will be separately secured from each other Series of Bonds. See “–Security for the Series 2019AB/2020A Bonds” above.

General

The Series 2019AB/2020A Bonds will not be a debt of the State and the State will not be liable on the Series 2019AB/2020A Bonds. DASNY has no taxing power. DASNY has never defaulted in the timely payment of principal or interest on its bonds or notes. See “PART 8 — DASNY.”

PART 3 - THE SERIES 2019AB/2020A BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2019AB/2020A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A 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 2019AB/2020A Bonds.

Description of the Series 2019AB/2020A Bonds

The Series 2019AB/2020A Bonds will be issued pursuant to the Resolution, the Series 2019A Resolution, the Series 2019B Resolution and the Series 2020A Resolution, respectively, and will be dated their respective dates of delivery and bear interest from such date (payable January 1, 2020 and each July 1 and January 1 thereafter in the case of the Series 2019A Bonds and the Series 2019B Bonds and payable July 1, 2020 and each January 1 and July 1 thereafter in the case of the Series 2020A Bonds) at the rates set forth on the inside cover pages of this Official Statement.

The Series 2019AB/2020A Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2019AB/2020A Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 in principal amount of any Series of Series 2019AB/2020A Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five business days prior to the Record Date for the Series 2019AB/2020A Bonds immediately preceding the interest payment date. If the Series 2019AB/2020A Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2019AB/2020A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent.

The Series 2019AB/2020A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2019AB/2020A Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2019AB/2020A Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2019AB/2020A Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2019AB/2020A Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2019AB/2020A Bonds, the Series 2019AB/2020A Bonds will be exchangeable for fully registered Series

2019AB/2020A Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “ - Book-Entry Only System” below and “Appendix D - Summary of Certain Provisions of the Resolution.”

For a more complete description of the Series 2019AB/2020A Bonds, see “Appendix D - Summary of Certain Provisions of the Resolution.”

Redemption and Purchase in Lieu of Redemption Provisions

The Series 2019AB/2020A Bonds are subject to redemption and to purchase in lieu of redemption, as described below. For a more complete description of the redemption and other provisions relating to the Series 2019AB/2020A Bonds, see “Appendix D—Summary of Certain Provisions of the Resolution.”

Optional Redemption

Series 2019A Bonds

The Series 2019A Bonds are subject to redemption prior to maturity on or after July 1, 2029, in any order at the option of DASNY, as a whole or in part at any time, at a price of par plus accrued interest to the redemption date.

Series 2019B Bonds

The Series 2019B Bonds maturing on July 1, 2034 and July 1, 2042 are subject to redemption prior to maturity on or after July 1, 2029, in any order at the option of DASNY, as a whole or in part at any time, at a price of par plus accrued interest to the redemption date.

The Series 2019B Bonds maturing on January 1, 2020 through and including July 1, 2032 are subject to optional redemption prior to maturity as a whole or in part, at the option of DASNY, at any time, at the Make-Whole Redemption Price.

The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the Series 2019B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2019B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2019B Bonds are to be redeemed, discounted to the date on which the Series 2019B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted Treasury Rate (as defined below) plus (a) 5 basis points in the case of the Series 2019B Bonds maturing on January 1, 2020 through and including July 1, 2021, (b) 10 basis points in the case of the Series 2019B Bonds maturing on July 1, 2022 through and including July 1, 2024, and (c) 15 basis points in the case of the Series 2019B Bonds maturing on July 1, 2025 through and including July 1, 2032; plus, in each case, accrued and unpaid interest on the Series 2019B Bonds to be redeemed on the redemption date.

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 2019B Bonds to be redeemed; provided, however, that 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.

Series 2020A Bonds

The Series 2020A Bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. The Series 2020A Bonds maturing on or after July 1, 2030 are subject to redemption prior to maturity on or after July 1, 2029, in any order at the option of DASNY, as a whole or in part at any time, at a price of par plus accrued interest to the redemption date.

Purchase in Lieu of Optional Redemption

Series 2019A Bonds

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

Series 2019B Bonds

The Series 2019B Bonds maturing on July 1, 2034 and July 1, 2042 are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University with the consent of DASNY, on or after July 1, 2029, in any order, in whole or in part at any time, at a price of 100% of the principal amount thereof (a “Series 2019B Purchase Price”), plus accrued interest to the date set for purchase (a “Series 2019B Purchase Date”). The Series 2019B Bonds maturing from January 1, 2020 through July 1, 2032 are also subject to purchase in lieu of optional redemption prior to maturity at the option of the University with the consent of DASNY, in any order, in whole or in part at any time (also, a “Series 2019B Purchase Date”), at a purchase price equal to the Make-Whole Redemption Price (also, a “Series 2019B Purchase Price”).

Series 2020A Bonds

The Series 2020A Bonds maturing on or after July 1, 2030 are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University with the consent of DASNY, on or after July 1, 2029, in any order, in whole or in part at any time, at a price of 100% of the principal amount thereof (the “Series 2020 Purchase Price”; the Series 2019A Purchase Price, the Series 2019B Purchase Price or the Series 2020 Purchase Price hereinafter, the “Purchase Price”), plus accrued interest to the date set for purchase (the “Series 2020 Purchase Date”; the Series 2019A Purchase Date, the Series 2019B Purchase Date or the Series 2020 Purchase Date hereinafter, the “Purchase Date”).

Mandatory Redemption

Series 2019A Bonds

The Series 2019A Bonds are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of each Series 2019A Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the Series 2019A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Series 2019A Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2019A Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

<u>Series 2019A Bonds</u> <u>Maturing July 1, 2044</u>		<u>Series 2019A Bonds</u> <u>Maturing July 1, 2049</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2040	\$6,765,000	2045	\$8,310,000
2041	7,045,000	2046	8,735,000
2042	7,335,000	2047	9,185,000
2043	7,630,000	2048	9,655,000
2044†	7,935,000	2049†	10,150,000

† Final maturity.

DASNY may from time to time direct the Trustee to purchase Series 2019A Bonds with moneys in the Debt Service Fund, at or below par plus accrued interest to the date of such purchase, and apply any Series 2019A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2019A Bonds. The University also may purchase Series 2019A Bonds and apply any Series 2019A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2019A Bonds. To the extent DASNY’s obligation to make Sinking Fund Installments in a particular year is fulfilled through such purchases, the likelihood of redemption through mandatory Sinking Fund Installments of any Bondholder’s Series 2019A Bonds so purchased will be reduced for such year.

Series 2019B Bonds

The Series 2019B Bonds are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of each Series 2019B Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the Series 2019B Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Series 2019B Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2019B Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

**Series 2019B Bonds
Maturing July 1, 2034**

<u>Year</u>	<u>Amount</u>
2033	\$11,290,000
2034 [†]	2,635,000

**Series 2019B Bonds
Maturing July 1, 2042**

<u>Year</u>	<u>Amount</u>
2035	\$2,725,000
2036	2,810,000
2037	2,910,000
2038	3,005,000
2039	3,110,000
2040	3,215,000
2041	3,330,000
2042 [†]	3,440,000

[†] Final maturity.

DASNY may from time to time direct the Trustee to purchase Series 2019B Bonds with moneys in the Debt Service Fund, at or below par plus accrued interest to the date of such purchase, and apply any Series 2019B Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2019B Bonds. The University also may purchase Series 2019B Bonds and apply any Series 2019B Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2019B Bonds. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is fulfilled through such purchases, the likelihood of redemption through mandatory Sinking Fund Installments of any Bondholder's Series 2019B Bonds so purchased will be reduced for such year.

Series 2020A Bonds

The Series 2020A Bonds are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of each Series 2020A Bond or portion thereof to be redeemed, plus accrued interest, if any, to the date of redemption. Unless none of the Series 2020A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Series 2020A Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2020A Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

**Series 2020A Bonds
Maturing July 1, 2036**

<u>Year</u>	<u>Amount</u>
2033	\$1,210,000
2034	1,270,000
2035	1,330,000
2036 [†]	1,400,000

**Series 2020A Bonds
Maturing July 1, 2040**

<u>Year</u>	<u>Amount</u>
2037	\$1,470,000
2038	1,540,000
2039	1,615,000
2040 [†]	1,700,000

[†] Final maturity.

DASNY may from time to time direct the Trustee to purchase Series 2020A Bonds with moneys in the Debt Service Fund, at or below par plus accrued interest to the date of such purchase, and apply any Series 2020A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2020A Bonds. The University also may purchase Series 2020A Bonds and apply any Series 2020A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2020A Bonds. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is fulfilled through such purchases, the likelihood of redemption through mandatory Sinking Fund Installments of any Bondholder's Series 2020A Bonds so purchased will be reduced for such year.

Special Redemption

The Series 2019AB/2020A Bonds are subject to redemption prior to maturity at the option of DASNY, in whole or in part on any interest payment date, at 100% of the principal amount thereof plus accrued interest to the redemption date (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project to which such proceeds relate, and (ii) from unexpended proceeds of the Series 2019AB/2020A Bonds upon the abandonment

of all or a portion of the Project due to a legal or regulatory impediment. See “Appendix C – Summary of Certain Provisions of the Loan Agreement” for a description of the Project.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2019AB/2020A Bonds, DASNY will select the maturities of the Series 2019AB/2020A Bonds to be redeemed. If less than all of the Series 2019AB/2020A Bonds of a maturity are to be redeemed, the Series 2019AB/2020A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

Generally, the Trustee is to give notice of the redemption of the Series 2019AB/2020A Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2019AB/2020A Bonds which are to be redeemed, at their last known addresses appearing on the registration books not more than 10 Business Days prior to the date such notice is given. Each notice of redemption, other than a notice of “Special Redemption,” may state, in addition to any other condition, that the redemption is conditioned upon the receipt by the Trustee on or prior to the redemption date of sufficient moneys to pay the Redemption Price of the Series 2019AB/2020A Bonds to be redeemed. The failure of any owner of a Series 2019AB/2020A Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2019AB/2020A Bond.

If on the redemption date moneys for the redemption of the Series 2019AB/2020A Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2019AB/2020A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2019AB/2020A Bonds will no longer be considered to be Outstanding.

Notice of Purchase in Lieu of Redemption and its Effect

Notice of purchase of the Series 2019AB/2020A Bonds will be given in the name of the University to the registered owners of the Series 2019AB/2020A 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 2019AB/2020A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2019AB/2020A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2019AB/2020A Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2019AB/2020A Bonds. Such Series 2019AB/2020A Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The University’s obligation to purchase a Series 2019AB/2020A Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2019AB/2020A 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 2019AB/2020A Bonds to be purchased, the former registered owners of such Series 2019AB/2020A 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 2019AB/2020A 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 2019AB/2020A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2019AB/2020A Bonds of a maturity are to be purchased, the Series 2019AB/2020A Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2019AB/2020A Bonds of a maturity to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2019AB/2020A 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 2019AB/2020A 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 2019AB/2020A Bonds. The Series 2019AB/2020A Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC’s partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019AB/2020A Bond certificate will be issued for each maturity of each Series of the Series 2019AB/2020A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the

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

Purchases of Series 2019AB/2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019AB/2020A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2019AB/2020A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019AB/2020A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019AB/2020A Bonds, except in the event that use of the book-entry system for the Series 2019AB/2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019AB/2020A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019AB/2020A 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 2019AB/2020A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019AB/2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of a Series of the Series 2019AB/2020A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019AB/2020A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2019AB/2020A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2019AB/2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2019AB/2020A Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2019AB/2020A Bonds, giving any notice permitted or required to be given to registered owners under the Resolution, registering the transfer of the Series 2019AB/2020A Bonds, or other action to be taken by registered

owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2019AB/2020A Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2019AB/2020A Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Series 2019AB/2020A Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2019AB/2020A Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2019AB/2020A Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Participant acquires an interest in the Series 2019AB/2020A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2019AB/2020A BONDS.

So long as Cede & Co. is the registered owner of the Series 2019AB/2020A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2019AB/2020A Bonds (other than under the caption "PART 11 — TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2019AB/2020A Bonds.

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

For every transfer and exchange of Series 2019AB/2020A Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2019AB/2020A Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2019AB/2020A Bonds or (ii) a continuation of the requirement that all of the Outstanding Series 2019AB/2020A 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 2019AB/2020A 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 2019AB/2020A BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2019AB/2020A BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2019AB/2020A BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2019AB/2020A BONDS; OR (VI) ANY OTHER MATTER.

Delayed Delivery of the Series 2020A Bonds

DASNY and the University will enter into a Forward Delivery Bond Purchase Agreement on September 20, 2019 (the "Forward Delivery Agreement") for the Series 2020A Bonds with RBC Capital Markets, LLC, as Underwriter for the Series 2020A Bonds (the "Series 2020A Underwriter"). Subject to the terms of the Forward Delivery Agreement, DASNY expects

to deliver the Series 2020A Bonds on April 3, 2020, or such later date as may be mutually agreed by DASNY, the University and the Series 2020A Underwriter (the “Date of Delivery”).

The obligation of the Series 2020A Underwriter to purchase the Series 2020A Bonds from DASNY is subject to the satisfaction of certain conditions, as outlined in the Forward Delivery Agreement, on the preliminary closing date (October 8, 2019) (the “Initial Closing Date”) and on the Date of Delivery. The conditions to be satisfied during the period from and including the date of the Forward Delivery Agreement to the Initial Closing Date are, in general, comparable to those required for the Series 2019A Bonds and the Series 2019B Bonds. Because of the longer period between the sale and settlement of the Series 2020A Bonds, there are certain additional termination rights and settlement conditions that are not generally present in bond sales that do not involve a delayed delivery, and certain of those additional rights and conditions are summarized below. All the conditions and termination rights with respect to the sale and settlement of the Series 2020A Bonds are set forth in the Forward Delivery Agreement. The following is a description of certain provisions of the Forward Delivery Agreement. The following description is not to be considered a full statement of the terms of the Forward Delivery Agreement and accordingly is qualified by reference thereto and is subject to the full text thereof, a copy of which is available from DASNY and the Series 2020A Underwriter.

BY PLACING AN ORDER WITH THE SERIES 2020A UNDERWRITER FOR THE PURCHASE OF THE SERIES 2020A BONDS, EACH PURCHASER ACKNOWLEDGES AND AGREES THAT THE SERIES 2020A BONDS ARE BEING SOLD ON A “DELAYED DELIVERY” BASIS, THAT THE PURCHASER IS OBLIGATED TO ACCEPT DELIVERY OF AND PAY FOR THE SERIES 2020A BONDS ON THE DATE OF DELIVERY SUBJECT TO THE CONDITIONS IN THE FORWARD DELIVERY AGREEMENT, AND THAT EACH PURCHASER WILL SIGN, AND DELIVER TO THE SERIES 2020A UNDERWRITER, A DELAYED DELIVERY CONTRACT SUBSTANTIALLY IN THE FORM ATTACHED AS APPENDIX G (A “DELAYED DELIVERY CONTRACT”) AS A CONDITION TO ANY SERIES 2020A BONDS BEING ALLOCATED TO SUCH PURCHASER. ADDITIONALLY, EACH PURCHASER ACKNOWLEDGES AND AGREES THAT IT WILL REMAIN OBLIGATED TO PURCHASE SUCH SERIES 2020A BONDS IN ACCORDANCE WITH THE TERMS OF THE DELAYED DELIVERY CONTRACT, EVEN IF THE PURCHASER DECIDES TO SELL SUCH SERIES 2020A BONDS FOLLOWING THE DATE OF PURCHASE, UNLESS THE PURCHASER SELLS SUCH SERIES 2020A BONDS TO ANOTHER ENTITY WITH THE PRIOR WRITTEN CONSENT OF THE REPRESENTATIVE OF THE SERIES 2020A UNDERWRITER AND SUCH ENTITY PROVIDES A WRITTEN ACKNOWLEDGEMENT OF CONFIRMATION OF PURCHASE ORDER AND A DELAYED DELIVERY CONTRACT IN THE SAME RESPECTIVE FORM AS THAT EXECUTED BY THE PURCHASER.

Date of Delivery

The issuance of the Series 2020A Bonds and the Series 2020A Underwriter’s obligations under the Forward Delivery Agreement to purchase, accept delivery of and pay for the Series 2020A Bonds on the Date of Delivery are conditioned upon the performance by DASNY and the University of their respective obligations thereunder, the delivery of certain certificates and legal opinions, including, without limitation, the delivery of opinions of Co-Bond Counsel dated the Date of Delivery, substantially in the forms and to the effect as set forth in Appendix F to this Official Statement (the “Bond Counsel Opinion”), and the satisfaction of other conditions as of the Date of Delivery. At any time subsequent to the Initial Closing (as defined in the Forward Delivery Agreement) and on or prior to the Date of Delivery (the “Delayed Delivery Period”), the Series 2020A Underwriter has the right, without liability, to terminate its obligations under the Forward Delivery Agreement, by notifying DASNY and the University of its election to do so, if:

- (a) any Change in Law (defined below) shall have occurred;
- (b) there shall occur any event which, in the reasonable judgment of the Series 2020A Underwriter, either (A) makes untrue or incorrect in any material respect any statement or information contained in this Official Statement, as amended (if applicable), between the date of this Official Statement to and including the Date of Delivery (other than any statement or information provided by the Series 2020A Underwriter) or (B) is not reflected in this Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, DASNY refuses to permit this Official Statement to be supplemented to correct or supply such statement or information, or the effect of this Official Statement as so corrected or supplemented is, in the reasonable judgment of the Series 2020A Underwriter, to materially adversely affect the market for the Series 2020A Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Series 2020A Underwriter of the Series 2020A Bonds;
- (c) there shall occur any outbreak of hostilities or any national or international calamity or crisis or a financial crisis or an escalation of any such hostilities, calamity or crisis, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Series 2020A Underwriter, to materially adversely affect the market for the Series 2020A Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Series 2020A Underwriter of the Series 2020A Bonds;
- (d) any rating of the Series 2020A Bonds by a national rating agency rating the Series 2020A Bonds has been withdrawn or suspended;

(e) a general suspension of trading on the New York Stock Exchange shall have occurred and be in force or minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by such Exchange or by order of the Securities and Exchange Commission or any other governmental authority the effect of which on the financial markets of the United States is, in the reasonable judgment of the Series 2020A Underwriter, to materially adversely affect the market for the Series 2020A Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Series 2020A Underwriter of the Series 2020A Bonds;

(f) a general banking moratorium shall have been declared by either federal or State authorities and be in force or a material disruption in commercial banking and securities settlement and clearance services shall have occurred, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Series 2020A Underwriter, to materially adversely affect the market for the Series 2020A Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Series 2020A Underwriter of the Series 2020A Bonds;

(g) a material disruption in commercial banking or securities settlement, payment or clearance services in the United States shall have occurred; or

(h) the issuance, offering or sale of the Series 2020A Bonds as contemplated by this Official Statement is or would be in violation of any provision of the federal or state securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended.

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. DASNY and the University have agreed in the Forward Delivery Agreement to deliver the Updated Official Statement not more than 25 days nor less than 10 days prior to the Date of Delivery.

If, on the Date of Delivery, DASNY is unable to satisfy the conditions to the obligations of the Series 2020A Underwriter to purchase, to accept delivery of and to pay for the Series 2020A Bonds as set forth in the Forward Delivery Agreement or if the obligations of the Series 2020A Underwriter to purchase, to accept delivery of and to pay for the Series 2020A Bonds are terminated for any reason permitted by items (a) through (h) above, the Forward Delivery Agreement will terminate and none of the Series 2020A Underwriter, DASNY or the University will be under any further obligation under the Forward Delivery Agreement.

A “Change in Law” means (i) any change in or addition to applicable federal or State law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or State agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted, introduced or recommended legislation has a proposed effective date that is on or before the Date of Delivery), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date that is on or before the Date of Delivery) or (iv) any judgment, ruling or order issued by any court or administrative body, which in the case of any of (i), (ii), (iii) or (iv) would, (A) as to the Series 2020A Underwriter, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Series 2020A Underwriter from purchasing the Series 2020A Bonds as provided in the Forward Delivery Agreement or selling the Series 2020A Bonds or beneficial ownership interests therein to the public; (B) as to DASNY, would make the issuance, sale or delivery of the Series 2020A Bonds illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized); or (C) eliminate the exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bonds (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized) provided, however, that such change in or addition to law, legislation, rule or regulation or judgment, ruling or order shall have become effective, been enacted, introduced or recommended, been proposed or enacted or been issued as the case may be, after the date of the Forward Delivery Agreement.

If at any time after the Initial Closing, and on or prior to the Date of Delivery, Co-Bond Counsel determines that they are unable for any reason, including a Change of Law, to deliver the Bond Counsel Opinion substantially in the form attached as Appendix F to this Official Statement, Co-Bond Counsel will provide written notice thereof to DASNY and the Series 2020A Underwriter (the “Bond Counsel Notice”). Unless DASNY notifies the Series 2020A Underwriter within five business days of receipt of the Bond Counsel Notice that it has retained a new firm or firms to deliver the Bond Counsel Opinion substantially in the form attached as Appendix F to this Official Statement, the Series 2020A Underwriter will have the right to terminate their obligations under the Forward Delivery Agreement.

If the Change in Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of, interest payable on “state or local bonds,” DASNY may, nonetheless, be able to satisfy the requirements for the delivery of the Series 2020A Bonds. In such event, the Series 2020A Underwriter would be obligated to purchase the Series 2020A Bonds from DASNY and the purchasers would be required to accept delivery of the purchased Series 2020A Bonds from the Series 2020A Underwriter.

The Series 2020A Underwriter has advised DASNY that the Series 2020A Bonds will be sold only to purchasers who execute a Delayed Delivery Contract. DASNY will not be a party to the Delayed Delivery Contracts, and DASNY is not in

any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

The Series 2020A Underwriter may not refuse to purchase the Series 2020A Bonds from DASNY except as expressly described above, and the purchasers may not refuse to purchase the Series 2020A Bonds from the Series 2020A Underwriter except as expressly described in the Delayed Delivery Contract. See “Appendix G – Form of Delayed Delivery Contract for the Series 2020A Bonds”.

THE SERIES 2020A UNDERWRITER (AND, IN TURN, THE PURCHASERS OF THE SERIES 2020A BONDS FROM THE SERIES 2020A UNDERWRITER) MAY NOT REFUSE TO PURCHASE THE SERIES 2020A BONDS BY REASON OF “GENERAL MARKET OR CREDIT CHANGES” INCLUDING, BUT NOT LIMITED TO CHANGES IN THE RATINGS ANTICIPATED TO BE ASSIGNED TO THE SERIES 2020A BONDS, CHANGES IN THE FINANCIAL CONDITION, OPERATIONS, PERFORMANCE, PROPERTIES OR PROSPECTS OF THE UNIVERSITY PRIOR TO THE DATE OF DELIVERY, CHANGES IN THE GENERAL LEVEL OF INTEREST RATES OR CHANGES IN VALUE OF THE SERIES 2020A BONDS FOR ANY REASON OTHER THAN A FULL ELIMINATION OF TAX EXEMPTION OR FOR ANY REASON OTHER THAN DESCRIBED BY ITEMS (A) THROUGH (H) ABOVE.

Risks Related to the Delayed Delivery Period

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Changes in such information will not permit the Series 2020A Underwriter to terminate the Forward Delivery Agreement unless the change reflects an event described above in items (a) through (h) under “Date of Delivery,” or release the purchasers of their obligation to purchase the Series 2020A Bonds except as expressly described in the Delayed Delivery Contract.

In addition to the risks set forth above, purchasers of the Series 2020A Bonds are subject to certain additional risks, some of which are described below and which will not constitute grounds for purchasers to refuse to accept delivery of and pay for the Series 2020A Bonds.

Prospective purchasers should consult their investment advisors before making any decision as to the purchase of the Series 2020A Bonds. The following discussion, while not setting forth all of the factors that should be considered, contains some of the factors which should be considered, in addition to the other information in this Official Statement, prior to purchasing the Series 2020A Bonds. This section is not meant to be comprehensive or definitive, and there may be other risk factors which will become material in the future.

Opinion of Bond Counsel: Tax Law Risk. Subject to the additional conditions of settlement described under “Date of Delivery” above, the Forward Delivery Agreement obligates DASNY to deliver and the Series 2020A Underwriter to acquire the Series 2020A Bonds if DASNY delivers the Bond Counsel Opinion substantially in the form attached as Appendix F to this Official Statement. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated or interpreted that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2020A Bonds for purposes of federal income taxation payable on “state or local bonds,” DASNY might be able to satisfy the requirements for the delivery of the Series 2020A Bonds. In such event, the Series 2020A Underwriter would be required to accept delivery of the Series 2020A Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Ratings Risk. A rating has been assigned to the Series 2020A Bonds as described under “RATING.” No assurances can be given that the rating assigned to the Series 2020A Bonds on the Date of Delivery will not be different from that currently assigned to the Series 2020A Bonds. Issuance of the Series 2020A Bonds and the Series 2020A Underwriter’s obligations under the Forward Delivery Agreement are not conditioned upon the assignment of any particular rating for the Series 2020A Bonds or the maintenance of the initial rating of the Series 2020A Bonds.

Market Value Risk. The market value of the Series 2020A Bonds as of the Date of Delivery may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2020A Bonds, the financial condition and operations of the University, and federal and State income tax and other laws. The market value of the Series 2020A Bonds as of the Date of Delivery could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2020A Bonds and that difference could be substantial. The Series 2020A Underwriter will nevertheless be obligated to take delivery of and pay for the Series 2020A Bonds if the conditions in the Forward Delivery Agreement are satisfied on the Date of Delivery. NONE OF DASNY, THE UNIVERSITY OR THE SERIES 2020A UNDERWRITER MAKE ANY REPRESENTATION AS TO THE EXPECTED MARKET PRICE OF THE SERIES 2020A BONDS AS OF THE DATE OF DELIVERY. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Series 2020A Bonds as of the Date of Delivery or thereafter or not have a materially adverse impact on any secondary market for the Series 2020A Bonds.

Termination of Purchase Agreement. The Series 2020A Underwriter may terminate the Forward Delivery Agreement by notification to DASNY and the University on or prior to the Date of Delivery if any of the events described above in items (a) through (g) under “Date of Delivery” occurs. Although neither DASNY nor the University is aware, as of the date of this Official Statement, of any information that would lead it to believe that it will be unable to satisfy its obligations under the Forward Delivery Agreement on the Date of Delivery, no assurances can be made that, as of the Date of Delivery: (i) there will have been no Change of Law; (ii) the facts and circumstances that are material to one or more of the required legal opinions will not differ from the facts and circumstances as of the Initial Closing Date; or (iii) that all necessary certifications and representations can or will be delivered and made in connection with the proposed issuance and delivery of the Series 2020A Bonds. As a consequence of any of the foregoing, one or more of the foregoing legal opinions may not be rendered or one or more of the Date of Delivery conditions in the Forward Delivery Agreement may not be met, with the possible result that the delivery of the Series 2020A Bonds will not occur.

Secondary Market Risk. The Series 2020A Underwriter is not obligated to make a secondary market in the Series 2020A Bonds, and no assurances can be given that a secondary market will exist for the Series 2020A Bonds during the Delayed Delivery Period. Purchasers of the Series 2020A Bonds should assume that the Series 2020A Bonds will be illiquid throughout the Delayed Delivery Period.

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Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve month period ending June 30 of the years shown for the payment of the principal of and interest on the Series 2019AB/2020A Bonds, other indebtedness of the University, and the total thereof, after giving effect to the refunding of the Refunded Bonds (as hereinafter defined).

12- Month Period Ending June 30	Principal Payments on the Series 2019AB/2020 A Bonds	Interest Payments on the Series 2019AB/2020 A Bonds	Total Debt Service on the Series 2019AB/2020 A Bonds	Estimated Debt Service on Series 2019C Bonds	Debt Service on Other Outstanding Indebtedness⁽¹⁾	Total Debt Service
2020	\$ 3,085,000	\$ 7,681,929	\$10,766,929	\$657,500	\$13,530,072	\$24,954,501
2021	4,535,000	12,062,603	16,597,603	900,000	7,556,873	25,054,476
2022	4,730,000	11,871,451	16,601,451	900,000	7,523,661	25,025,112
2023	11,340,000	11,670,089	23,010,089	900,000	41,586	23,951,674
2024	11,985,000	11,354,508	23,339,508	900,000	17,327	24,256,835
2025	12,315,000	11,016,708	23,331,708	900,000	--	24,231,708
2026	12,830,000	10,654,133	23,484,133	900,000	--	24,384,133
2027	13,220,000	10,265,306	23,485,306	900,000	--	24,385,306
2028	13,630,000	9,852,651	23,482,651	900,000	--	24,382,651
2029	14,055,000	9,417,342	23,472,342	900,000	--	24,372,342
2030	14,480,000	8,961,926	23,441,926	900,000	--	24,341,926
2031	14,945,000	8,485,675	23,430,675	900,000	--	24,330,675
2032	15,430,000	7,986,973	23,416,973	900,000	--	24,316,973
2033	15,000,000	7,464,950	22,464,950	1,900,000	--	24,364,950
2034	8,945,000	6,931,266	15,876,266	2,300,000	--	18,176,266
2035	9,355,000	6,534,503	15,889,503	2,297,100	--	18,186,603
2036	9,780,000	6,109,290	15,889,290	2,298,000	--	18,187,290
2037	10,235,000	5,664,154	15,899,154	2,302,550	--	18,201,704
2038	10,700,000	5,197,829	15,897,829	2,305,600	--	18,203,429
2039	11,195,000	4,709,737	15,904,737	2,307,150	--	18,211,887
2040	11,680,000	4,198,534	15,878,534	2,307,200	--	18,185,734
2041	10,375,000	3,732,370	14,107,370	2,310,750	--	16,418,120
2042	10,775,000	3,336,052	14,111,052	2,312,650	--	16,423,702
2043	7,630,000	2,924,350	10,554,350	2,307,900	--	12,862,250
2044	7,935,000	2,619,150	10,554,150	2,311,650	--	12,865,800
2045	8,310,000	2,301,750	10,611,750	2,318,600	--	12,930,350
2046	8,735,000	1,886,250	10,621,250	2,318,600	--	12,939,850
2047	9,185,000	1,449,500	10,634,500	2,316,800	--	12,951,300
2048	9,655,000	990,250	10,645,250	2,318,200	--	12,963,450
2049	10,150,000	507,500	10,657,500	2,322,650	--	12,980,150

¹ A portion of the proceeds of the Series 2019B Bonds will be used to advance refund outstanding Series 2012 Bonds totaling \$136,050,000 and a portion of the Series 2020A Bonds will be used to currently refund outstanding Series 2010 Bonds totaling \$55,735,000. This column does not include debt service on these Refunded Bonds.

PART 4 - THE 2019 PROJECT

In conjunction with the issuance of the Series 2019A Bonds, the Series 2019B Bonds and the Series 2020A Bonds, the University anticipates the substantially simultaneous issuance of Series 2019C Bonds as described herein. The proceeds of the Series 2019C Bonds will be used, along with the proceeds of the Series 2019A Bonds, to finance the 2019 Project consisting of acquiring, constructing, reconstructing, renovating, equipping, repairing, purchasing or otherwise providing for: (i) a new five-story, approximately 180,000 gross square foot (“gsf”) Innovative Maker and Learning Complex including a major maker space, collaboration space for interdisciplinary teams and dynamic classrooms (approximately \$105 million); (ii) a new approximately 40,000 gsf student musical performance theater with approximately 600-seat capacity (approximately \$17 million); (iii) a new athletic stadium complex including turf field, concessions, restrooms and training facilities (approximately \$11 million); (iv) renovations of the Riverknoll student housing apartment complex, consisting of approximately 497 beds in 23 buildings (approximately \$17 million); and (v) refinancing of the University’s outstanding taxable bank loan, the proceeds of which financed the expansion of student apartments at the Global Village student housing complex and the renovation of other campus-wide improvements to various administrative, academic and student housing buildings.

PART 5 - THE REFUNDING PLAN

Advance Refunding of Series 2012 Bonds

The Series 2019B Bonds will be used to advance refund a portion of the Series 2012 Bonds, the proceeds of which (i) financed the construction of the Gene Polisseni Center, a 135,000 square foot ice arena, and renovations and improvements to the Institute of Health Science and Technology and laboratories for the College of Science, and the acquisition of University Commons Project II, and (ii) refunded a portion of DASNY’s Rochester Institute of Technology Insured Revenue Bonds, Series 2002B and DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2008A.

Upon issuance of the Series 2019B Bonds, a portion of the proceeds thereof are expected to be used to acquire defeasance securities (the “Investment Securities”) under the resolution under which the Series 2012 Bonds were issued (the “Series 2012 Resolution”), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the redemption price of the Series 2012 Bonds maturing on and after July 1, 2023 (the “Refunded Series 2012 Bonds”) and the interest on such Refunded Series 2012 Bonds to the date on which they are to be redeemed (July 1, 2022).

The Investment Securities will be deposited with the trustee for the Series 2012 Bonds, upon the issuance and delivery of the Series 2019B Bonds and will be held in trust solely for the payment of the redemption price of and interest on the Refunded Series 2012 Bonds. At the time of such deposit, DASNY will give such irrevocable instructions to the trustee to give notice of the refunding and redemption of the Refunded Series 2012 Bonds and to apply the proceeds from the Investment Securities together with any initial cash deposit to the payment of the redemption price of and interest on the Refunded Series 2012 Bonds. In the opinion of Co-Bond Counsel, upon making such deposits with the trustee and the issuance of certain irrevocable instructions to the trustee, the Refunded Series 2012 Bonds will, under the terms of the Series 2012 Resolution, be deemed to have been paid and will no longer be outstanding.

Current Refunding of Series 2010 Bonds

The Series 2020A Bonds will be used to currently refund a portion of the Series 2010 Bonds, the proceeds of which (i) financed the construction of Institute Hall, a new academic building to house the Kate Gleason College of Engineering’s new chemical and biomedical engineering programs as well as to provide additional general use classrooms, the design and construction of a green data center to be housed within Institute Hall, the expansion of the Frank Ritter Ice Arena locker rooms, the construction of a brick façade to Building 13; the development of a quad including improvements to pedestrian walkways; and various other campus-wide improvements including the development of a bicycle path and bicycle parking and renovations and equipping of other academic, residential, student life, administrative and athletic facilities; and (ii) refunded a portion of DASNY’s Rochester Institute of Technology Insured Revenue Bonds, Series 2002A.

On the Date of Delivery of the Series 2020A Bonds, a portion of the proceeds from the sale of the Series 2020A Bonds sufficient to pay the principal and interest represented by the Series 2010 Bonds maturing on and after July 1, 2021 (the “Refunded Series 2010 Bonds”, and together with the Refunded Series 2012 Bonds, the “Refunded Bonds”) to the date on which they are to be redeemed (July 1, 2020) will be deposited in a trust account held by the Trustee (the “Series 2010 Redemption Account”). In the opinion of Co-Bond Counsel, upon making such deposits with the Trustee and issuance of certain irrevocable instructions to the Trustee, the Refunded Series 2010 Bonds will, under the terms of the resolution under which the Series 2010 Bonds were issued, be deemed to have been paid and will no longer be outstanding.

PART 6 - ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2019AB/2020A Bonds, together with certain other funds, are expected to be applied as follows:

	<u>SERIES 2019A BONDS</u>	<u>SERIES 2019B BONDS</u>	<u>SERIES 2020A BONDS</u>
SOURCES OF FUNDS:			
Principal Amount	\$119,635,000	\$148,240,000	\$48,345,000
Original Issue Premium	<u>23,844,011</u>	<u>0</u>	<u>9,021,744</u>
TOTAL SOURCES	<u>\$143,479,011</u>	<u>\$148,240,000</u>	<u>\$57,366,744</u>
USES OF FUNDS:			
Deposit to Construction Fund	\$120,162,016	\$ 0	\$ 0
Refinancing of Taxable Loan	22,622,564	0	0
Refunding Escrow Deposits	0	147,472,759	57,029,269
Costs of Issuance ⁽¹⁾	<u>694,431</u>	<u>767,241</u>	<u>337,475</u>
TOTAL USES	<u>\$143,479,011</u>	<u>\$148,240,000</u>	<u>\$57,366,744</u>

⁽¹⁾ Includes underwriters' discount, legal fees, accounting fees, costs of printing and other fees and expenses relating to the Series 2019AB/2020A Bonds.

PART 7 - THE UNIVERSITY

GENERAL INFORMATION

Introduction

Since its founding in 1829, Rochester Institute of Technology ("RIT" or the "University") has established a tradition of excellence in application-driven career education which includes an array of degree programs spanning the STEM disciplines, the liberal arts, fine arts, film and animation and photography, as well as health sciences, business, computing, game design, and education for the deaf. RIT is the third-largest producer of STEM graduates among private universities in the United States and the fourth oldest. It also features one of the largest cooperative education programs in the country, and home of the world's first Ph.D. program focused on sustainable production. Total enrollment in fall 2018 was 19,047, which includes 15,946 undergraduate and 3,101 graduate students, who represent all 50 states and more than 100 countries. Eighty-seven percent of the students were enrolled at RIT's main campus with the remaining 13% enrolled at its international locations. RIT's main campus enrollment includes 2,620 international students (16%), over 4,600 students of color (28%), and over 1,000 deaf and hard-of-hearing ("DHH") students (6%). There are currently more than 125,000 RIT alumni worldwide.

In its 11 degree-granting entities, RIT offers 29 certificate, advanced certificate and diploma programs, 24 associate degree programs, 85 bachelor's degree programs, 72 master's degree programs and eight Ph.D. programs. Ph.D. programs are offered in astrophysical sciences and technology, color science, computing and information sciences, engineering, imaging science, mathematical modeling, microsystems engineering and sustainability. The range of academic programs at the University includes: business and management, computing and information sciences, engineering and engineering technology, biotechnology, biomedical and health sciences, film and animation, game design and development, sustainability, packaging science, hospitality and service management, science and mathematics, imaging science, fine arts, crafts, design, photographic and imaging arts and technologies, and social sciences including psychology, international studies, public policy and criminal justice. RIT continuously evaluates its program portfolio and develops new academic programs or curriculum revisions to ensure that the University is meeting the future career needs and interests of its students and their potential employers.

Under an agreement with the U.S. Department of Education, in 1968 the University established the National Technical Institute for the Deaf ("NTID") to provide technical training and education for DHH persons. The federal government provides funding through an appropriation, currently covering approximately 72% of NTID's total operating costs, as well as matching funds for the University's Federal Endowment Fund. The remaining operating costs are covered by tuition and fees collected from students and revenues from other sources. Beginning in 2016, NTID has received funds in its annual appropriation to support the NTID Southeast Regional STEM Center which was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. The federal appropriation is applied for on an annual basis and its continuation is subject to the federal government's continued support of the program.

RIT also delivers programs at six international locations including: RIT Croatia operating in Dubrovnik, Croatia (1997) and Zagreb, Croatia (2011); RIT Dubai operating in Dubai, United Arab Emirates (2008); RIT Kosovo operating in Pristina, Kosovo (2003); RIT China operating in Beijing, China and Weihai, China (2015). RIT Global Delivery Corporation (“GDC”), a separate, wholly owned subsidiary of RIT manages the international locations. RIT’s main campus is responsible for providing oversight for the faculty, curriculum, and student services at the international locations; the leadership team of each location coordinates all other operational aspects of the international locations.

In recent years, enrollment growth has been steady despite changing demographics. Since 2014, RIT’s overall student headcount has increased 5.4%, with international enrollments accounting for the largest portion of this increase. In addition, more than 55% of RIT’s fall 2019 new students came from outside of New York State. The University anticipates that enrollment will remain stable and maintains modest enrollment growth targets in the near term. Three critical elements of the University’s enrollment strategy are: 1) developing curricula that will respond to emerging workforce issues; 2) increasing the diversity of the student population; and, 3) improving the diversity of its faculty and staff. In addition, the University continues to emerge on a national and international scale reducing its dependency on New York and the Mid-Atlantic and New England regions.

In 1912, RIT became one of the first universities in the nation to offer cooperative education. For more than 100 years RIT students have been combining on-the-job experience with classroom and laboratory instruction. In addition to serving as a quality source of practical experience, the co-op program allows RIT students to earn funds to support their education.

The RIT campus occupies a 1,300-acre site in suburban Rochester, New York. The campus consists of approximately 5.9 million square feet of program space allocated among residential, academic research and administrative buildings. Between 2014 and 2018, the University invested approximately \$170 million in several campus buildings, including a new ice arena to support the University’s Division I hockey programs; facilities to meet current curricular demands for state-of-the-industry technology and applied research laboratories; student residence facilities to increase and enhance the overall residential program consistent with student needs, preferences and enrollment growth; as well as a health clinic.

RIT has invested significantly in the last ten years to enrich the student experience outside the classroom and provide additional opportunities for student leadership, engagement, success, and personal growth. University housing offers a variety of on-campus living accommodations and special interest living options to over 6,500 students. There are more than 300 student clubs and organizations on campus, providing opportunities for service, leadership development, and socializing, as well as 30 Greek letter organizations.

The University offers a number of athletic and wellness programs for its students. The University’s athletic program includes 24 men’s and women’s varsity sports with 21 competing at the National Collegiate Athletic Association (“NCAA”) Division III level; two, men’s and women’s hockey, competing at the Division I level; and one men’s crew team. These teams include approximately 600 student-athletes. RIT’s intercollegiate teams have a history of excellence, recording many impressive seasons and capturing a number of conference and national championships. RIT teams are members of the NCAA, the Atlantic Hockey Association, College Hockey America and the Liberty League. The RIT Department of Wellness Education offers more than 200 wellness activity courses each semester, serving over 6,000 participants annually. RIT’s Center for Recreational Sports also sponsors teams in 17 different sports with over 30 leagues and approximately 2,900 unique student participants annually. Additionally, an outdoor education program offers adventure based and wilderness classes in addition to operating a climbing gym. The University’s Center for Campus life supports more than 40 competitive and recreational sports clubs. These programs as well as other recreation activities are supported by specialized, professional personal services and extensive first-class facilities and equipment.

Governance

The University is governed by a Board of Trustees, consisting of 46 voting members including the President. Board members are elected to four-year terms. The full Board of Trustees meets three times annually, with the official annual meeting occurring in November of each year.

The officers and current members of the Board of Trustees are as follows:

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Robert W. August
Managing Partner
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Bruce B. Bates *
Retired Senior Vice President
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Retired Corporate Vice President
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Rochester Business Journal
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Richard A. Kaplan
CEO
CurAegis Technologies

Rick A. Kittles, Ph.D. '89
Professor & Founding Director,
Health Equity
City of Hope Cancer Center

Roger W. Kober * '84
Retired Chairman and CEO
Rochester Gas & Electric
Corporation

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Retired Executive Vice President
and General Manager
TRW Avionics & Surveillance
Group

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Dentist
Elmwood Dental Group, PC
NTID NAG Representative

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Imaging & Information Systems
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L3Harris Technologies
Communication Systems Sector

Roosevelt Mercer, Jr.
Director
Interagency Planning Office for
NextGen
Federal Aviation Administration

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Chief Executive Officer
EagleDream Technologies

David C. Munson, Jr.
President
Rochester Institute of Technology

Sharon D. Napier '04
CEO
Partners and Napier

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Dinsmore & Shohl LLP

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City of Rochester

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CareJourney
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Kevin J. Surace '85
CEO & President
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Sharon Ting
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Ting & Associates, Inc.

Harry P. Trueheart III
Chairman Emeritus
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CEO
Ardea Partners
Chair

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Executive Vice President
and Deputy to the Chief Executive
Officer
Motorola, Inc.

Kim E. VanGelder '86
Chief Information Officer & Senior
Vice President
Eastman Kodak Company

Judy B. von Bucher

Chester N. Watson '74
Retired General Auditor
General Motors Corporation

Robert D. Wayland-Smith *
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Upstate Trust & Investment Division
Chase Manhattan Bank, N.A.

William A. Whiteside, Jr. *
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Chair Emeritus

Christine B. Whitman
Chairman and CEO
Complemar Partners, Inc.
Chair Emeritus

Ronald L. Zarrella
Chairman Emeritus
Bausch & Lomb, Inc.

*Emeritus Trustee

⁺ The firm of Nixon Peabody LLP serves as
counsel to the University

Administration

The President of RIT is appointed by the Board of Trustees and, as chief executive officer, is principally responsible for the administration of the University. All other senior executive officers are nominated by the President and appointed by the Board of Trustees. The senior executive officers are listed below:

Dr. David C. Munson, Jr., President

Dr. Munson became the 10th President of RIT in 2017 bringing over 40 years of experience in higher education to the University's leadership role. Prior to RIT he served as the Robert J. Vlasic Dean of Engineering at Michigan from 2006 to 2016. From 1979 to 2003, Dr. Munson was the Robert C. MacClinchie Distinguished Professor of Electrical and Computer Engineering, Research Professor in the Coordinated Science Laboratory and a faculty member in the Beckman Institute for Advanced Science and Technology at the University of Illinois. In 2003, he became Chair of the Department of Electrical Engineering and Computer Science at the University of Michigan prior to becoming dean. Dr. Munson's teaching and research interests are in the area of signal and image processing. His current research is focused on radar imaging and computer tomography. He is co-founder of InstaRecon Inc., a start-up firm to commercialize fast algorithms for image formation in computer tomography. He is affiliated with the Infinity Project, where he is coauthor of a textbook on the digital world, which has been used in hundreds of high schools nationwide to introduce students to engineering. Dr. Munson earned his BS degree in Electrical Engineering (with distinction) from the University of Delaware in 1975. He earned an MS and MA in Electrical Engineering from Princeton University in 1977, followed by a PhD in Electrical Engineering in 1979, also from Princeton.

Dr. Ellen Granberg, Provost and Senior Vice President for Academic Affairs

Dr. Granberg joined RIT in August of 2018, becoming the first woman to serve as provost at the University. She previously served as Senior Associate Provost at Clemson University. She earned a BA degree in History from UC Davis and spent 11 years working for Pacific Bell in the San Francisco Bay area as a project manager and technical director in software development. In 1995, she left industry to pursue advanced degrees, earning her PhD in Sociology from Vanderbilt University in 2001. That same year, she joined the faculty at Clemson University and went on to be promoted to Chair of the Department of Sociology and Anthropology, Associate Provost for Faculty Affairs and Senior Associate Provost.

Dr. James H. Watters, Senior Vice President for Finance & Administration

Dr. Watters came to RIT in 1994 as Budget Director and was soon appointed to the position of Senior Vice President of Finance and Administration and Treasurer where he oversees the activities of more than 820 full-time employees and 1,500 student workers. Dr. Watters provides oversight of the University's annual operating and capital budgets as well as its endowment, working capital and public debt portfolios. Areas reporting to Dr. Watters include student auxiliary operations; human resources; financial and tax reporting, accounting and payroll; post-award research administration; insurance; public safety; audit; legal; information technology and security; institutional research; and facilities operations, design and construction.

Dr. Watters serves as Vice Chair of RIT's GDC which oversees RIT's international campuses and as Treasurer of the RIT Croatia board of trustees and Secretary for RIT Dubai's board of trustees. Earning a BS, MS and PhD at the University of Pittsburgh, he spent his academic and previous professional years there prior to joining the RIT leadership team.

Dr. Sandra S. Johnson, Senior Vice President, Student Affairs

Dr. Johnson was appointed RIT's Senior Vice President for Student Affairs in 2014. Dr. Johnson is responsible for overseeing a comprehensive range of programs and services to engage, support, and develop students at RIT. Prior to joining RIT, Dr. Johnson served in a variety of leadership positions in higher education at Hofstra University, Columbia University, and Barnard College. She holds a PhD in Higher Education Management from the University of Pennsylvania, as well as a MEd from Teachers College, Columbia University and a BA in Political Science from State University of New York, College at Oswego.

Dr. Gerard Buckley, President, National Technical Institute for the Deaf and Vice President and Dean

Dr. Buckley has more than 30 years of experience in higher education, including more than 20 years serving in a variety of roles at NTID. He was appointed to his current post in 2011. From 1990 to 1993, Dr. Buckley served as Chairperson and Assistant Professor of the Department of Educational Outreach at NTID, followed by five years as Director of NTID's Center for Outreach and Assistant Professor on the RIT/NTID social work support team. From 1998 to 2003, he served as NTID's Associate Dean for Student Services, and held the position of NTID Assistant Vice President for College Advancement with responsibility for the admission, placement, marketing, and outreach operations of the college from 2004 until 2011. He holds a BS in Social Work from RIT/NTID, an MSW from the University of Missouri and an EdD in Special Education from the University of Kansas.

Ian Mortimer, Vice President of Enrollment Management

Mr. Mortimer joined RIT in 2018 as Vice President of Enrollment Management with responsibility for expanding and improving the student profile of RIT including continuing to improve student selectivity, class quality and diversity, and admitting students who are most likely to thrive at RIT. He is also responsible for developing an enrollment marketing plan and strategically managing financial aid resources. Prior to joining RIT, Mr. Mortimer served as Vice President for Enrollment and Student Experience at Nazareth College in Rochester since 2013. Prior to that, he served as Vice President for Enrollment Management at Champlain College in Burlington, VT. Mr. Mortimer earned an MBA from RIT's Saunders College of Business in 2004 and holds a MSED in Counseling Psychology and a BS degree in English, both from St. Bonaventure University.

Dr. Keith B. Jenkins, Vice President & Associate Provost for Diversity and Inclusion

Dr. Jenkins was appointed Vice President and Associate Provost for Diversity and Inclusion in 2017. He leads the University's diversity initiatives, specifically on the broad issues of recruitment, retention and engagement of diverse faculty, staff and students. Dr. Jenkins joined RIT in 1992 and has been recognized with numerous awards in both teaching and diversity initiatives. His research work focuses on intercultural communication, political and visual rhetoric, and most recently focusing his research on pragmatism and the rhetoric of inclusion in President Barack Obama's 2008 presidential campaign. Dr. Jenkins received a BA degree from the University of Arkansas and a MA and PhD from Florida State University.

Dr. Ryne Raffaele, Vice President for Research and Associate Provost

Dr. Raffaele was appointed Vice President for Research and Associate Provost at RIT in 2011. A national leader in solar energy and nanotechnology development, Dr. Raffaele served as the Director of the National Center for Photovoltaics, a component of the U.S. Department of Energy's National Renewable Energy Laboratory ("NREL"), from 2009-2011. Prior to joining NREL, Dr. Raffaele spent 10 years at RIT as professor of physics and microsystems engineering. He built the NanoPower Research Laboratory into an international leader in solar cell and battery research and also served as the first academic director of the Golisano Institute for Sustainability. He has a BS and MS degrees in Physics from Southern Illinois University and a PhD in Physics from the University of Missouri-Rolla.

Dr. Lisa A. Cauda, Vice President for Development and Alumni Relations

Dr. Cauda was named Vice President for Development and Alumni Relations in 2006. She joined RIT in December 2000 after serving as an Assistant Vice President of Development and Campaign Director at Stevens Institute of Technology. She earned a PhD in Higher Education Management from the University of Pennsylvania, an MS in Corporate and Public Communications from Seton Hall University, and a BS from the University of Delaware in Interdisciplinary Studies.

Dr. Katherine J. Mayberry, Vice President for Strategic Planning and Special Initiatives

Dr. Mayberry was named Vice President for Strategic Planning and Special Initiatives at RIT in 2011. Prior to her current position, she had previously served as the University's Vice President for Special Projects from 2008-2011 and Vice President for Academic Affairs from 2004-2008. She is a leading national scholar in rhetorical argument, the fiction of Toni Morrison, and Pre-Raphaelite poetry. She holds a PhD in English and American Literature from the University of Rochester and a BA in English and Government from Smith College.

Dr. Daniel Ornt, Vice President and Dean, Institute of Health Sciences and Technology

Dr. Ornt was named Vice President and Dean of the Institute of Health Sciences and Technology at RIT in 2011 where he heads the University's College of Health Sciences and Technology and works closely with RIT's strategic alliance partner, Rochester Regional Health. He previously served as the Vice Dean for Education and Academic Affairs at Case Western Reserve University School of Medicine in Cleveland. He has a combined 30 years of experience in medical education programs at Case Western Reserve University School of Medicine and at the University of Rochester. He is a fellow of the American College of Physicians and has published extensively on renal disease and hemodialysis. He received a BS in Natural Science and Chemistry from Colgate University and an MD from the University of Rochester School of Medicine and Dentistry.

Deborah Standardi, Vice President for Government and Community Relations

Ms. Standardi was named Vice President for Government and Community Relations in 2004. She joined the University in 1979, originally as Director of Government and Community Affairs and then as Interim Vice President and Associate Vice President for Government and Community Relations prior to her current position. Prior to joining the University, she served in a variety of positions for six years with the Commission on Independent Colleges and Universities in Albany. She holds a BA in Early Secondary Education from the State University of New York at Cortland and an MBA from SUNY Albany.

John K. Trierweiler, Vice President and Chief Marketing Officer, Marketing and Communications

Mr. Trierweiler was named RIT's first Chief Marketing Officer in 2016. He brings more than 30 years of experience in marketing, advertising, and product management, and is responsible for creating and implementing a holistic and integrated

marketing and branding strategy for the University. In his role, Mr. Trierweiler oversees several University marketing and communications departments including Communications, Marketing and Branding, Creative Services, Production Services, and Web Services. Prior to joining RIT, Mr. Trierweiler served as Chief Marketing Officer for the Ross School of Business at the University of Michigan. Before working in higher education, he held executive positions at companies including Cablevision Systems, Time Warner Cable, Bumble Bee Seafoods Co., and H.J. Heinz. He earned a BA in Interdisciplinary Humanities from Michigan State University and holds an MBA from the University of Michigan.

Karen A. Barrows, Secretary of the Institute and Chief of Staff

Ms. Barrows joined RIT in 1989 in the Information Services division of NTID. In 1998, she became Assistant to the President, was appointed Chief of Staff in 2008, and Secretary of the Institute in 2010. Ms. Barrows manages the president’s office and serves as a member of the Administrative Council. Ms. Barrows received a BS from Fitchburg State College and an Executive MBA from Rochester Institute of Technology.

Employees and Employee Relations

As of fall 2018, the University has 1,109 full-time and 390 part-time teaching faculty members and approximately 2,357 full-time and 158 part-time and extended part-time clerical and administrative employees. RIT’s employee groups are not covered by collective bargaining agreements. The relationship between RIT and the various employee groups has been good.

OPERATING INFORMATION

Admissions and Student Enrollment

Full-time equivalent enrollment (FTE) for fall 2018 is 15,878 FTE students. The University has implemented a controlled strategic growth plan resulting in sustained high overall academic quality of the student body, stable selectivity, increased market demand, more diverse student population, and broader national and international market base for student recruitment. While RIT has an undergraduate emphasis, the University offers a wide ranging portfolio of 72 graduate programs and 8 doctorate programs. The tables below provide the enrollment for FTE students and total enrolled students, including all graduate and undergraduate students, and the numbers of first year applications, first year students accepted for admission, and first year full-time students enrolled at the University over the past five academic years. Unless otherwise indicated, the data presented below pertaining to RIT’s student population include those attending both domestic and international campuses.

Fall Enrollment

	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
Undergraduate FTE	12,900	13,369	13,213	13,423	13,666
Undergraduate Headcount	15,006	15,401	15,381	15,741	15,946
Graduate FTE	2,153	2,339	2,334	2,354	2,212
Graduate Headcount	3,057	3,205	3,251	3,222	3,101
Total Enrollment FTE	15,053	15,708	15,547	15,777	15,878
Total Headcount	18,063	18,606	18,632	18,963	19,047

First Year Full-Time Applications and Enrollment

	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
Total Applications	19,552	18,512	19,516	19,908	20,986
Acceptances	10,942	11,753	11,899	12,576	13,601
Acceptance Rate	56.0%	63.5%	61.0%	63.2%	64.8%
Number Enrolled	3,078	3,460	3,136	3,283	3,406
Matriculation Yield	28.1%	29.4%	26.4%	26.1%	25.0%

Approximately 35% of the fall 2018 freshman matriculants are in the top 10% of their graduating classes, while 61% of the fall 2018 entering class rank in the top 20%. The University competes for these students against public universities and other selective private colleges and universities. Total undergraduate, graduate and transfer applications to RIT for fall 2018 were 29,512, an increase of approximately 3% over the previous fall.

The following table presents the mean combined SAT scores for all of the University’s first year students for the last five academic years.

Mean Combined SAT Scores*

	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
Critical Reading and Math	1,223	1,232	1,236	1,287	1,297
Critical Reading, Math and Writing	1,801	1,810	1,806	N/A	N/A

* Excludes scores from students attending international campuses.

The table below presents the geographic profile of the University’s students for the past five academic years.

**Geographic Profile of Entering Freshmen
By Percentage of Class**

	<u>Fall 2014</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>
New York State	42%	40%	40%	40%	40%
Other United States	42%	44%	38%	40%	39%
Foreign	<u>16%</u>	<u>16%</u>	<u>22%</u>	<u>20%</u>	<u>21%</u>
Total	100%	100%	100%	100%	100%

The distribution of the University’s enrollment, domestically and internationally, across the nine colleges is approximately as follows: Art and Design 9.8%, Business 11.0%, Computing and Information Sciences 23.7%, Engineering 19.6%, Engineering Technology 10.6%, Health Sciences & Technology 3.4%, Liberal Arts 3.1%, NTID 3.2%, Science 6.0%, and 9.6% other. The University has conferred an average of 4,187 degrees per year during the last five years. Over this time period, 69% of the degrees were awarded to undergraduates. The following table lists the number of undergraduate and graduate degrees conferred for the last five academic years completed:

Degrees Conferred

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Undergraduate Degrees*	2,704	2,874	2,932	2,917	2,981
Graduate Degrees	<u>1,245</u>	<u>1,163</u>	<u>1,340</u>	<u>1,375</u>	<u>1,402</u>
Total	3,949	4,037	4,272	4,292	4,383

* Includes certificates and diplomas; during the past five years, on average, approximately 116 certificates and diplomas have been awarded annually.

Tuition and Fees and Student Financial Aid

Freshman tuition, room and board and other fees for the last five fiscal years are listed below:

Student Charges

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Tuition	\$35,256	\$36,596	\$38,024	\$39,506	\$43,546
Room and Board	11,568	11,918	12,500	12,666	13,046
Other Fees	<u>512</u>	<u>528</u>	<u>544</u>	<u>787</u>	<u>809</u>
Total	\$47,336	\$49,042	\$51,068	\$52,959	\$57,401

The University employs a sophisticated strategy to determine the best allocation of University, government and other student financial assistance resources with a focus on meeting the students' financial needs, optimizing student enrollment (first year student matriculants, as well as student retention), maintaining overall academic quality and diversity of the student body, and increasing net tuition revenue. The University carefully manages net tuition revenue as it represents approximately 52% of RIT's operating income. The discount rate, expressed as total University scholarships as a percentage of gross tuition revenues, was approximately 40.4% in 2017/2018. Management expects that the discount rate will continue to increase slightly over the next several years.

Approximately 77% of full-time undergraduate students received financial assistance from the University, state and federal financial aid or loan programs during 2017/2018. Students received nearly \$3.9 million in scholarships from private organizations not affiliated with the University. Approximately 4% of University scholarships are funded from endowed scholarship funds and private gifts. In fiscal year 2017/18, students received more than \$61.3 million under the Federal Direct Stafford Student Loan Program, and approximately \$1.2 million through the University-administered Federal Perkins Loan Program. Parents received \$25.4 million in the Federal Parent Loan for Undergraduate Students (PLUS) Program and students received \$1.9M in the Federal Direct PLUS Loans for graduate students program. Federal grants to students from the Pell Grant and Supplemental Educational Opportunity Grant (SEOG) amounted to approximately \$20.3 million. Students enrolled at the University received approximately \$8.0 million in grants from New York State's Tuition Assistance Program and other State scholarships and grants. In fiscal year 2017/18 students earned approximately \$28.4 million from campus-based employment opportunities, of which approximately \$4.5 million was earned under the Federal Work-Study Program.

University scholarship grants came from the following sources in the academic years listed below:

Sources of University Scholarship Grants
(dollars in thousands)

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Unrestricted Funds	\$143,832	\$153,968	\$169,262	\$177,350	\$192,799
Restricted Funds	<u>10,023</u>	<u>10,526</u>	<u>12,016</u>	<u>10,874</u>	<u>11,900</u>
Total	<u>\$153,855</u>	<u>\$164,494</u>	<u>\$181,278</u>	<u>\$188,224</u>	<u>\$204,699</u>

Faculty

The teaching faculty included 1,045 full-time and 380 part-time and adjunct members for the 2018/2019 academic year. Of the teaching faculty, approximately 67% are tenured/tenure track and approximately 73% hold terminal degrees in their fields. Consistent with its priority objective of ensuring that each student has a high degree of personal attention and substantial regular access to faculty, the University maintains a student to faculty ratio of approximately 13 to 1. 67% of RIT's undergraduate classes have fewer than 30 students. The following table sets forth the faculty profile for the past five academic years.

Teaching Faculty

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
Full-Time	996	1,015	1,023	1,023	1,045
Part-Time & Adjunct	<u>503</u>	<u>468</u>	<u>441</u>	<u>436</u>	<u>380</u>
Total	1,499	1,483	1,464	1,459	1,425
Faculty FTE	1,164	1,171	1,170	1,168	1,172
Percent Tenured/Tenure Track	72%	70%	69%	68%	67%

ANNUAL FINANCIAL STATEMENT INFORMATION

Budget and Reporting Procedures

The Finance Committee of the Board of Trustees is actively involved in the major financial decisions of the University and through careful oversight ensures that financial resources are managed effectively and allocated appropriately according to established priorities. The committee is charged to ensure that new budget allocations included in each fiscal year's preliminary budget are aligned with the University's strategic plan.

The annual planning and budgeting process begins in December of each year and culminates at the following November's Board of Trustees meeting where the final budget is approved by the full Board of Trustees.

This iterative process begins with high level, long-range assumptions and projections, and proceeds to lower levels of granularity and eventually a detailed budget that the operating units utilize to ensure that the University meets a balanced budget. RIT operates on a permanent budget basis, meaning that operating units carry forward their expense budgets from one year to the next with global adjustments for merit pay, benefits expense, and other University-wide impacts. In the annual budget process the administration vets proposals for new spending which, if approved, are added to each unit's operating budget.

Setting the parameters for each budget year is accomplished through a collaborative, constituent based process. The Budget Planning Committee is the body that accomplishes this by setting the constraints within which the budget is to be prepared and by participating in the budget hearing process. The Budget Planning Committee is cross-functional and consists of the University President, Provost, and Senior Vice President of Academic Affairs representing all the colleges, Senior Vice President for Finance & Administration, Vice President for Enrollment Management, Assistant Vice President for Budget and Financial Planning Services, president of the Academic Senate, chair of the Resource Allocation and Budget Committee of the Academic Senate, Student Government president, and chair of Staff Council.

Budget hearings conclude in mid-March and requests for incremental funding are summarized by the Budget Office. With an emphasis on the University's strategic goals, the Budget Office prepares a draft allocation of the available funds to requests that it deems will make the most improvement or progress in key strategic result areas. This draft allocation is provided to the Provost and the Senior Vice President of Finance & Administration as a working model from which they prepare a revised allocation to be shared with the President. The President approves the final allocations. In all of the phases, the allocation decisions take into account the current performance on the key result measures and their relation to the University's expected targeted levels of performance.

Following budget hearings, the next year's budget is then finalized and recommended to the Finance Committee of the Board of Trustees and then, after approval of the Finance Committee, to the full Board of Trustees for final approval.

The current operating budget for fiscal year 2018/19 provides for a balanced budget. The University monitors its actual budget results monthly and performs periodic interim analysis and review of operating results. Interim results and projected year-end results are communicated to the Finance Committee of the Board of Trustees at their regularly scheduled meetings.

Summary of Financial Information

The University's financial statements are prepared on the accrual basis of accounting. The following tables present summaries extracted from the University's audited financial statements for the fiscal years ended June 30, 2014 through June 30, 2018. These tables are derived from, and should be read in conjunction with, the University's fiscal year 2018 audited financial statements included in Appendix B to this Official Statement.

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Summary of Activities
As of June 30,
(dollars in thousands)

	2014	2015	2016	2017	2018
Operating revenues:					
Tuition and fees, net	\$ 269,785	\$ 281,599	\$ 294,819	\$ 297,779	\$ 301,797
Sales and services of auxiliary enterprises	79,130	81,562	86,522	82,953	87,163
Government grants and contracts	92,413	97,801	106,476	110,104	112,041
Private grants and contracts	5,784	5,694	6,334	4,728	4,189
Private gifts	9,408	8,390	5,863	8,511	11,302
Investment return	31,114	29,071	33,483	32,983	39,857
Other sources	<u>18,436</u>	<u>19,788</u>	<u>20,092</u>	<u>21,443</u>	<u>22,994</u>
Total operating revenues	<u>506,070</u>	<u>523,905</u>	<u>553,589</u>	<u>558,501</u>	<u>579,343</u>
Operating expenses:					
Salaries and wages	255,659	261,698	277,411	288,972	299,324
Benefits	78,021	79,354	83,761	89,394	93,880
Postretirement benefits	4,242	4,355	4,585	5,479	5,860
Purchased services	35,494	36,499	39,592	38,683	40,251
Materials and supplies	40,978	42,142	43,881	44,475	45,471
Depreciation	37,185	38,425	39,341	39,737	40,585
Interest	9,199	7,961	9,353	8,424	7,825
Utilities, taxes, and insurance	13,525	12,706	11,565	12,546	13,275
Travel for scholarship, professional development and recruitment	8,146	8,706	9,169	9,711	9,970
Other	<u>9,102</u>	<u>10,019</u>	<u>12,101</u>	<u>12,525</u>	<u>12,224</u>
Total operating expenses	<u>491,551</u>	<u>501,865</u>	<u>530,759</u>	<u>549,946</u>	<u>568,665</u>
Net operating activities prior to gain on sale	<u>14,519</u>	<u>22,040</u>	<u>22,830</u>	<u>8,555</u>	<u>10,678</u>
Gain on the sale of property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,353</u>
Net operating activities ¹	<u>14,519</u>	<u>22,040</u>	<u>22,830</u>	<u>8,555</u>	<u>18,031</u>
Nonoperating activities:					
Investment return	80,221	(9,668)	(31,401)	79,150	47,053
Capital contributions	14,400	13,360	14,901	6,930	58,473
Government grants and contracts	458	3,299	1,228	941	929
Net periodic postretirement benefit cost other than service cost	(6,886)	(7,104)	(9,610)	(10,864)	(9,451)
Other postretirement benefit changes	(11,587)	(4,831)	(6,694)	(10,519)	94,748
Beneficiary payments and change in value of deferred giving arrangements	(508)	(698)	(654)	(605)	(693)
Other	<u>(4,344)</u>	<u>2,092</u>	<u>1,324</u>	<u>620</u>	<u>(5,258)</u>
Net nonoperating activities	<u>71,754</u>	<u>(3,550)</u>	<u>(30,906)</u>	<u>65,653</u>	<u>185,801</u>
Increase (decrease) in net assets	86,273	18,490	(8,076)	74,208	203,832
Net assets at beginning of year	<u>1,057,762</u>	<u>1,144,035</u>	<u>1,162,525</u>	<u>1,154,449</u>	<u>1,228,657</u>
Net assets at end of year	\$1,144,035	\$1,162,525	\$1,154,449	\$1,228,657	\$1,432,489

¹Includes Unrestricted and Temporarily Restricted Activities

Management Discussion Fiscal Year 2017/18

The University's unrestricted operating margin for fiscal year ending June 30, 2018 was \$7.8 million or 1.4% (compared to 1.6% in 2017) due primarily to a \$5.8 million (34.5%) increase in investment return a \$4.2 million (5.1%) increase in sales and services of auxiliaries and a \$4.0 million (1.3%) increase in net tuition revenue offset by a \$10.4 million (3.6%) increase in salaries and a \$4.5 million (5.0%) increase in benefits. Total operating revenues increased 3.2%, while total operating expenses increased 3.4%.

Free cash^(*) generated from operations, after debt service and other claims, was \$35.4 million and \$34.3 million in 2018 and 2017, respectively. The 2018 amount exceeded planned capital requirements, equipment purchases and facilities repairs, as well as additions to reserves for facilities renewal and replacement and strategic initiatives. Results continue the trend of an improving operating margin consistent with the University's projections and financial planning objectives.

* An internal measure of the University's performance calculated as follows: Net operating surplus plus depreciation/amortization plus/minus the difference between interest paid and interest expense and the difference between postretirement benefits service expense and premiums paid less capital equipment purchases and long-term debt principal payments. This analysis reflects the amount of cash available from annual operations to transfer to reserves for future/planned capital expenditures.

Government Grants and Contracts

In fiscal year 2017/18 the University received a total of \$66 million in new awards, reflecting the efforts of 268 principal investigators. This represents a 27% increase over fiscal year 2016/17, primarily attributable to funding increases from state government as well as corporations. The following table summarizes awards by funding source for the last five years:

Awards by Funding Source Type *
As of June 30,
(dollars in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Federal Agencies	\$25,147	\$31,002	\$35,126	\$28,526	\$29,283
New York State	9,343	7,534	21,797	17,913	30,563
Corporations	3,762	4,746	4,071	3,413	3,690
Foundations	1,099	382	987	1,273	1,838
Other	<u>1,821</u>	<u>1,993</u>	<u>1,212</u>	<u>1,023</u>	<u>626</u>
Total	\$41,172	\$45,657	\$63,193	\$52,148	\$66,000

* Reported as awards are received by the University’s Sponsored Research Services Office.

Revenue from grants and contracts are generally recognized as earned in the University’s audited financial statements as the related costs are incurred under the grant or contract agreements. Amounts received in advance are reported as deferred revenues.

Fundraising

The University regularly receives annual support from private gifts and grants. In addition, the University receives capital gifts from private sources, primarily for the endowment or for specific facilities projects.

The following table summarizes the total amount reported (including net pledges) in unrestricted and restricted private gifts, grants and contracts for the last five years as recorded in the audited financial statements of the University:

Private Gifts, Grants and Contracts*
As of June 30,
(dollars in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Unrestricted Gifts, Grants and Contracts	\$13,943	\$12,819	\$ 9,777	\$ 8,131	\$ 7,065
Temporarily Restricted Gifts	9,011	9,841	7,191	7,323	36,225
Permanently Restricted Gifts	<u>6,638</u>	<u>4,784</u>	<u>10,130</u>	<u>4,715</u>	<u>30,674</u>
Total	\$29,592	\$27,444	\$27,098	\$20,169	\$73,964

* With the exception of philanthropic grants from foundations, private grants and contracts, as reported in the University’s audited financial statements, are excluded from fund raising activities.

In fiscal year 2017/18, the University received a transformational \$50.0 million gift intended to support a variety of entrepreneurship and cybersecurity initiatives.

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Cash and Cash Equivalents and Investments

Total cash and cash equivalents and investments are as follows:

	Cash and Cash Equivalents and Investments				
	As of June 30,				
	(dollars in thousands)				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Endowment*	\$763,866	\$757,889	\$756,937	\$ 846,474	\$902,565
Working Capital	165,962	187,702	206,154	219,695	247,396
Deferred Giving	12,612	12,012	12,787	14,464	14,719
Held With Trustees	<u>29,703</u>	<u>13,948</u>	<u>14,119</u>	<u>14,295</u>	<u>14,488</u>
Total	\$972,143	\$971,551	\$989,997	\$1,094,928	\$1,179,168

* Unadjusted for net contributions receivable and accruals.

Endowment

At June 30, 2018, the University's endowment had a fair value of \$902.6 million (\$938.2 million adjusted). The June 30, 2018 adjusted fair value was comprised of \$481.6 million of the original contributed value and \$456.6 million of investment appreciation. At June 30, 2017, the University's endowment had a fair value of \$846.5 million (\$847.2 million adjusted), with the adjusted fair value comprised of \$443.9 million of the original contributed value and \$403.3 million of investment appreciation.

The endowment portfolio is comprised of more than 900 individual endowment funds. Each fund is either a true endowment, having been specifically endowed by its donor(s), or a quasi-endowment, having been designated for long-term investment by the University's Board of Trustees. Depending upon the terms of the original gift, each fund's income is either restricted to a particular purpose, or is used to support the overall operations of the University, including the provision of future debt service payments (see "Endowment Spending Policy" below). As of June 30, 2018, 47.4% of the fund consisted of endowment with donor restrictions and 52.6% of endowment without restrictions. Total with and without donor restricted endowment funds provided approximately \$34.3 million of annual support to the operation of the University in fiscal year 2017/18.

The Endowment Committee of the Board of Trustees establishes the investment and spending policies for the endowment and similar funds and oversees their implementation, in conjunction with the University's external consultant. The Trustees' investment policies address such considerations as asset allocation, risk and manager selection. The investment policy asset allocation targets are: public equity 30%, fixed income 5%, and alternative investments 65%. Alternative investment targets include allocations to private equity (25%), real assets (10%) and hedge funds (30%). On a strategic view, the policy allocations are: growth assets 60%, risk reduction assets 30% and inflation protection assets 10%.

Endowment Spending Policy

The University's Endowment Committee has adopted a total return endowment spending policy whereby 5% of the average market value of the endowment over the previous 20 quarters is distributed to the operating budget and related restricted accounts. The total spending distribution should be at least equal to 3.50% but not greater than 5.25% of the beginning of the year portfolio market value. The objective of the policy is to preserve the value of the endowment and stabilize operating support for the University's budget. The spending policy is based upon the premise that the real value of the endowment will be preserved if the nominal earnings on the portfolio over a period of years equals or exceeds the sum of the spending rate plus inflation. For fiscal years 2004 through 2018, the actual endowment spending rate has averaged 4.28% annually.

Working Capital, Deferred Giving and Held with Trustees

In addition to the endowment portfolio, the University maintains a working capital investment portfolio, investments pursuant to underlying donor deferred giving agreements and moneys on deposit with trustees for the University's outstanding debt.

The working capital portfolio consists of cash and cash equivalents, and liquid short- and intermediate-term investments used for ongoing operations and funding of capital projects.

The deferred giving investments represent assets of charitable remainder trusts, gift annuity agreements and other deferred giving instruments. These investments are temporarily or permanently restricted in accordance with the terms of the trust or gift annuity agreements and are not immediately available for operating or capital purposes. Upon termination of the underlying deferred gift agreements, the trust remainder proceeds are available for use or investment pursuant to the donors' restrictions.

The investments held by the trustees of RIT's outstanding debt are for the purposes of debt service (principal and interest) payments and unused bond proceeds available for respective project construction costs.

Properties and Facilities

The University's facilities include approximately 217 buildings (5.9 million square feet of space) situated on 1,300 acres as well as student housing for approximately 7,164 students.

Students have access to high-tech learning centers, smart classrooms with state-of-the-art computers, software, and multimedia technologies across all nine colleges including computer engineering facilities, a laser optics lab and a robotics program. RIT's students explore the creative aspects of many industries with a balance of technological and theoretical approaches, using the latest equipment and technology in its computer facilities and studios.

A 75,000 square foot building, located at 40 Franklin Street, was donated to RIT in 2012. Built in 1927 by the Rochester Savings Bank, the building was listed on the U.S. National Register of Historic places in 1972 and has historic significance in art, architecture and commerce. A portion of the building houses RIT's Center for Urban Entrepreneurship ("CUE") under the leadership of the Saunders College of Business, with the remainder available to rent to outside parties. The building is located in the heart of Rochester's downtown innovation zone and CUE is working to help reshape the regional economy and build wealth within the urban community by being the hub for urban entrepreneurial programs and research. RIT has made significant renovations throughout the building, funded by \$4.1 million in grants provided by the U.S. Economic Development Administration and New York State, as well as \$5.0 million in University funds.

RIT's growth in research, engineering and the biosciences led to the construction of a new facility, Institute Hall, which opened in 2013. The 92,000 square foot building was built to house new programs in chemical and biomedical engineering, research and teaching labs, a green data center, computer labs and classrooms. The cost of the project was approximately \$31.6 million, funded by \$26.7 million in tax-exempt bonds (Series 2010), \$4.5 million in University resources, \$0.4 million from New York State and \$0.3 million in private/corporate contributions.

The University constructed a new 94,000 square foot facility, opening in 2013, for its Golisano Sustainability Institute. The LEED Platinum certified research building was designed to demonstrate sustainable building technologies and energy systems by incorporating a unique transparent infrastructure, smart microgrid and smart computing data center. Golisano Institute for Sustainability houses several facilities, including instructional areas, offices, and studio space, testbeds, and research labs. The total cost of the project was \$38.1 million, funded with \$13.1 million from the National Institute for Standards and Technology (NIST), \$10.1 million from New York State, \$10.6 million in private/corporate contributions and \$4.3 million in University resources.

Sebastian and Lenore Rosica Hall at NTID, a state-of-the-art 21,000 square foot facility promoting innovation, entrepreneurship and research among deaf and hard-of-hearing students and their hearing peers was completed in 2013. Sebastian and Lenore Rosica Hall was designed with maximum flexibility to house a variety of innovative projects, including health care technologies and services; development and adaptation of access and instructional technologies and innovative cross-disciplinary projects involving science, engineering, imaging, and business-related fields. The total cost of the project was \$7.5 million, funded by \$2.7 million in private/corporate contributions (including the lead investment grant) and \$4.8 million in NTID/University resources.

The Gene Polisseni Center, a 123,000 square foot ice arena and multi-purpose facility, was completed in 2014. The facility, which has a seating capacity of 4,300, including approximately 4,000 seats, plus standing room for 300 guests, serves as the home of RIT's Division I men's and women's hockey teams and the RIT Athletics Hall of Fame. The total cost of the project was \$45.3 million, funded by \$34.1 million in tax-exempt bonds (Series 2012), \$7.4 million in private/corporate contributions, \$3.6 million of University resources and a \$0.2 million grant from New York State.

In 2015, the University completed the Clinical Health Sciences Center in the College of Health Sciences and Technology. The 22,000 square foot center is home to the Wegmans School of Health and Nutrition and programs in behavioral health, diagnostic medical sonography (ultrasound) and physician assistant. Rochester Regional Health also opened a physician's office in the 45,000-square-foot facility. The center enhances RIT's ability to provide quality health care education through state-of-the-art lecture rooms, practice areas and simulation space that providing students with experience responding to clinical- and critical-care scenarios prior to their clinical rotations in the community. The cost of the project was approximately \$12.2 million, funded by \$11.4 million in tax-exempt bonds (Series 2012), \$0.4 million in University resources and a \$0.3 million grant from New York State.

In 2017, the University completed construction of a new student residence building in its Global Village residence and retail complex. Global Village provides upper-class students a state-of-the-art global living experience and community. The 66,000 square foot building provides housing to 557 students. The ground floor features studio apartments for individuals, a vending area and laundry room. The second, third and fourth floors have four-person suites, each with individual bedrooms, two bathrooms and shared kitchens and living rooms. The building is also the first on campus to feature keyless entry. Residents use an app and Bluetooth technology to access their rooms with their phones. Collaboration spaces are on the second and third floors, with mobile work tables and benches. A lounge featuring a 90-inch television is on the fourth floor. The cost of the project was approximately \$14.8 million and was financed principally with a taxable bank loan.

RIT has partnered with solar power suppliers to install two 2MW Solar Arrays on the campus in 2015 and again, in 2018. This sustainable power provides approximately 6% of our annual electricity and helps the University save on overall electrical costs. This investment in solar technology was through a power purchase agreement and required no upfront financial investment by RIT.

In 2017, the University invested in the campus' electrical infrastructure with the replacement of the main electrical switchgear. The new gear provides RIT with improved power reliability and flexibility to manage potential power interruptions. This \$4 million project, funded by University resources, was completed in 2018.

Renovations to the three main science teaching labs in the Gosnell Building were completed in 2017. This \$1 million investment was the first of several planned renovations to the science labs which are being updated to provide state-of-the-art facilities designed to meet the pedagogies of today.

In spring 2017, RIT suffered roofing damage due to a severe wind storm and invested \$4 million to update and replace the roofs damaged. Since 2014, RIT has invested \$8 million in roof replacements to ensure the continued operations of its buildings.

The Magic Spell Studios facility, which opened in August 2018, is a 55,279 square foot a state-of-the-art education, research and production facility focused on digital media and game design. In addition to classrooms, the facility includes a 180-seat theater with projection booth and complete cinema-quality audio/video systems, a professional sound stage, sound mixing facilities, a color correction room, and gaming and virtual reality labs. The cost of the project totaled approximately \$21.5 million which was funded by a \$13.5 million New York State grant, \$2.5 million in contributions and \$5.5 million in University resources.

Construction of a 50,000 square foot facility for cyber security programs is underway and is expected to be completed by 2020. The estimated cost of the building addition is \$22 million which will be funded by a \$5.0 million New York State grant, an \$8.0 million contribution and the balance from additional fundraising and/or University resources. The building will be a state-of-the-art teaching facility housing the University's rapidly growing and successful Cyber Security undergraduate and graduate programs.

The University's residence facilities, including residence halls and apartments, serve approximately 6,566 students. Students may choose living arrangements according to their personal preferences. Lifestyle floor options, single-sex, gender inclusive and honors housing are available. In addition, traditional Greek fraternities and sororities and seven special interest houses are designed for students wishing to live with others who share their interest in art, computer science, engineering, general science, international diversity, photo and unity. In 2002, the University received a hotel and conference center as a gift which provides an additional 245 student beds.

Property, Plant and Equipment
As of June 30,
(dollars in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Building and capital improvements	\$869,314	\$935,789	\$945,220	\$959,806	\$999,589
Equipment and software	142,149	151,050	152,645	156,739	157,104
Less: accumulated depreciation	<u>(433,295)</u>	<u>(465,631)</u>	<u>(498,535)</u>	<u>(530,444)</u>	<u>(560,838)</u>
	578,168	621,208	599,330	586,101	595,855
Land	10,750	10,758	11,047	11,041	10,881
Special collections	9,446	10,029	11,970	12,128	12,380
Construction-in-progress	<u>38,530</u>	<u>5,468</u>	<u>10,789</u>	<u>33,577</u>	<u>35,392</u>
Property, plant and equipment, net	\$636,894	\$647,463	\$633,136	\$642,847	\$654,508

The University has a long-term capital improvement schedule which is comprised of routine repair items as well as major renewal or new facility development projects. The funding for this capital improvement plan comes from multiple sources

including renewal and replacement reserves, donor contributions, external sponsors, and the issuance of debt. Management incorporates in the University’s annual operating budget the incremental amounts necessary to maintain all new facilities, and factors these increased costs into the overall capital planning process. The base operating budget carries approximately \$20 million for capital purposes including annual funding of the repair and renewal reserves, acquisition of equipment and current capital improvement projects.

Outstanding Indebtedness

Long-term debt (in thousands) at June 30, 2018 is summarized as follows:

DASNY Rochester Institute of Technology Tax-Exempt Revenue Bonds	
Series 2006A, 5.25%	\$23,775
Series 2008A, 5.00%	1,000
Series 2010, 4.13% to 5.00% ¹	66,110
Series 2012, 4.00% to 5.00% ¹	143,460
Taxable term loan, 3.58% ^{1,2}	25,000
Other debt, 1.67% to 3.56% ²	<u>827</u>
Total long-term debt, principal	260,172
Bond premium/discount, net	16,670
Unamortized debt issuance costs, net	<u>(1,727)</u>
Total long-term debt, net	275,115

¹ A portion of the proceeds of the Series 2019AB/2020A Bonds will be used to current refund certain maturities of the Series 2010 Bonds, advance refund certain maturities of the Series 2012 Bonds and to fully repay the taxable term loan.

² Variable rate debt; rates listed are those in effect as of June 30, 2018.

The Series 2006A Bonds are general, unsecured fixed rate obligations of the University that are insured. The Series 2008A Bonds are general, unsecured fixed rate obligations of the University and were paid in full on July 1, 2019. The Series 2010 Bonds and Series 2012 Bonds are fixed rate bonds secured by a lien on pledged revenues. The taxable term loan represents unsecured borrowings under a loan agreement and related variable-rate multiple draw term note with a commercial bank and can be prepaid at any time without penalty. Other debt consists of unsecured amounts borrowed from the Power Authority of the State of New York to fund improvements to the University’s energy systems and capital leases. Total annual debt service is incorporated in the University’s operating budget.

Retirement Plan

All full-time or extended part-time (approximately 1,040 hours per year) employees who have completed one year of service at the University or who have worked one full year at a college or university immediately preceding employment at RIT are eligible to participate in the University’s 403(b) retirement plan (the “Plan”). Under the Plan, employees must elect a minimum of a 2% salary deferral to obtain a University match. For employees hired prior to January 1, 2006, the University contribution is 10% of eligible compensation for those employees electing a 2% salary deferral. Employees hired on or after January 1, 2006, are eligible for a graduated University match ranging from 4% to 9% when the employee elects a salary deferral from 2% to 5%. All retirement benefits are funded and fully vested under a defined contribution program. Employees may participate in the program through TIAA or through Fidelity Investment Corp. Total pension expense for fiscal year 2017/18 was \$21.5 million.

Insurance

The University carries a broad range of property and general liability coverage, including directors’ and officers’ liability coverage, in amounts customary for universities of the size of the University. Insurance presently in effect on the University’s property is written on an all-risk policy with a limit of \$500 million on buildings and contents.

Strategic Plan and Initiatives

In November 2018, the RIT Board of Trustees approved a strategic plan entitled “Greatness Through Difference 2018-2025”. This strategic plan, along with the RIT Vision and Mission, captures core initiatives of the University. The plan’s 25 goals are highlighted across four dimensions: People, Programs, Places, and Partnerships. The animating theme of the plan is innovation - the pivotal innovation that can only be achieved through harnessing the power residing within the intersection of RIT’s core strengths of technology, the arts, and design. In the RIT context, “innovation” is not about novelty or even originality; it is about leveraging these signature strengths to produce graduates in every discipline capable of practicing transformative innovation that serves the greater good.

The goals included in the strategic plan are supported by the University's capital campaign. "Transforming RIT: The Campaign for Greatness". This blended campaign seeks support from a multitude of investors from RIT's alumni, parents and friends to RIT's government and corporate partners, research foundations, and agencies and has a \$1 billion goal. The four pillars of the campaign: attract exceptional talent, enhance the student experience, improve the world through research and discovery, and lead future special initiatives, are intended to assist in the success of RIT's strategic plan. As of June 30, 2019, the University has raised \$617 million.

Future Capital Borrowing Plans

Other than described in PART 4 – THE 2019 PROJECT, the University has no plans or commitments for future capital borrowing in the foreseeable future.

Litigation

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

PART 8 - DASNY

Background, Purposes and Powers

DASNY is a body corporate and politic constituting a public benefit corporation. DASNY was created in 1944 to finance and build dormitories at State teachers' colleges to provide housing for the large influx of students returning to college on the G.I. Bill following World War II. Over the years, the State Legislature has expanded DASNY's scope of responsibilities. Today, pursuant to the Dormitory Authority Act, DASNY is authorized to finance, design, construct or rehabilitate facilities for use by a variety of public and private not-for-profit entities.

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers' Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At June 30, 2019, DASNY had approximately \$56.7 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

DASNY has a staff of approximately 536 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 47 field sites across the State.

Governance

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

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

The current members of DASNY are as follows:

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

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

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

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

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

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

WELLINGTON Z. CHEN, Queens.

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

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

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

JOAN M. SULLIVAN, Slingerlands.

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

GERARD ROMSKI, ESQ., Mount Kisco.

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

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

Elizabeth Berlin assumed the role of Interim Commissioner of the New York State Education Department on September 1, 2019. Ms. Berlin was appointed in January 2013 to serve as Executive Deputy Commissioner of the New York State Education Department. In that role, Ms. Berlin manages the day-to-day operations and administration of the State Education Department, part of the University of the State of New York. In that capacity, Ms. Berlin oversees the work of an interconnected system of educational entities including school districts; libraries; and museums; as well as a variety of licensed professions. Interim Commissioner Berlin has an extensive background in the delivery of social and human service programs including service as the Executive Deputy Commissioner of the New York State Office of Temporary and Disability Assistance and Commissioner of the Department of Social Services in Albany County. Ms. Berlin holds a Bachelor of Arts degree from Siena College.

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

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

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

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

Washington University School of Medicine. He also holds a Juris Doctor degree from Fordham University School of Law and a Master of Laws degree from Columbia Law School.

The principal staff of DASNY is as follows:

The office of President and chief executive officer is currently vacant. The Vice President will perform the duties of the President until such time as a new President is appointed and confirmed.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor of Arts degree in Economics from the State University of New York at Plattsburgh and a Master of Arts degree in Business Administration from the University of Massachusetts. ***Mr. Corrigan has announced his retirement from DASNY, effective the close of business on September 26, 2019; upon Mr. Corrigan's retirement, Paul G. Koopman will serve as the Vice President of DASNY.***

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

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

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

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

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

both Governor David A. Paterson and Governor Eliot Spitzer. She holds a Bachelor of Arts degree in Communications from Boston College.

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

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, 2019. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 - LEGALITY OF THE SERIES 2019AB/2020A BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2019AB/2020A Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2019AB/2020A Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 10 - NEGOTIABLE INSTRUMENTS

The Series 2019AB/2020A Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2019AB/2020A Bonds.

PART 11 - TAX MATTERS

Series 2019A Bonds and Series 2020A Bonds

Opinion of Co-Bond Counsel

In the opinion of Barclay Damon LLP, Co-Bond Counsel to DASNY, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the University, and others, interest on the Series 2019A Bonds and the Series 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and interest on the Series 2019A Bonds and the Series 2020A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code. In addition, in the opinion of Barclay Damon LLP, Co-Bond Counsel to DASNY, under existing statutes, interest on the Series 2019A Bonds and the Series 2020A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Barclay Damon LLP expresses no opinion regarding any other federal, state or local tax consequences with respect to the Series 2019A Bonds and the Series 2020A Bonds. The opinion of Barclay Damon LLP speaks as of its issue date and does not contain or provide any opinions or assurance regarding the future activities of DASNY, the University or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the IRS. In addition, Barclay Damon LLP expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Series 2019A Bonds and the Series 2020A Bonds from gross income for federal income tax purposes. See “Appendix E – Proposed Forms of Approving Opinions of Co-Bond Counsel Relating to the Series 2019A Bonds and Series 2019B Bonds” to be delivered with the closing of the Series 2019A Bonds on or about October 8, 2019 and “Appendix F – Proposed Forms of Approving Opinions of Co-Bond Counsel Relating to the Series 2020A Bonds” to be delivered with the closing of the Series 2020A Bonds on or about April 3, 2020.

General

The Code imposes various requirements that must be met in order that interest on the Series 2019A Bonds and the Series 2020A Bonds be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2019A Bonds and the Series 2020A Bonds and the rebate of certain earnings in respect of such investments to the United States. DASNY, the University, and others have made certain representations, certifications of fact, and statements of reasonable expectations and DASNY and the University have given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2019A Bonds and the Series 2020A Bonds from gross income under Section 103 of the Code. The opinion of Barclay Damon LLP assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations. In addition, Barclay Damon LLP has relied on, and will rely on, among other things, opinions of Nixon Peabody LLP, counsel to the University, regarding, among other things, the current status of the University as an organization described in Section 501(c)(3) of the Code, and the operation of the facilities financed and refinanced by the Series 2019A Bonds and the Series 2020A Bonds, when and if issued, as being in furtherance of the University’s exempt purposes. Such opinions are subject to a number of qualifications and limitations. Furthermore, counsel to the University has not given any opinion or assurance about the future activities of the University.

In the event of the inaccuracy or incompleteness of any such representation, certification or statement, or of the failure by DASNY or the University to comply with any such covenant, including failure of the University to maintain its status as an organization described in Section 501(c)(3) of the Code or to operate the facilities financed and refinanced with the Series 2019A Bonds and the Series 2020A Bonds in a manner that is in furtherance of the University’s exempt purposes, the interest on the Series 2019A Bonds and the Series 2020A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original issuance of the Series 2019A Bonds and the Series 2020A Bonds, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Series 2019A Bonds and the Series 2020A Bonds is excludable from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of a Series 2019A Bond or a Series 2020A Bond. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of a Series 2019A Bond or a Series 2020A Bonds and such Beneficial Owner's other items of income, deduction or credit. Barclay Damon LLP expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Series 2019A Bonds and the Series 2020A Bonds.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Series 2019A Bonds and the Series 2020A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the Series 2019A Bonds and Series 2020A Bonds may have collateral federal

income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Series 2019A Bonds and Series 2020A Bonds. Barclay Damon LLP expresses no opinion regarding any such collateral federal income tax consequences.

Original Issue Discount

The excess of the principal amount of a maturity of a Series 2019A Bond or a Series 2020A Bond over the issue price of a maturity of a Series 2019A Bond or a Series 2020A Bond, respectively (a “Discount Bond”) constitutes “original issue discount,” the accrual of which, to the extent properly allocable to the Beneficial Owner thereof, constitutes “original issue discount” which is excluded from gross income for federal income tax purposes to the same extent as interest on such Discount Bond. For this purpose, the issue price of a maturity of Series 2019A Bonds or a maturity of Series 2020A Bonds is the first price at which a substantial amount of each such maturity of Series 2019A Bonds or the Series 2020A Bonds is sold to the public. Further, such original issue discount accrues actuarially on a constant yield basis over the term of each Discount Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount. Beneficial Owners of Discount Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Discount Bonds.

Premium Bonds

The Series 2019A Bonds or the Series 2020A Bonds purchased, whether at original issuance or otherwise, at prices greater than the respective stated principal amount thereof are “Premium Bonds.” Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the Beneficial Owner of Premium Bonds may realize taxable gain upon disposition of such Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that a Beneficial Owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Beneficial Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of ownership of Premium Bonds.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Series 2019A Bond and the Series 2020A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owners of the Series 2019A Bonds and the Series 2020A Bonds and would be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2019A Bonds and Series 2020A Bonds, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Series 2019A Bonds and the Series 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2019A Bonds and the Series 2020A Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2019A Bonds and the Series 2020 Bonds. 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 Beneficial Owners of the Series 2019A Bonds and the Series 2020A Bonds may occur. Prospective purchasers of the Series 2019A Bonds and the Series 2020A Bonds should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Barclay Damon LLP expresses no opinion. The opinion of Barclay Damon LLP is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Barclay Damon LLP as to the proper treatment of the Series 2019A Bonds and the Series 2020A Bonds for federal income tax purposes. It is not binding on the IRS or the courts.

Miscellaneous

Barclay Damon LLP's engagement with respect to the Series 2019A Bonds and the Series 2020A Bonds ends with the issuance of the Series 2019A Bonds and the Series 2020A Bonds and, unless separately engaged, Barclay Damon LLP is not obligated to defend DASNY, the University or the Beneficial Owners regarding the tax-exempt status of interest on the Series 2019A Bonds and the Series 2020A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which DASNY legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2019A Bonds or the Series 2020A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2019A Bonds or the Series 2020A Bonds, and may cause DASNY, the University, or the Beneficial Owners to incur significant expense.

Prospective purchasers of the Series 2019A Bonds or the Series 2020A Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2019B Bonds

Opinion of Co-Bond Counsel

In the opinion of Barclay Damon LLP, Co-Bond Counsel to DASNY, interest on the Series 2019B Bonds is not excluded from gross income for federal income tax purposes under Section 103 the Code, and is exempt, under existing statutes, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Barclay Damon LLP expresses no opinion regarding any other federal, state or local tax consequences with respect to the Series 2019B Bonds. The opinion of Barclay Damon LLP speaks as of its issue date and does not contain or provide any opinions or assurance regarding the future activities of DASNY, the University or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the IRS. See "Appendix E – Proposed Forms of Approving Opinions of Co-Bond Counsel Relating to the Series 2019A Bonds and Series 2019B Bonds."

General

The following discussion is a brief summary of certain United States federal income tax consequences of the acquisition, ownership and disposition of Series 2019B Bonds by original purchasers of the Series 2019B Bonds who are "U.S. Holders", as defined herein. This summary (i) is based on the Code, Treasury regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series 2019B Bonds will be held as "capital assets" and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2019B Bonds as a position in a "hedge" or "straddle," holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Series 2019B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Holders of Series 2019B Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series 2019B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2019B Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

As used herein, the term "U.S. Holder" means a Beneficial Owner of a Series 2019B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Interest on the Series 2019B Bonds

Interest on the Series 2019B Bonds that is "qualified stated interest" generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. Holder's regular method of tax accounting). Generally, "qualified stated interest" means 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 and includes the semi-annual interest payments on the Series 2019B Bonds.

Certain non-corporate U.S. Holders will be subject to a 3.8% tax, in addition to regular tax on income and gains, on some or all of their net investment income, which generally will include interest on the Series 2019B Bonds and any net gain recognized upon a disposition of a Series 2019B Bond. U.S. Holders should consult with their tax advisors regarding the applicability of this tax.

Disposition and Defeasance

Upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2019B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series 2019B Bond.

U.S. Holders should be aware that, for federal income tax purposes, DASNY may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2019B Bonds to be deemed to be no longer outstanding under the General Resolution (a "defeasance"). (See Appendix D - Summary of Certain Provisions of the Resolution). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Series 2019B Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Series 2019B Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes and for state and local purposes.

Backup Withholding and Information Reporting

In general, interest paid on taxable obligations is subject to information reporting to the IRS. Interest on the Series 2019B Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Series 2019B Bonds and will be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Series 2019B Bonds, if other than the registered owner).

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions must comply with information reporting rules with respect to their U.S. account holders and investors or be required to withhold tax on certain payments on, and proceeds from the sale or disposition of, obligations that produce U.S. source income to foreign financial institutions.

Legislation

Legislation considered by the Federal government, or the New York State Legislature, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2019B Bonds under state law and could affect the market value or marketability of the Series 2019B Bonds.

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

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions and some of the general fiduciary standards on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans referred to below ("Qualified Retirement Plans"), and on individual retirement accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements and are not subject to the requirements of Section 4975 of the Code. Accordingly, assets of such plans may be invested in the Series 2019B Bonds without regard to ERISA and the Code considerations described below, but may be subject to similar provisions of applicable federal and state law (the "Similar Law"). Moreover, fiduciaries of non-U.S. benefit plans should determine the effect of foreign laws on the acquisition of the Series 2019B Bonds.

Fiduciaries of plans covered by ERISA and Tax-Favored Plans should determine if the acquisition and retention of the Series 2019B Bonds satisfy ERISA's general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan. In addition, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of

ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and persons who have certain specified relationships to the Benefit Plans (“Parties in Interest” or “Disqualified Persons”), unless a statutory or administrative exemption is available. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA or Section 4975 of the Code unless a statutory or administrative exemption is available. The acquisition or holding of Series 2019B Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the University or the trustee, or any of their respective affiliates, is or becomes a Party in Interest (Or a Disqualified Person) with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Series 2019B Bonds should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest, (ii) the sale or exchange of any property between a Plan and a Party in Interest and (iii) the transfer to, or use by or for the benefit of, a Party in Interest, of any Benefit Plan assets. Depending on the identity of the Benefit Plan fiduciary making the decision to acquire or hold Series 2019B Bonds on behalf of a Plan and other factors, U.S. Department of Labor Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts PTCE 95-60, regarding transactions effected by insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by independent “qualified professional asset managers” (collectively, the “Class Exemptions”) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibited transaction rules for certain transactions between Benefit Plans and persons who are Parties in Interest (or Disqualified Persons) solely by reason of providing services to such Benefit Plans or that are affiliated with such service providers, provided generally that such persons are not fiduciaries (or affiliates of fiduciaries) with respect to the “Plan Assets” of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

Any ERISA Plan fiduciary considering whether to purchase the Series 2019B Bonds on behalf of an ERISA Plan should consult with its tax advisors regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of plans that are not ERISA Plans should seek similar advice with respect to the effect of Similar Law or any other applicable law. By acquiring the Series 2019B Bonds (or interest therein), each purchaser thereof (and if the purchaser is a Benefit Plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring such Series 2019B Bonds (or interests therein) with the assets of a Benefit Plan, governmental plan or church plan or (ii) the acquisition of such 2019 Series B Bonds (or interests therein) will not give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of Similar Law.

PART 12 - STATE NOT LIABLE ON THE SERIES 2019AB/2020A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2019AB/2020A Bonds are not a debt of the State and that the State is not liable on them.

PART 13 - COVENANT BY THE STATE

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

PART 14 - LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2019AB/2020A Bonds by DASNY are subject to the approval of Barclay Damon LLP, Albany, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2019AB/2020A Bonds. The proposed forms of those opinions are set forth in Appendix E and Appendix F hereto.

Certain legal matters will be passed upon for the University by its Counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Cozen O'Connor, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2019AB/2020A Bonds or questioning or affecting the validity of the Series 2019AB/2020A Bonds or the proceedings and authority under which they are to be issued.

PART 15 - UNDERWRITING

RBC Capital Markets, LLC, as representative of the Underwriters of the Series 2019A Bonds, has agreed, subject to certain conditions, to purchase the Series 2019A Bonds from DASNY at an aggregate purchase price of \$143,018,684.30, which represents the par amount of the Series 2019A Bonds, less the Underwriters' discount of \$460,326.35, plus the original issue premium of \$23,844,010.65, and to make a public offering of Series 2019A Bonds at prices that are not in excess of the public offering prices stated on the applicable inside cover page of this Official Statement. The Underwriters will be obligated to purchase all such Series 2019A Bonds if any are purchased.

RBC Capital Markets, LLC, as sole Underwriter of the Series 2019B Bonds, has agreed, subject to certain conditions, to purchase the Series 2019B Bonds from DASNY at an aggregate purchase price of \$147,687,543.99, which represents the par amount of the Series 2019B Bonds less the Underwriter's discount of \$552,456.01, and to make a public offering of Series 2019B Bonds at prices that are not in excess of the public offering prices stated on the applicable inside cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2019B Bonds if any are purchased.

RBC Capital Markets, LLC, as sole Underwriter of the Series 2020A Bonds, has agreed, subject to certain conditions, to purchase the Series 2020A Bonds from DASNY at an aggregate purchase price of \$57,175,768.67, which represents the par amount of the Series 2020A Bonds, less the Underwriter's discount of \$190,975.53, plus the original issue premium of \$9,021,744.20, and to make a public offering of Series 2020A Bonds at prices that are not in excess of the public offering prices stated on the applicable inside cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2020A Bonds if any are purchased.

RBC Capital Markets, LLC is also serving as placement agent for the Series 2019C Bonds.

The Series 2019AB/2020A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of DASNY and the University. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of DASNY and the University.

PART 16 - VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C., a firm of certified public accountants, will deliver to DASNY its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by DASNY and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the Investment Securities deposited with the applicable trustee under the related resolution pursuant to which each Series of the Refunded Bonds were issued to pay the redemption price of and interest coming due on the Refunded Bonds on the redemption date as described in "PART 5 - THE REFUNDING PLAN". Causey Demgen & Moore P.C. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2019AB/2020A Bonds will be paid as described in the schedules provided to them, or the exclusion of the interest on the Series 2019A Bonds and Series 2020A Bonds from gross income for federal income tax purposes.

PART 17 - CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended (“Rule 15c2-12”), the University will undertake in written agreements entered into on the dates of delivery of the Series 2019AB/2020A Bonds (collectively, the “Continuing Disclosure Agreement”) for the benefit of the respective Bondholders to provide to Digital Assurance Certification L.L.C. (“DAC”), as the University’s disclosure dissemination agent, on or before 165 days after the end of each fiscal year, commencing with the fiscal year of the University ending June 30, 2019, 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 7 — 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; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be delivered to DAC for delivery to the MSRB when they become available.

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, to file such information and financial statements, as promptly as practicable, after receipt of the information by DAC from the University, with the MSRB.

The University will also 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”). Upon receipt of Notices from the University or the Trustee, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2019AB/2020A 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 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 or the Trustee and shall not be deemed to be acting in any fiduciary capacity for DASNY, the University, the Holders of the Series 2019AB/2020A Bonds or any other party. DAC shall have no duty to determine or liability for failing to determine whether the University or the Trustee has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the University and the Trustee with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as the University’s disclosure dissemination agent terminate, the University 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 7 – THE UNIVERSITY” under the headings “OPERATING INFORMATION” and “ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions and enrollment*, similar to that set forth under the tables entitled “**Fall Enrollment**,” “**First Year Full-Time Applications and Enrollment**,” “**Mean Combined SAT Scores**,” “**Geographic Profile of Entering Freshmen by Percentage of Class**” and “**Degrees Conferred**;” (2) *tuition and other student charges*, similar to that set forth under the table entitled “**Student Charges**;” (3) *financial aid*, similar to that set forth under the table entitled “**Sources of University Scholarship Grants**;” (4) *faculty*, similar to that set forth under the table entitled “**Teaching Faculty**;” (5) *investments*, similar to that set forth under the table entitled “**Cash and Cash Equivalents and Investments**;” (6) *plant values*, similar to that set forth under the table entitled “**Property, Plant and Equipment**;” and (7) *long term indebtedness*, similar to that set forth under the heading “**Outstanding Indebtedness**;” together with (b) such narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of financial and operating data concerning the University.

The Notices include notices of any of the following events (the “Notice Events”) with respect to the Series 2019AB/2020A 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities; (7) modification to rights of the security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2019AB/2020A Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the University; (13) the consummation of a merger, consolidation or acquisition involving the University, or the sale

of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation (as defined in Rule 15c2-12), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties. In addition, DAC will undertake, for the benefit of the Holders of the Series 2019AB/2020A 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 and/or the Trustee and no person, including any Holder of the Series 2019AB/2020A Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A 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 2019AB/2020A 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 2019AB/2020A Bonds will be on file at the office of Trustee.

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 tax-exempt offerings.

PART 18 - RATING

The Series 2019AB/2020A Bonds have been assigned a long-term rating of "A1" by Moody's Investors Service, Inc. ("Moody's"). Such rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from the rating agency at the following address: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2019AB/2020A Bonds.

PART 19 - MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2019A Resolution, the Series 2019B Resolution, the Series 2020A Resolution and the Loan Agreement are on file with DASNY and the Trustee.

The agreements of DASNY with Holders of the Series 2019AB/2020A Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2019AB/2020A Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2019AB/2020A Bonds.

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

The information 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," "Appendix E — Proposed Forms of Approving Opinions of Co-Bond Counsel relating to the Series 2019A Bonds and Series 2019B Bonds" and "Appendix F — Proposed Forms of Approving Opinions of Co-Bond Counsel relating to the Series 2020A Bonds" have been prepared by Barclay Damon LLP, Albany, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel.

"Appendix B — Financial Statements of Rochester Institute of Technology and Report of Independent Accountants" contains the audited financial statements of the University as of and for the years ended June 30, 2018 and 2017 and the report of the University's independent accountants, PricewaterhouseCoopers LLP, on such financial statements.

The information set forth herein relating to DASNY under the heading "DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriters from the University and other sources deemed to be reliable by the Underwriters, and is not to be construed as a representation by DASNY or the Underwriters. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the University nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of the security for the Series 2019AB/2020A Bonds, or (3) the value or investment quality of the Series 2019AB/2020A Bonds.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the financial covenants, the 2019 Project, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. The University, as a condition to issuance of the Series 2019AB/2020A Bonds, is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2019AB/2020A Bonds, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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/ Michael T. Corrigan
 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, the Series Resolutions or Loan Agreement and used in this Official Statement.

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

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

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

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

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 DASNY.

Authorized Officer means (i) in the case of DASNY, the Chair, the Vice-Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Monitoring, the Managing Director of Construction and the 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 DASNY to perform such act or execute such document; (ii) in the case of the Institution, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Institution to perform such act or execute such document; and (iii) in the case of the Trustee, any officer within the corporate trust department of the Trustee having direct responsibility for the administration of the applicable series of Bonds, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject.

Bond or **Bonds** means any of the bonds of DASNY authorized and issued pursuant to the Resolution and to a Series Resolution, and for purposes of Appendix C, means the Series 2019A Bonds, the Series 2019B and the Series 2020A Bonds.

Bond Counsel means Barclay Damon LLP and Marous Law Group, P.C., or an attorney or other law firm appointed by DASNY with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

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

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

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

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

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

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

Continuing Disclosure Agreement means the agreement, if any, entered into in connection with the issuance of one or more Series of Bonds, by and between the Institution and the Trustee, or such other parties thereto designated at such times, providing for continuing disclosure.

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

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Provider or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of DASNY, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of DASNY, 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 DASNY to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institution shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the Institution or DASNY for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the Institution), (viii) interest on the Bonds of a Series, bonds, notes or other obligations of DASNY 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

DASNY 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, with respect to a Series of Bonds, an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which DASNY is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not DASNY 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 DASNY.

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

DASNY 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 DASNY.

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

Debt Service Fund means the fund so designated and established by the Series Resolution 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 Obligation;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any,

on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

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

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

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

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

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

Exempt Obligation means:

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

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

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

Federal Agency Obligation means:

- (i) an obligation issued by any federal agency or instrumentality approved by DASNY;

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

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

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

Government Obligation means:

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

Institution means Rochester Institute of Technology, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

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

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

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

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

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

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

- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by DASNY.

Loan Agreement means a Loan Agreement, by and between DASNY and the Institution in connection with the issuance of a Series of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by such 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.

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

Outstanding, when used in reference to Bonds of a Series, means, as of a particular date, all Bonds of such Series authenticated and delivered under the Resolution and under 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 a Series of Bonds, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of DASNY adopted prior to authentication and delivery of such Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

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

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

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

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

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

(i) The lien of taxes and assessments which are not delinquent;

(ii) The lien of taxes and assessments which are delinquent but the validity of which is being contested in good faith unless thereby the property or the interest of DASNY therein may be in danger of being lost or forfeited;

(iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(v) Any instrument recorded pursuant to Section 21 of the Loan Agreement summarized in Appendix C under the heading "**Restrictions on Religious Use**"; and

(vi) Such other encumbrances, defects and irregularities to which the prior written consent of DASNY has been obtained.

Permitted Investments means:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

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

(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 hereunder, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;

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

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

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

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

Project means the Project described in Schedule D to the Loan Agreement.

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

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

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

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

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

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

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

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

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

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

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

Refunded Bonds means collectively, all or any portion of DASNY's Rochester Institute of Technology Revenue Bonds, Series 2010 and DASNY's Rochester Institute of Technology Revenue Bonds, Series 2012, as determined by an authorized officer of DASNY pursuant to the applicable Series Resolution.

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

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

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

Resolution means DASNY's Rochester Institute of Technology Revenue Bond Resolution, adopted by DASNY September 11, 2019 as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions thereof.

Revenues means, with respect to a Series of Bonds, (i) all payments received or receivable by DASNY that pursuant to the Loan Agreement entered into in connection with such Series of Bonds are required to be paid to the Trustee other than payments to the Trustee for (A) the administrative costs and expenses or fees of the Trustee, (B) deposit to the Arbitrage Rebate Fund, or (C) deposit to any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds tendered or deemed to have been tendered for purchase, and (D) deposit to any fund or account established by or pursuant to such Series Resolution for repayment of advances made by a Liquidity

Facility Provider for payment of the purchase price of Option Bonds; and (ii) all amounts received as a consequence of the enforcement of a Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon any Pledged Revenues.

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

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

Series 2019A Bonds means the Bonds authorized by Article II of the Series 2019A Resolution.

Series 2019A Resolution means the Series 2019A Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019A.

Series 2019AB/2020A Bonds means, collectively, the Series 2019A Bonds, the Series 2019B Bonds and the Series 2020A Bonds.

Series 2019B Bonds means the Bonds authorized by Article II of the Series 2019B Resolution.

Series 2019B Resolution means the Series 2019B Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019B.

Series 2019C Bonds means the Bonds authorized by Article II of the Series 2019C Resolution.

Series 2019C Resolution means the Series 2019C Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019C.

Series 2020A Bonds means the Bonds authorized by Article II of the Series 2020A Resolution.

Series 2020A Resolution means the Series 2020A Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2020A.

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

(i) when used with respect to any Bonds of such Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future 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 DASNY 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 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 DASNY by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

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

State means the State of New York.

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

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

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

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

ADDITIONAL DEFINITIONS FROM SCHEDULE E TO THE LOAN AGREEMENT

Expendable Resources means as of any particular date of calculation the sum of all without donor restrictions net assets exclusive of Plant Equity, in each case determined in accordance with generally accepted accounting principles then applicable to the Institution.

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

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

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

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

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

Short-Term Indebtedness means any Indebtedness that is not Long-Term Indebtedness.

**FINANCIAL STATEMENTS OF ROCHESTER INSTITUTE OF TECHNOLOGY,
AND REPORT OF INDEPENDENT ACCOUNTANTS**

The financial statements as of June 30, 2018 and 2017 and for the years then ended, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein.

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Rochester Institute of Technology

**Consolidated Financial Statements
June 30, 2018 and 2017**

Rochester Institute of Technology
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June 30, 2018 and 2017

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Report of Independent Auditors

To the Board of Trustees
Rochester Institute of Technology

We have audited the accompanying consolidated financial statements of the Rochester Institute of Technology and its subsidiaries (the University), which comprise the consolidated balance sheets as of June 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Rochester Institute of Technology and its subsidiaries as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

November 9, 2018

Rochester Institute of Technology
Consolidated Balance Sheets
June 30, 2018 and 2017
(in thousands)

	2018	2017
Assets		
Cash and cash equivalents	\$ 47,556	\$ 60,861
Cash and cash equivalents, held with trustees	14,488	14,295
Accounts receivable, net	33,431	29,176
Inventories and other assets	8,930	6,181
Contributions receivable, net	52,849	14,631
Student loans receivable, net	32,621	38,067
Investments, at fair value	1,117,125	1,019,772
Property, plant and equipment, net	654,508	642,847
Total assets	\$ 1,961,508	\$ 1,825,830
Liabilities		
Accounts payable and accrued expenses	\$ 51,069	\$ 46,536
Deferred revenues and other liabilities	61,746	52,996
Accrued postretirement benefits	118,269	202,616
Federal Perkins Loan Program advances	22,820	22,508
Long-term debt, net	275,115	272,517
Total liabilities	529,019	597,173
Net assets		
Expendable resources	524,731	409,549
Net investment in plant	393,880	384,626
Unrestricted	918,611	794,175
Temporarily restricted	316,774	268,520
Permanently restricted	197,104	165,962
Total net assets	1,432,489	1,228,657
Total liabilities and net assets	\$ 1,961,508	\$ 1,825,830

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Activities
For the fiscal year ended June 30, 2018
(With summarized financial information for the year ended June 30, 2017)
(in thousands)

				2018	2017
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating revenues					
Tuition and fees, net of scholarships of \$204,699 and \$188,224, respectively	\$ 301,797	\$ -	\$ -	\$ 301,797	\$ 297,779
Sales and services of auxiliaries	87,163	-	-	87,163	82,953
Government grants and contracts	112,041	-	-	112,041	110,104
Private grants and contracts	4,189	-	-	4,189	4,728
Private contributions	1,150	10,152	-	11,302	8,511
Investment return	22,574	17,283	-	39,857	32,983
Other sources	22,994	-	-	22,994	21,443
Net assets released from restrictions	24,554	(24,554)	-	-	-
Total operating revenues	576,462	2,881	-	579,343	558,501
Operating expenses					
Salaries and wages	299,324	-	-	299,324	288,972
Benefits	93,880	-	-	93,880	89,394
Postretirement benefits	5,860	-	-	5,860	5,479
Purchased services	40,251	-	-	40,251	38,683
Materials and supplies	45,471	-	-	45,471	44,475
Depreciation	40,585	-	-	40,585	39,737
Interest	7,825	-	-	7,825	8,424
Utilities, taxes and insurance	13,275	-	-	13,275	12,546
Travel for scholarship, professional development and recruitment	9,970	-	-	9,970	9,711
Other	12,224	-	-	12,224	12,525
Total operating expenses	568,665	-	-	568,665	549,946
Net operating activities prior to gain on sale	7,797	2,881	-	10,678	8,555
Gain on the sale of property	7,353	-	-	7,353	-
Net operating activities	15,150	2,881	-	18,031	8,555
Nonoperating activities					
Investment return, net	\$ 25,198	\$ 20,988	\$ 867	\$ 47,053	\$ 79,150
Net assets released from restrictions	1,454	(1,454)	-	-	-
Contributions for long-term assets	1,726	26,073	30,674	58,473	6,930
Government grants and contracts for long-term assets	813	-	116	929	941
Net periodic postretirement benefit cost other than service cost	(9,451)	-	-	(9,451)	(10,864)
Other postretirement benefit changes	94,748	-	-	94,748	(10,519)
Beneficiary payments and change in value of deferred giving arrangements	-	(220)	(473)	(693)	(605)
Other	(5,202)	(14)	(42)	(5,258)	620
Net nonoperating activities	109,286	45,373	31,142	185,801	65,653
Increase in net assets	124,436	48,254	31,142	203,832	74,208
Net assets at beginning of year	794,175	268,520	165,962	1,228,657	1,154,449
Net assets at end of year	\$ 918,611	\$ 316,774	\$ 197,104	\$ 1,432,489	\$ 1,228,657

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statement of Activities
For the fiscal year ended June 30, 2017
(in thousands)

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues				
Tuition and fees, net of scholarships of \$188,224	\$ 297,779	\$ -	\$ -	\$ 297,779
Sales and services of auxiliaries	82,953	-	-	82,953
Government grants and contracts	110,104	-	-	110,104
Private grants and contracts	4,728	-	-	4,728
Private contributions	2,555	5,956	-	8,511
Investment return	16,780	16,203	-	32,983
Other sources	21,443	-	-	21,443
Net assets released from restrictions	22,326	(22,326)	-	-
Total operating revenues	558,668	(167)	-	558,501
Operating expenses				
Salaries and wages	288,972	-	-	288,972
Benefits	89,394	-	-	89,394
Postretirement benefits	5,479	-	-	5,479
Purchased services	38,683	-	-	38,683
Materials and supplies	44,475	-	-	44,475
Depreciation	39,737	-	-	39,737
Interest	8,424	-	-	8,424
Utilities, taxes and insurance	12,546	-	-	12,546
Travel for scholarship, professional development and recruitment	9,711	-	-	9,711
Other	12,525	-	-	12,525
Total operating expenses	549,946	-	-	549,946
Net operating activities	8,722	(167)	-	8,555
Nonoperating activities				
Investment return, net	\$ 43,932	\$ 33,953	\$ 1,265	\$ 79,150
Net assets released from restrictions	2,275	(2,275)	-	-
Contributions for long-term assets	848	1,367	4,715	6,930
Government grants and contracts for long-term assets	553	-	388	941
Net periodic postretirement benefit cost other than service cost	(10,864)	-	-	(10,864)
Other postretirement benefit changes	(10,519)	-	-	(10,519)
Beneficiary payments and change in value of deferred giving arrangements	-	377	(982)	(605)
Other	668	(495)	447	620
Net nonoperating activities	26,893	32,927	5,833	65,653
Increase in net assets	35,615	32,760	5,833	74,208
Net assets at beginning of year	758,560	235,760	160,129	1,154,449
Net assets at end of year	\$ 794,175	\$ 268,520	\$ 165,962	\$ 1,228,657

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Cash Flows
For the fiscal years ended June 30, 2018 and 2017
(in thousands)

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ 203,832	\$ 74,208
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation, amortization and accretion expense	39,796	38,801
(Gain) loss on disposal of property, plant and equipment	(6,511)	539
Realized and unrealized net gains on investments	(76,754)	(103,855)
Contributions and government grants restricted for long-term purposes	(23,827)	(8,383)
Noncash contributions of property, plant, equipment and securities	(577)	(720)
Asset retirement obligation liquidation and adjustment	3,319	(599)
Changes in assets and liabilities:		
Accounts receivable	(3,954)	(2,660)
Inventories, prepaids and deferred charges	(2,749)	2,004
Contributions receivable	(38,218)	2,321
Student loans receivable	344	432
Accounts payable and accrued expenses	4,404	1,309
Deferred revenues and other liabilities	6,226	3,527
Accrued postretirement benefits	(84,347)	21,891
Net cash provided by operating activities	20,984	28,815
Cash flows from (used in) investing activities		
Purchases of investments	(202,689)	(249,167)
Proceeds from the sales and maturities of investments	181,938	260,693
Proceeds from the sale of property	6,049	-
Loans made to students	(1,246)	(1,646)
Payments received on student loans	6,348	6,106
Increase in cash and cash equivalents held with trustees	(193)	(176)
Acquisition of property, plant and equipment	(52,559)	(46,716)
Net cash used in investing activities	(62,352)	(30,906)
Cash flows from (used in) financing activities		
Contributions and government grants restricted for long-term purposes	21,941	8,144
Proceeds from sale of contributed securities	2,027	2,297
Payments of long-term debt	(8,862)	(8,498)
Proceeds from the issuance of debt	12,645	12,355
Debt issuance costs	-	(17)
Increase in refundable government grants for student loans	312	206
Net cash provided by financing activities	28,063	14,487
(Decrease) increase in cash and cash equivalents	(13,305)	12,396
Cash and cash equivalents - beginning of year	60,861	48,465
Cash and cash equivalents - end of year	\$ 47,556	\$ 60,861
Supplemental disclosures of cash flow information		
Interest paid (including capitalized interest of \$1,792 and \$1,076 in 2018 and 2017, respectively)	\$ 11,473	\$ 11,436
Contributions of long-term assets	426	720
Contributions of marketable securities	2,324	2,617
(Decrease) increase in construction-related payables	(12)	2,851
Assets exchanged under capital lease	504	-

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal years ended June 30, 2018 and 2017
(in thousands)

1. Summary of Significant Accounting Policies

a. Organization

Rochester Institute of Technology (University, RIT) is a privately endowed, co-educational university comprised of nine colleges and two degree-granting academic units. The University, which occupies 1,300 acres in Rochester, New York, has approximately 18,963 full and part-time undergraduate and graduate students and 4,022 employees.

The following organizations are consolidated into the financial statements of the University:

- 5257 West Henrietta Road, LLC (Inn), doing business as the RIT Inn & Conference Center, is a not-for-profit single member limited liability company with the University as its sole member. The Inn is a dual-use 304-room full service hotel with 125 rooms available for student housing during the academic year.
- Magic Spell Studios, LLC (MAGIC Spell) is a not-for-profit single member limited liability company with the University as its sole member. MAGIC Spell operates a center for research and development of digital media directly supporting the charitable and educational activities of the University.
- RIT Campus Club, Inc. (Campus Club) is a not-for-profit subsidiary of the University. Campus Club was established to support certain aspects of the University's dining operations.
- RIT Global Delivery Corporation, Inc. (GDC) is a wholly owned not-for-profit subsidiary of the University established to develop and deliver global instruction. RIT Croatia, a subsidiary of GDC, delivers instructional services in Croatia. GDC also delivers instructional services in the United Arab Emirates where it operates RIT Dubai in conjunction with the Dubai Silicon Oasis Authority; in Kosovo through the American University in conjunction with the Kosovo Foundation; and in Beijing and Weihai, China through a partnership with Beijing Jiatong University.
- RIT Venture Fund I, LLC (Fund I) is a for-profit limited liability company; the University is its investor member and sole investor. The Fund was formed to make investments in seed, venture and growth-stage companies that involve students, faculty, alumni and/or technologies owned or developed by the University.

b. Basis of Accounting

The University's Consolidated Financial Statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) in the United States of America. All significant intercompany transactions and accounts have been eliminated.

c. Classifications of Net Assets

The University reports its net assets and changes therein according to three classifications: unrestricted, temporarily restricted and permanently restricted based upon the existence or absence of donor-imposed restrictions. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Unrestricted Net Assets

Unrestricted net assets reflect resources that are not subject to externally imposed stipulations. Certain net assets classified as unrestricted are designated for specific purposes or uses under various internal operating and administrative arrangements of the University.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent resources subject to externally imposed stipulations that may or will be met either by actions of the University and/or the passage of time. Temporarily restricted net assets include amounts subject to legal restrictions such as realized and unrealized gains and losses on the endowment until appropriated for spending in accordance with New York State law.

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Permanently Restricted Net Assets

Permanently restricted net assets are subject to externally imposed restrictions that the University maintains in perpetuity. Generally, the donors of these assets permit the University to use all or part of the income earned, and net appreciation on related investments, for general or specific purposes.

Temporarily and permanently restricted net assets as of June 30 are summarized as follows:

	2018		2017	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Designated for program services	\$ 29,625	\$ -	\$ 27,494	\$ -
Endowment funds	251,616	193,381	230,793	162,507
Deferred giving arrangements	322	3,597	284	3,331
Loan funds	4	126	4	124
Net investment in plant	44	-	44	-
Pledges for long-lived assets	35,163	-	9,901	-
Total	\$ 316,774	\$ 197,104	\$ 268,520	\$ 165,962

d. Operations

Revenues earned and expenses incurred during the fiscal year are classified on the University's Consolidated Statements of Activities as either operating or nonoperating activity. Operating revenues and expenses consist primarily of those items attributable to the University's education and training programs, auxiliary enterprises and research activities.

Nonoperating activities consist primarily of realized and unrealized gains and losses on investments and other longer term revenue and expenses associated with education and training programs, or research activities.

e. Revenue Recognition

Tuition revenue is recognized over the academic term to which it relates. Revenues from auxiliary enterprises are also generally recognized over the academic term, with the exception of dining debit card balances which are included in deferred revenue until spent by the cardholder.

Revenues from grants and contracts are generally recognized as earned, that is, as the related costs are incurred under the grant or contract agreements. Amounts received in advance are reported as deferred revenues until expenditures are incurred.

f. Classification of Operating Expenses

Operating expenses are reported by natural classification on the Consolidated Statements of Activities, and by function in Note 13.

g. Cash and Cash Equivalents

Cash and cash equivalents are carried at fair value and include cash on deposit with financial institutions and money market funds with maturities of three months or less when purchased. Cash and cash equivalents on deposit with bond trustees include cash, money market funds and U.S. government securities with maturities of three months or less when purchased. Securities and cash and cash equivalents maintained by the University's investment managers as part of the intermediate and long-term investment portfolios are included in investments on the Consolidated Balance Sheets.

h. Inventories

The University's computer and photo store inventory is valued at cost using the first-in, first-out (FIFO) retail method. Other inventories are stated at the lower of cost, generally on a FIFO basis, or market value.

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i. Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions due after one year are discounted at a range from 1.7% to 3.7%, to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

j. Investments

Investments are recorded at fair value based on quoted market prices where available. The estimated fair value for certain investments in private equity, real asset, hedge and other externally managed funds are based on valuations provided by external investment managers. These investments are generally less liquid than other investments, and the values reported by the general partner or investment manager may differ from the values that would have been reported, had a ready market for these securities existed. The valuations necessarily involve estimates, appraisals, assumptions and methods which are reviewed by the University and external investment management.

To minimize the risk of loss, externally managed hedge fund investments are diversified by strategy, manager and number of positions. The risk of any derivative exposure associated with such funds is limited to the amount invested with each manager.

The University's interest rate risk management strategy provides for maximum flexibility within its debt structure, seeks to lower its cost of capital, and manages risk on a portfolio basis. The University does not hold or issue derivative financial instruments for trading purposes; however, the Board of Trustees has authorized investments in derivatives to maintain asset class ranges, hedge non-U.S. dollar investments and currencies, and provide for defensive portfolio strategies. Derivative investments are recorded at fair value and valuation gains and losses are included on the Consolidated Statements of Activities.

Investment return included in operating revenues consists of amounts appropriated by the Board of Trustees from the University's pooled endowments, as well as income and realized gains and losses on investments from working capital and a trust of which the University is a partial beneficial owner. Any difference between total return and amounts appropriated for expenditure from the pooled endowments and income and realized gains reinvested per donor restrictions are reported within non-operating activities.

k. Life Income, Gift Annuities, and Interest in Perpetual Trusts Held by Others

The University's split-interest agreements with donors consist primarily of gift annuity agreements and irrevocable charitable remainder trusts for which the University serves as trustee. Assets held in the trusts are included in investments and total \$14,719 and \$14,464 at June 30, 2018 and 2017, respectively. Contribution revenues are recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Discount rates are used to calculate the net present value of the obligations, and are based on market rates commensurate with the beneficiary's life expectancy. As of June 30, 2018 and 2017 liabilities associated with split interest agreements total \$9,974 and \$10,064, respectively. The University is also the beneficiary of certain perpetual trusts held and administered by others. The present value of the estimated future cash receipts from the trusts is recognized in investments and as contribution revenue. The carrying value of the investments is adjusted annually for changes in fair value.

l. Property, Plant and Equipment

Land, buildings, capital improvements, equipment, capitalized software, special collections and construction-in-progress are stated at cost at the time of acquisition or fair value (if contributed). Asset retirement costs are initially recorded at fair value and are included in buildings and capital improvements.

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Special collections include works of art, literary works, historical treasures and artifacts that are maintained in the University's libraries and public areas of the campus. These collections are protected and preserved for public exhibition, education, research and the furtherance of public service.

Contributed property, plant and equipment, including special collections, are recognized as revenue in the period in which the items are gifted. Property, plant and equipment acquired through federal appropriations, grants and contracts where the Federal Government retains a reversionary interest are also capitalized and depreciated. Interest on borrowings during construction is capitalized.

Depreciation is recognized using the straight-line method with useful lives of 30 to 50 years for buildings, 8 to 30 years for building improvements, 10 to 30 years for site improvements, 4 to 15 years for automobiles, furniture, fixtures and equipment, and 3 to 10 years for software. Land, special collections and construction-in-progress are not depreciated. The cost and accumulated depreciation of property, plant and equipment sold or retired have been eliminated. Costs incurred for maintenance, repairs and renewals of relatively minor items are expensed as incurred.

m. Income Taxes

The University and its consolidated U.S. subsidiaries, except for Fund I, are not-for-profit organizations, and generally exempt from income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (IRC) but are subject to unrelated business income tax on activities not related to their exempt purposes. Fund I, a limited liability company of which RIT is the investor member, is classified as a disregarded entity for federal income tax purposes. As of November 2017, RIT Croatia was no longer subject to the assessment of Corporate Profit Tax in Croatia and in March 2018, RIT Croatia was re-entered into the Croatian Ministry of Finance non-profit registry. The accounting for income taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification addresses the determination of whether certain tax positions result in benefits claimed or expected to be claimed on a tax return and whether they should be recorded in the Consolidated Financial Statements. For tax-exempt entities, tax positions include the entity's tax-exempt status and assumptions used to determine unrelated business taxable income. The University believes its tax positions meet the more-likely-than-not recognition threshold referenced in the Topic.

n. Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates.

o. Premium and Discount on Long-Term Debt

Premiums and discounts arising from the original issuance of long-term debt are amortized on either the effective interest method or the straight-line basis, which approximates the effective interest method, over the life of the debt. The unamortized portion of these premiums and discounts is included in long-term debt on the Consolidated Balance Sheets.

p. Accounting Pronouncements

The FASB issues Accounting Standards Updates (ASU) that are applicable to and have an impact on the University's Consolidated Financial Statements. The University evaluates and implements pronouncements by the effective fiscal year end date or prior if early adoption is permitted and deemed appropriate. The adoption of certain ASUs is pending further evaluation as noted. No standards were required to be implemented in the year ended June 30, 2018.

Under Evaluation

ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" requires that the recognition of revenue from customer contracts be determined using a principles-based framework. This ASU was issued in May 2014 and is effective for the fiscal year ended June 30, 2019.

ASU No. 2016-02, "Leases (Topic 842)" increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This ASU was issued in February 2016 and is effective for the fiscal year ended June 30, 2020.

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ASU No. 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities" requires that the existing three-category classification of net assets be collapsed into two categories: with donor restrictions and without donor restrictions. Endowments that have a current fair value that is less than the original gift amount (underwater) will be classified in net assets with donor restrictions and expanded disclosures will be required. Additional requirements include disclosure of board-designated net assets, expanded reporting to present expenses by function and natural classification and elimination of the disclosure of investment expenses that are netted against investment returns. This ASU was issued in August 2016 and is effective for the fiscal year ended June 30, 2019.

ASU No. 2016-18, "Statement of Cash Flows (Topic 230)" requires presentation of the total change in cash, cash equivalents, restricted cash and restricted cash equivalents for the period of the statement of cash flows. This ASU was issued in November 2016 and is effective for the fiscal year ended June 30, 2020.

ASU No. 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" clarifies and improves the scope and accounting guidance in ASU No. 2014-09 related to revenue recognition for grants and contributions. The definition of an exchange transaction and the criteria for evaluating whether contributions are unconditional or conditional have been clarified. This ASU was issued in June 2018 and is effective for the fiscal year ended June 30, 2019.

q. Risks and Uncertainties

The University's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

r. Reclassification

Certain amounts for 2017 have been reclassified for consistency with the current year presentation. The University concluded that it was appropriate to classify certain cash and cash equivalents held within Level 1 investments as domestic fixed income and global fixed income. Accordingly, \$33,839 and \$19,269 of Level 1 investments have been reclassified from cash and cash equivalents to domestic fixed income and global fixed income, respectively. This change in classification does not affect previously reported investments at fair value on the Consolidated Balance Sheets.

2. Accounts Receivable

Accounts receivable as of June 30 are summarized as follows:

	2018	2017
Grants and contracts:		
Government	\$ 19,048	\$ 16,581
Private	681	777
Total grants and contracts	19,729	17,358
Student accounts	8,533	12,501
Other	8,041	2,393
Total student accounts and other	16,574	14,894
Total accounts receivable	36,303	32,252
Less: allowance for doubtful accounts	(2,872)	(3,076)
Accounts receivable, net	\$ 33,431	\$ 29,176

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3. Contributions Receivable

Contributions receivable, less related allowances for uncollectible receivables and discounts for present value on long-term pledges at June 30, are summarized as follows:

	2018	2017
Unconditional promises expected to be collected in:		
Less than one year	\$ 17,027	\$ 7,534
One year to five years	36,609	6,414
Over five years	2,306	1,302
Contributions receivable	55,942	15,250
Less: allowance and discount	(3,093)	(619)
Contributions receivable, net	\$ 52,849	\$ 14,631

At June 30, 2018, the University has not received any conditional promises to give.

Contributions to acquire property, plant and equipment are recorded as temporarily restricted net assets and are released from restrictions at the time the asset is placed in service. As a result, \$35,163 and \$9,902 of assets contributed to acquire property, plant and equipment are recorded as temporarily restricted net assets as of June 30, 2018 and 2017, respectively.

4. Student Loans Receivable and Credit Disclosures

On September 30, 2017, the Federal Perkins Loan Program expired when it was not extended by the U.S. Congress. Students did not receive new loans after that date unless the student had received a disbursement before October 1, 2017 for the 2017-2018 award year. Under current federal guidelines, the University will continue to service existing Perkins Loans through a third-party administrator.

At June 30, student loans included on the Consolidated Balance Sheets consisted of the following:

	2018	2017
Federal Perkins Loan Program	\$ 36,986	\$ 42,274
Less: allowance for doubtful accounts	(4,365)	(4,207)
Student loans receivable, net	\$ 32,621	\$ 38,067

The University's student loans receivable represents the amounts due from current and former students under the Program. Loans disbursed under the Program are assigned to the Federal Government in certain non-repayment situations. Allowances for doubtful accounts are established when a non-deferred loan is delinquent for 240 days. Outstanding loans cancelled under the Program result in a decrease in the liability to the government.

Program advances of \$22,820 and \$22,508 at June 30, 2018 and 2017, respectively, are refundable to the U.S. government and are classified as liabilities on the Consolidated Balance Sheets. In addition, from 2009 through 2016, the University advanced \$12,811 in excess of the federal matching requirement. For the years ended June 30, 2018 and 2017, respectively, loan repayments of \$5,950 and \$5,295 that were in excess of program advances reduced the University's cumulative overmatch to \$1,566 at June 30, 2018. Beginning in 2019, the federal share of Perkins Loans will be remitted to the Federal Government.

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The student loans receivable aging analysis at June 30 is as follows:

	2018	2017
Current	\$ 30,272	\$ 34,829
1-60 days past due	965	1,410
61-90 days past due	395	572
>91 days past due	5,354	5,463
Total student loan receivables	\$ 36,986	\$ 42,274

5. Investments

Total investments for the fiscal years ended June 30 are as follows:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 42,872	\$ 42,872	\$ 44,517	\$ 44,517
Domestic fixed income	166,268	164,440	173,283	172,676
Global fixed income	38,763	40,325	48,601	51,457
Domestic equity securities	103,065	143,104	104,027	129,832
Global equity securities	139,214	179,318	142,874	176,208
Hedge funds	156,797	267,135	91,384	195,993
Private equity	163,837	208,749	146,918	180,069
Real assets	64,937	71,182	65,416	69,020
Total investments	\$ 875,753	\$ 1,117,125	\$ 817,020	\$ 1,019,772

Assets and liabilities measured and reported at fair value are classified and disclosed within one of the following categories:

Level 1

Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets. Investments within Level 1 may include active listed equities and exchange traded funds, option contracts traded in active markets, and certain U.S. government investments and money market securities.

Level 2

Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Investments within Level 2 may include investment-grade corporate bonds, less liquid listed equities, option contracts, certain mortgage products, bank loans, and U.S. government investments.

Level 3

Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Investments within Level 3 primarily consist of the University's ownership in closely held private companies and the cash surrender value of insurance contracts.

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Net Asset Value

The University is permitted as a practical expedient under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. The University's investments in commingled funds, hedge funds, and private equity and real asset limited partnerships are recorded at fair value based on the most recent NAV reported by the investment manager. The NAV of these investments is determined by the investment manager, and is based on appraisal 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 investment manager, 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. The University has performed due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30 and has concluded that these valuations are a reasonable estimate of fair value as of June 30, 2018 and 2017, but are subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for all of the investments existed.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Furthermore, the fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk. The University assumes that any transfers between levels occur at the beginning of any period.

Following is a summary of the University's investments carried at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents	\$ 1,113	\$ 41,759	\$ -	\$ -	\$ 42,872
Domestic fixed income	109,520	54,748	172	-	164,440
Global fixed income	24,423	-	-	15,902	40,325
Domestic equity securities	39,112	-	-	103,992	143,104
Global equity securities	14,930	-	-	164,388	179,318
Hedge funds	-	-	-	267,135	267,135
Private equity	-	-	3,162	205,587	208,749
Real assets	8,994	-	-	62,188	71,182
Total investments at fair value	\$ 198,092	\$ 96,507	\$ 3,334	\$ 819,192	\$ 1,117,125

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Following is a summary of the University's investments carried at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and cash equivalents	\$ 21,036	\$ 23,481	\$ -	\$ -	\$ 44,517
Domestic fixed income	132,278	40,236	162	-	172,676
Global fixed income	19,269	-	-	32,188	51,457
Domestic equity securities	34,977	-	-	94,855	129,832
Global equity securities	14,650	-	-	161,558	176,208
Hedge funds	-	-	-	195,993	195,993
Private equity	-	-	3,162	176,907	180,069
Real assets	7,704	-	-	61,316	69,020
Total investments at fair value	\$ 229,914	\$ 63,717	\$ 3,324	\$ 722,817	\$ 1,019,772

Following is a reconciliation of beginning and ending balances of Level 3 investments for the years ended June 30:

Level 3					
	Balance June 30, 2017	Realized Gains	Unrealized Gains	Sales	Balance June 30, 2018
Domestic fixed income	\$ 162	\$ -	\$ 10	\$ -	\$ 172
Private equity	3,162	-	-	-	3,162
Total	\$ 3,324	\$ -	\$ 10	\$ -	\$ 3,334

Level 3					
	Balance June 30, 2016	Realized Gains	Unrealized Gains	Sales	Balance June 30, 2017
Domestic fixed income	\$ 152	\$ -	\$ 10	\$ -	\$ 162
Private equity	3,162	-	-	-	3,162
Total	\$ 3,314	\$ -	\$ 10	\$ -	\$ 3,324

The following table provides additional information concerning the University's investments that are recorded at NAV as of June 30, 2018:

Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Redemption Restrictions ¹
Global fixed income	\$ 15,902	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	103,992	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	164,388	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	267,135	-	30 to more than 365 days	35 to 90 days	12 month lock up ²
Private equity	205,587	148,965	NA ³	NA ³	NA
Real assets	62,188	44,718	NA ³	NA ³	NA
Total	\$ 819,192	\$ 193,683			

¹ Represents status of initial investment lock-up restrictions. No other material redemption restrictions, such as redemption gates, were in place at year end.

² 12 month lock up effective for \$32,941 of the hedge fund portfolio.

³ The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

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Total Investment Return

Following is a summary of the total investment return and its classification on the Consolidated Statements of Activities at June 30:

	2018	2017
Total investment return		
Interest and dividends	\$ 16,723	\$ 13,563
Realized and unrealized gains on investments, net of investment management fees and other expenses	70,187	98,570
Total investment return	\$ 86,910	\$ 112,133
Consolidated Statements of Activities classification		
Allocated for operating activities per spending policy	\$ 34,317	\$ 29,099
Interest and dividends	5,540	3,884
Total operating investment return	39,857	32,983
Nonoperating investment return	47,053	79,150
Total investment return	\$ 86,910	\$ 112,133

6. Endowment

The University's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees' interpretation of its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, is to preserve intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds. This principle holds that future endowment beneficiaries should receive at least the same level of economic support that the current generation receives. As a result of this interpretation, the University classifies as permanently restricted net assets the unappropriated portion of (a) the original value of gifts donated to a true endowment fund; (b) the original value of subsequent gifts to a true endowment fund; and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unspent appropriations related to donor-restricted endowment funds are classified as temporarily restricted net assets until the amounts are expended by the University in a manner consistent with the donor's intent. The remaining portion of donor-restricted endowment funds not classified as permanently or temporarily restricted net assets are classified as unrestricted net assets.

The Board of Trustees determines the appropriate amount to withdraw from endowment and similar funds on an annual basis to provide support for operations with prudent concern for the long-term growth in the underlying assets as well as the specific factors detailed in NYPMIFA.

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

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The University currently accounts for endowment activity in two investment pools, Pool I and Pool II. Pool I is comprised of contributions, both donor-restricted and board-designated, made to the University for a variety of purposes, as well as contributions transferred from Pool II. Pool II is comprised of contributions, both donor-restricted and board-designated, made to the National Technical Institute for the Deaf (NTID). Each pool has a separate investment and spending policy.

Pool I – The University has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters through March of the preceding fiscal year in which the distribution is planned. The total spending distribution should be at least equal to 3.50% but not greater than 5.25% of the beginning of year portfolio market value. The distribution excludes those funds with deficiencies due to unfavorable market fluctuations. During periods when investment return exceeds the distribution, such excess return is added to these investments. Likewise, when investment return is less than the distribution, such deficit is funded by accumulated return. In establishing the distribution policy, the University considered the long-term expected return on its endowment. New gifts to existing funds participate in the spending policy in the quarter that begins subsequent to the date of the gift. New funds participate in the spending policy in the quarter that begins one year subsequent to the date of the gift. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at a rate exceeding expected inflation, consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as, to provide additional real growth through new gifts and investment return. In 1994, the University's Board of Trustees established a quasi-endowment fund within Pool I to finance a portion of the University's postretirement medical obligations. Distributions had been reinvested in the fund each year since inception, and, accordingly, were not available to support the general operations of the University. In November 2013, the University's Board of Trustees approved a resolution allowing, with the approval of the chair of the Finance Committee, a portion or all of a year's distributions related to the postretirement quasi-endowment fund to be allocated to support the general operations of the University. During the year ended June 30, 2018, \$3,000 was distributed in accordance with this resolution. No distributions were made during the year ended June 30, 2017. The market value for this quasi-endowment fund was \$118,269 and \$152,528 at June 30, 2018 and 2017, respectively.

Pool II – The University established Pool II for NTID during 1989 in accordance with the federal program established by Public Law 99-371 (August 4, 1986) to support NTID. Pool II assets are invested in a manner intended to produce price and yield results that are at least equal to a blended benchmark of 70% of the S&P 500 Index and 30% of the Barclays Capital Aggregate Bond Index, assuming a moderate level of investment risk. The program stipulates that the investment of annual additions to Pool II is restricted to IRC 501(f) investment organizations. The federal guidelines authorize a spending distribution from Pool II of not more than 50% of current year's investment income (interest and dividends only). After a period of 10 years, the University can elect to invest the funds consistent with the University's overall long-term investment strategy (Pool I).

At June 30, 2018, the endowment net asset composition by type of fund consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 251,009	\$ 193,381	\$ 444,390
Board-designated funds	493,165	607	-	493,772
Total funds	\$ 493,165	\$ 251,616	\$ 193,381	\$ 938,162

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(in thousands)

Following are changes in endowment net assets for the year ended June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2017	\$ 453,911	\$ 230,793	\$ 162,507	\$ 847,211
Investment return:				
Investment income	5,609	4,832	-	10,441
Net appreciation	39,001	33,207	40	72,248
Total investment return	44,610	38,039	40	82,689
Contributions	-	129	30,836	30,965
Amounts appropriated for expenditure	(17,033)	(17,216)	(2)	(34,251)
Other changes:				
Transfers to create board-designated endowment funds	11,548	-	-	11,548
Endowment net asset reclassification	129	(129)	-	-
Total other changes	11,677	(129)	-	11,548
Endowment net assets, June 30, 2018	\$ 493,165	\$ 251,616	\$ 193,381	\$ 938,162

At June 30, 2017, the endowment net asset composition by type of fund consists of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ 48	\$ 230,077	\$ 162,507	\$ 392,632
Board-designated funds	453,863	716	-	454,579
Total funds	\$ 453,911	\$ 230,793	\$ 162,507	\$ 847,211

Following are changes in endowment net assets for the year ended June 30:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2016	\$ 396,558	\$ 197,155	\$ 157,182	\$ 750,895
Investment return:				
Investment income	4,858	4,306	-	9,164
Net appreciation	53,925	45,541	212	99,678
Total investment return	58,783	49,847	212	108,842
Contributions	-	928	5,114	6,042
Amounts appropriated for expenditure	(12,896)	(16,162)	(1)	(29,059)
Other changes:				
Transfers to create board-designated endowment funds	10,491	-	-	10,491
Endowment net asset reclassification	975	(975)	-	-
Total other changes	11,466	(975)	-	10,491
Endowment net assets, June 30, 2017	\$ 453,911	\$ 230,793	\$ 162,507	\$ 847,211

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From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the NYPMIFA requires the University to retain as a fund of perpetual duration. Subsequent gains that restore the fair value of the assets of such endowment funds to the required level are classified as an increase in unrestricted net assets. There are no deficiencies of this nature as of June 30, 2018 and 2017.

7. Property, Plant and Equipment

Property, plant and equipment, less related depreciation on certain asset categories at June 30, is as follows:

	2018	2017
Buildings and capital improvements	\$ 999,589	\$ 959,806
Equipment and software	157,104	156,739
Less: accumulated depreciation	(560,838)	(530,444)
Depreciable property, plant and equipment, net	595,855	586,101
Land	10,881	11,041
Special collections	12,380	12,128
Construction-in-progress	35,392	33,577
Property, plant and equipment, net	\$ 654,508	\$ 642,847

Total depreciation expense for 2018 and 2017 was \$40,585 and \$39,737, respectively.

In August 2017, the University sold Racquet Club, a 102 unit off-campus student housing apartment complex, to a third party. The gain on the sale of the facility and land was \$7,353.

8. Asset Retirement Obligations

The University accounts for asset retirement obligations in accordance with asset retirement and environmental obligations guidance which primarily affects the way asbestos-related removal costs are recognized. The University accrues for asset retirement obligations in the period incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded.

The University recalculates its asset retirement obligations annually, adjusting both the liability, included in deferred revenues and other liabilities, and the associated asset retirement costs, included in property, plant and equipment, on the Consolidated Balance Sheets.

The following schedule reflects changes in asset retirement obligations:

	2018	2017
Beginning balance	\$ 20,458	\$ 20,528
Change in estimate	5,680	(195)
Abatement liability settled	(2,348)	(704)
Accretion expenses	901	829
Ending balance	\$ 24,691	\$ 20,458

Rochester Institute of Technology
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9. Benefit Plans

a. Retirement Benefit Plan

The Rochester Institute of Technology Retirement Savings Plan (Plan) is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and IRC Section 403(b). The Plan is available to all employees who meet certain eligibility requirements. Plan contributions are invested in one or more of the funding vehicles made available to participants under the Plan. Contributions may be allocated to annuity contracts offered by Teachers Insurance Annuity Association (TIAA) and/or custodial accounts which are invested in regulated investment companies (mutual funds) offered by Fidelity Investments (Fidelity). In addition, employees may choose to invest in a self-directed brokerage account through which they can access additional mutual fund options. TIAA and Fidelity are recordkeepers of the Plan. It is the University's policy to currently fund defined contribution pension costs as they are incurred. Total retirement contribution expense for 2018 and 2017 was \$21,457 and \$20,800, respectively.

b. Postemployment Benefits

The accrued postemployment benefits of the University were \$2,538 and \$3,260 at June 30, 2018 and 2017, respectively.

c. Postretirement Benefits

The University sponsors a defined benefit medical plan that covers substantially all employees.

As of April 30, 2018, RIT made changes to retiree healthcare benefits including eligibility requirements and the delivery of medical benefits to pre-Medicare and Medicare-eligible retirees effective January 1, 2019. The decision to adopt the provision changes were reviewed by the University's Board of Trustees in April 2018 and communicated to participants soon thereafter. The benefit cost for the fiscal year ending June 30, 2018 reflects a remeasurement as of April 30, 2018 to incorporate changes to the plan that were adopted by that date.

Eligibility

Prior to January 1, 2019:

Employees hired prior to January 1, 1995 are eligible for retiree medical benefits if they are at least 50 years old, with at least 10 years of service (5 years if hired prior to July 1, 1990) and age plus service total at least 70 at retirement. Employees hired on or after January 1, 1995 are eligible for retiree medical benefits if they are at least 55 years old, with at least 10 years of service, and age plus service totals at least 70 at retirement.

On or after January 1, 2019:

Employees hired prior to January 1, 2019 who are at least 45 years of age or have at least 10 years of full-time service or 15 years of eligible part-time service as of January 1, 2019 are grandfathered into the pre-January 1, 2019 retirement eligibility conditions. For employees who are not grandfathered or are hired on or after January 1, 2019, retirement eligibility is at least age 62 with 15 years of full-time service (20 years of eligible part-time service).

Delivery of Medical Benefits

Employees hired prior to January 1, 2004 who were 35 or older on January 1, 2008:

Pre-Medicare retirees:

On or after January 1, 2019, retirees will continue to contribute towards the cost of coverage based on the plan option selected and salary at retirement, but will be required to pay a larger contribution than active employees.

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Medicare-eligible retirees:

Prior to January 1, 2019, retirees contributed to the cost of medical coverage for a University-selected benchmark plan. If the retiree chose a plan that cost more than the benchmark plan, the retiree would pay the benchmark plan contribution, as well as the difference between the benchmark plan and the plan the retiree elected. On or after January 1, 2019, retirees and spouses will receive an annual health reimbursement account (HRA) allocation from the University to obtain healthcare coverage via a private healthcare exchange.

Employees hired on or after January 1, 2004 or hired before January 1, 2004 who were less than 35 years old on January 1, 2008:

Prior to January 1, 2019, participants were able to access funds in an employer funded retiree medical account (RMA) that could be applied to Medicare and private medical insurance premiums upon retirement. On or after January 1, 2019, RMAs have been eliminated.

Pre-Medicare retirees:

On or after January 1, 2019, retirees will contribute towards the cost of coverage based on the plan option selected and salary at retirement, but will be required to pay a larger contribution than active employees.

Medicare-eligible retirees:

On or after January 1, 2019, retirees and spouses will receive an annual HRA allocation from the University to obtain healthcare coverage from a private healthcare exchange.

HRA allocations vary based on the retiree classifications described above, with earlier hire dates receiving a greater HRA allocation. Coverage from the healthcare exchange includes reimbursement for drug claims in the catastrophic tier under Medicare Part D.

The postretirement medical plan's obligations and applicable discount rates as of June 30 are as follows:

	2018	2017
Change in projected benefit obligation		
Postretirement benefit obligation at beginning of year	\$ 202,616	\$ 180,725
Service cost	5,860	5,479
Interest cost	7,410	7,119
Participants' contributions	1,998	1,823
Actuarial (gains) losses	(12,016)	14,264
Benefits paid	(6,908)	(6,794)
Plan amendments	(80,691)	-
Postretirement benefit obligation at end of year	\$ 118,269	\$ 202,616
Amounts recognized in unrestricted net assets consist of:		
Net prior service credit	\$ (79,545)	\$ (28)
Net losses	20,591	35,822
Accumulated (income) loss in unrestricted net assets	\$ (58,954)	\$ 35,794
Discount rates		
Net periodic benefit cost - beginning of fiscal year	3.96%	3.84%
Net periodic benefit cost - April 30, 2018 remeasurement date	4.21%	N/A
Year-end benefit obligation	4.31%	3.96%

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The components of net periodic postretirement benefit costs are as follows at June 30:

	2018	2017
Operating activities:		
Service cost	\$ 5,860	\$ 5,479
Nonoperating activities:		
Interest cost	7,410	7,119
Amortization of unrecognized prior service benefit	(1,174)	(10)
Amortization of net losses	3,215	3,755
Total nonoperating activities	9,451	10,864
Net periodic postretirement benefit cost	\$ 15,311	\$ 16,343

Postretirement benefit changes of \$94,748 and \$(10,519) for the fiscal years ending June 30, 2018 and 2017, respectively, consisting of prior service cost amortization, net actuarial gain amortization, experience gains (losses) and plan amendments are included in nonoperating activities on the Consolidated Statements of Activities.

The University expects to recognize a postretirement benefit amortization gain in fiscal year 2019 of \$5,209 relating to \$6,990 of prior service credits partially offset by \$1,781 of net actuarial losses. Amortization of prior service costs or credits which result from changes to plan provisions and amortization of actuarial net gains or losses which result from experience different from assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) are included as components of Net Periodic Postretirement Benefit Cost/(Income) for a year. The amortization of actuarial net gain or loss is the net gain or loss divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the postretirement medical plan.

The postretirement medical plan's health care cost trend rate assumptions are as follows at June 30:

	2018	2017
Initial rate	6.5%	6.5%
Ultimate rate	5.0%	5.0%
Fiscal year of ultimate rate	2022	2022

The health care cost trend rate assumption has a significant effect on the amounts reported; a 1% point change in the assumed health care cost trend rates would have the following effects:

	1% Point Increase	1% Point Decrease
Effect on total of service and interest cost components	\$ 1,501	\$ (1,226)
Effect on postretirement benefit obligation	\$ 3,807	\$ (3,221)

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Benefit Payments

At June 30, the University's aggregated future estimated postretirement benefit payments, which reflect future services, are as follows:

2019	\$	5,594
2020		5,699
2021		5,911
2022		6,116
2023		6,223
2024-2028		34,640

d. Self-insurance Plans

The University is self-insured for medical, prescription drug and dental benefits. Based on estimates provided by its actuaries, the University's obligation for health care claims incurred but not reported is \$1,517 and \$2,016 as of June 30, 2018 and 2017, respectively. The University is also self-insured for workers compensation and has established a liability for asserted and unasserted claims totaling \$3,773 and \$3,760 as of June 30, 2018 and 2017, respectively. These amounts are included in accounts payable and accrued expenses on the Consolidated Balance Sheets.

10. Long-Term Debt

The University has entered into various agreements for the purpose of financing construction, renovation and improvement of its facilities and equipment. Long-term debt outstanding for these purposes, net of applicable unamortized premium/discount and debt issuance costs as of June 30, is as follows:

Issue	Interest Rate(s) ¹	Type of Rate	Maturity	2018	2017
Tax-exempt revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2006A	5.25%	Fixed	7/1/22	\$ 23,775	\$ 27,935
Series 2008A	5.00%	Fixed	7/1/19	1,000	1,500
Series 2010	4.13% - 5.00%	Fixed	7/1/40	66,110	69,100
Series 2012	4.00% - 5.00%	Fixed	7/1/42	143,460	144,520
Taxable bank loan ²	3.58%	Variable	7/12/26	25,000	12,355
Other debt	1.67%-3.56%	Variable	Various	827	475
Total long-term debt, principal				260,172	255,885
Bond premium/discount, net				16,670	18,589
Unamortized debt issuance costs, net				(1,727)	(1,957)
Total long-term debt, net				\$ 275,115	\$ 272,517

¹ Represents interest rates on debt outstanding as of June 30, 2018

² Total amount available to borrow is \$25,000

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The required principal payments for long-term debt for each of the years in the five-year period ending June 30, 2023 and thereafter are presented below. The schedule has been prepared based on the contractual maturities of the debt outstanding at June 30:

2019	\$	11,354
2020		11,875
2021		12,399
2022		12,956
2023		13,549
Thereafter		198,039
	\$	260,172

Tax-Exempt Revenue Bonds

The University's tax-exempt bonds are issued through DASNY, a New York State agency serving as a conduit issuer of tax-exempt debt.

Deposits with bond trustees consist of debt service funds and the unexpended proceeds of certain debt. These funds will be used for construction of, or payment of, debt service on certain facilities. Deposits with bond trustees totaling \$14,488 and \$14,295 are included in cash and cash equivalents held with trustees and investments on the Consolidated Balance Sheets as of June 30, 2018 and 2017, respectively.

Proceeds from tax-exempt revenue bonds outstanding as of June 30, 2018 were used as follows:

DASNY 2006A Series

Insured revenue bonds were issued to advance refund a substantial portion of the outstanding aggregate principal amount of the University's 1997 Series bonds which had been issued to refund the remaining obligation of general and unconditional obligation Series E revenue bonds. Proceeds were also used to renovate on-campus housing facilities and improve the technological infrastructure of the University.

DASNY 2008A Series

Unsecured bonds were issued to construct a new mixed-use residential on-campus housing and retail complex, the renewal, replacement and expansion of existing heating and cooling infrastructure and energy management, and the renovation of academic and administrative buildings. During fiscal year 2013, the University advance refunded and legally extinguished a substantial portion of 2008A Series bonds. A portion of the proceeds from the DASNY 2012 Series bonds were deposited into an irrevocable trust solely for the purpose of making debt service payments on the 2008A Series bonds.

DASNY 2010 Series

Secured revenue bonds were issued for the construction of a new academic building, the construction of a green data center, the expansion of athletic facilities, various other campus-wide improvements and the advance refunding of DASNY 2002A Series bonds.

DASNY 2012 Series

Secured revenue bonds were issued to advance refund a portion of DASNY 2002B Series bonds and a portion of DASNY 2008A Series bonds and for the construction of a new athletic and multi-purpose facility, renovations and improvements to academic facilities, replacement of electrical infrastructure and the acquisition of University Commons Project II on-campus residential housing.

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Taxable Bank Loan

The University entered into a loan agreement and related variable-rate multiple draw term note with a commercial bank to finance several capital projects, including the construction of new student housing. The loan is an unsecured general obligation of the University and may be prepaid at any time without penalty.

Other Debt

Other debt consists of amounts borrowed from the Power Authority of the State of New York to fund improvements to the University's energy systems and amounts associated with agreements the University has entered into with respect to capital leases of equipment and furniture.

11. Student Aid

For the fiscal year ending June 30, aid provided to students is summarized as follows:

2018			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 192,799	\$ 11,900	\$ 204,699
Student salaries and wages	20,725	7,642	28,367
Total student aid	\$ 213,524	\$ 19,542	\$ 233,066
2017			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 177,350	\$ 10,874	\$ 188,224
Student salaries and wages	20,381	6,837	27,218
Total student aid	\$ 197,731	\$ 17,711	\$ 215,442

¹ Institutional support includes student aid from unrestricted operating resources.

² Sponsored support includes student aid funded from restricted and University designated resources and external sources, including federal, state or private grants and/or contributions.

12. National Technical Institute for the Deaf

Under an agreement with the U.S. Department of Education (Department), the University established NTID in 1968 to provide post-secondary education and technical training for deaf and hard of hearing persons. NTID is the world's first and largest technical college for deaf students with approximately 1,262 students from the United States and other countries. The Federal Government provides funding through an appropriation, currently covering approximately 72% of NTID's total operating costs, and provides matching funds for NTID's Federal Endowment Fund. Funding is applied for annually and is subject to the Federal Government's continued support of the program.

Operating Revenues

The federal appropriation partially covers direct operating expenses and reimbursement to the University for tuition, fees, room and board and indirect costs for NTID students using RIT facilities. Appropriation revenues are included in government grants and contracts on the Consolidated Statements of Activities and totaled \$69,882 and \$69,354 at June 30, 2018 and 2017, respectively. The remaining operating expenses are funded by tuition and fees collected from NTID students and other revenues.

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Beginning in fiscal year 2016, NTID has received funds in its annual appropriation from the Department to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. Of the amount included in government grants and contracts on the Consolidated Statements of Activities, \$1,341 and \$204 at June 30, 2018 and 2017 respectively, was appropriated for the AIDB regional partnership.

Nonoperating Activities

The federal appropriation may also be used to match qualifying contributions received from donors for NTID's Federal Endowment Fund. Included in permanently restricted nonoperating government grants and contracts for long-term assets on the Consolidated Statements of Activities are federal matching funds totaling \$116 and \$388 at June 30, 2018 and 2017, respectively.

13. Consolidated Statements of Activities – Operating Expenses by Function

	2018	2017
Instruction	\$ 262,220	\$ 256,647
Research	44,770	44,936
Public service	16,167	14,060
Academic support	61,357	57,398
Student services	49,201	45,821
Institutional support ¹	47,725	46,653
Auxiliary enterprises	86,864	84,174
Independent organizations	361	257
Operating expenses by function	\$ 568,665	\$ 549,946

¹ Includes fundraising expenses of \$10,815 and \$10,877 in 2018 and 2017, respectively.

14. Commitments and Contingencies

The University is involved in legal actions arising in the normal course of activities and is subject to periodic audits and inquiries by various regulatory agencies. Although the ultimate outcome of such matters is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of pending matters will not have a materially adverse effect, individually or in the aggregate, upon the Consolidated Financial Statements.

The University is committed under several construction contracts amounting to approximately \$17,746 and \$34,996 at June 30, 2018 and 2017, respectively. These contracts relate to the renovation and construction of various on-campus facilities including projects totaling \$3,139 funded by federal and state grants and \$1,234 funded by private donors.

15. Subsequent Events

Subsequent events have been evaluated through November 9, 2018, the date the Consolidated Financial Statements were issued.

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

Construction or Acquisition of the Project

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution, the Series 2019/2020 Resolutions and the Loan Agreement, the Institution shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the Contract Documents related to such Project. Subject to the conditions of the Loan Agreement, DASNY will, to the extent of moneys available in the Construction Fund, cause the Institution to be reimbursed for, or pay, any costs and expenses incurred by the Institution which constitute Costs of the Project, provided such costs and expenses are approved by DASNY, which approval shall not be unreasonably withheld.

(Section 5)

Amendment of the Project

The Institution, with the prior written consent of DASNY, which consent will not be unreasonably withheld, may amend the Project to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing, furnishing and equipping of the Project which DASNY is authorized to undertake. The Institution shall provide such moneys or an irrevocable letter of credit or other security in such form as may be acceptable to DASNY as in the reasonable judgment of an Authorized Officer of DASNY may be required for the cost of completing a Project or a portion thereof in accordance with the Contract Documents in excess of the moneys in the Construction Fund established for such Project, whether such moneys, letter of credit or other security are required as a result of an increase in the scope of the Project or otherwise. Such moneys, letters of credit or other security required to be paid by the Institution pursuant to this paragraph shall be paid or made available to the Trustee for deposit in the applicable Construction Fund within fifteen (15) days after receipt by the Institution of written notice from DASNY that such moneys or other security are required.

(Section 6)

Financial Obligations

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

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

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

(iii) Five Business Days 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;

(iv) On May 15, 2020, and on each November 15 and May 15 thereafter, the interest coming due on Outstanding Bonds that are not Variable Interest Rate Bonds on the immediately succeeding interest payment date;

(v) (a) On November 15, 2019, and on each November 15 thereafter, the principal and Sinking Fund Installments, if any, on the Outstanding Bonds coming due the immediately succeeding January 1;

(b) On May 15, 2020, and on each May 15 thereafter, the principal and Sinking Fund Installments, if any, on the Outstanding Bonds coming due during the immediately succeeding July 1;

(vi) Except as provided below, by 1:30 p.m., New York City time, on the day on which payment of the purchase price of an Option Bond tendered for purchase which has not been remarketed or remarketed at less than the principal amount thereof and for which there is no Liquidity Facility then in effect, is due, the purchase price of such Option Bond, which shall be paid in immediately available funds; **provided, however,** that (A) if the Institution has received notice that such payment is due after 10:00 a.m., New York City time, but prior to 3:00 p.m., New York City time, on such day, then payment by the Institution shall be made by 5:00 p.m., New York City time on such day, and (B) if such notice is given after 3:00 p.m., New York City time, on such day, then payment by the Institution shall be made by 10:00 a.m. on the next succeeding Business Day;

(vii) At least forty-five (45) days prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or contracted to be purchased, other than an Option Bond to be purchased or redeemed pursuant to an optional or mandatory tender thereof or Bonds being redeemed pursuant to Sinking Fund Installments in accordance with clause (v) above, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(viii) On December 10 of each Bond Year one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with the Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; **provided, however,** that the Annual Administrative Fee with respect to the Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to such 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);

(ix) Promptly after notice from DASNY, 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 DASNY (A) for DASNY Fee then unpaid, (B) to reimburse DASNY for payments made by it pursuant to the provisions of the Loan Agreement summarized in paragraph (e) below and any expenses or liabilities incurred by DASNY pursuant to provisions of the Loan Agreement summarized under the headings **“Insurance”**, **“Taxes and Assessments”** and **“Defaults and Remedies”** below and other provisions of the Loan Agreement related to indemnity by the Institution, (C) to reimburse DASNY for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of the Project, including but not limited to any fees or other amounts payable by DASNY under a Remarketing Agreement, a Liquidity Facility, or a Credit Facility, (D) for the costs and expenses incurred by DASNY to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof, (E) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution, and (F) to pay any Provider Payments then due and unpaid;

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

(xi) Promptly upon demand by DASNY, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Bonds or otherwise available therefor under the Resolution and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds; and any fees or

expenses incurred by DASNY in connection therewith including those of any rebate analyst or consultant engaged by DASNY;

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

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

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

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

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

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

Loan Agreement to cause advances to be made to reimburse the Institution for, or to pay, the Costs of the Project beyond the extent of moneys in the Construction Fund established for such Project available therefor.

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

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

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

(f) The Institution, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the Institution or any payment made pursuant to the provisions of the Loan Agreement summarized under the heading “**Sale of the Project**” below, DASNY 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 Bonds; **provided, however**, that in the event such voluntary payment is in the sole judgment of DASNY 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, DASNY agrees, in accordance with the instructions of the Institution, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with the Resolution.

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

(Section 9)

Warranty of Title; Utilities and Access

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

The Institution warrants, represents and covenants that the Project (i) is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation) and (ii) to the extent applicable, has, and will have its own separate and independent means of access, apart from any other property owned by the Institution or others; **provided, however**, that such access may be through common roads or walks owned by the Institution used also for other parcels owned by the Institution.

(Section 13)

Additional Representation and Covenants

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

(Section 15)

Tax-Exempt Status of Institution

The Institution represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for payment of unrelated business income tax. The Institution agrees that: (a) it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in the manner which will conform to the standards necessary to qualify the Institution as an educational organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it shall not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any trade or business unrelated to the educational purposes of the Institution, which could adversely affect the exclusion of interest on the Series 2019A Bonds, the Series 2019C Bonds and/or the Series 2020A Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 16)

Securities Acts Status

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

(Section 17)

Maintenance of Corporate Existence

The Institution covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a nonprofit educational organization, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, (iv) except as expressly permitted by the Loan Agreement, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Institution, with the prior written consent of DASNY, may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more corporations or other organizations. Notwithstanding the foregoing provisions, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement shall be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation, (2) the

Institution will not as a result thereof be in default under the Loan Agreement or under any Related Agreement, (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (4) the surviving, resulting or transferee corporation of the Institution assumes in writing all of the obligations of the Institution under the Loan Agreement, and under the Related Agreements, and furnishes to DASNY (x) a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions of the Loan Agreement and of the Related Agreements, and will meet the requirements of the Act, and (y) such other certificates and documents as DASNY may reasonably require to establish compliance with the Loan Agreement.

(Section 18)

Environmental Quality Review and Historic Preservation

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

(Section 19)

Use and Possession of the Project

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

(Section 20)

Restrictions on Religious Use

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

involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Section 21)

Sale of the Project

The Institution covenants that it will not transfer, sell or convey the Project or any part thereof or interest therein, including development rights, without the prior approval of DASNY, unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Bond from gross income for federal income tax purposes and (b) the Institution pays to the Trustee either for deposit into the Debt Service Fund, or, pursuant to the Resolution, to be set aside or to purchase Defeasance Securities in accordance with the direction of DASNY.

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

(Section 22)

Maintenance, Repair and Replacement

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

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

(Section 23)

Insurance

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

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

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

upon request of the Institution, a complete list describing such policies as of the June 30 preceding the DASNY's receipt of such request shall be furnished to the Institution by DASNY.

(Section 24)

Damage or Condemnation

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

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

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

(Section 25)

Taxes and Assessments

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

(Section 26)

Defaults and Remedies

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

(i) the Institution shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (other than as described in subsection (B) below, or the payment of any other amounts required to be delivered or paid by or on behalf of the Institution in accordance with the Loan Agreement or with the Resolution or Series Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of interest payable on Outstanding Variable Interest Rate Bonds or the purchase price of Option Bonds tendered for purchase, in accordance with the terms of the Loan Agreement; or

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

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

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

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

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

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

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

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

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

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, which in the judgment of DASNY will adversely affect the rights of the Holders of the Bonds shall be rendered against the Institution and at any time after forty-

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

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

- (i) declare all sums payable by the Institution under the Loan Agreement immediately due and payable;
- (ii) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of Bonds or the Construction Fund or otherwise to which the Institution may otherwise be entitled under the Loan Agreement and in DASNY's sole discretion apply any such proceeds or moneys for such purposes as are authorized by the Resolution;
- (iii) withhold any or all further performance under the Loan Agreement;
- (iv) maintain an action against the Institution under the Loan Agreement to recover any sums payable by the Institution or to require its compliance with the terms of the Loan Agreement; and
- (v) take any action necessary to enable DASNY to realize on its liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

All rights and remedies in the Loan Agreement given or granted to DASNY are cumulative, nonexclusive and in addition to any and all rights and remedies that DASNY 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 DASNY'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, DASNY may annul any declaration summarized in paragraph (b) above and its consequences if such Event of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 30)

Investment of Moneys

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

(Section 32)

Limitation on Agreements

The Institution shall not enter into any contract or agreement which impairs the Institution's ability to comply with the provisions of the Loan Agreement relating to financial obligations of the Institution in any material respect.

(Section 34)

Arbitrage; Tax Exemption

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

The Institution covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Institution contained in the Tax Certificate then to be untrue and shall comply with all covenants and agreements of the Institution contained in the Tax Certificate, in each case to the extent required by and otherwise in compliance with such Tax Certificate.

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

DASNY has undertaken full responsibility for performing rebate calculations that may be required to be made from time to time with respect to the Bonds. Upon request, the Institution covenants that it will provide such information as DASNY deems necessary to calculate the yield on the Bonds and any other information as may be necessary to prepare the rebate calculation to DASNY or an entity which DASNY has designated no less than once a year measured from the date of issuance of the Bonds. The Institution shall be obligated to pay the costs in connection therewith in accordance with the Loan Agreement. DASNY shall retain in its possession, so long as required by the Code, copies of all documents, reports and computations made by it in connection with the calculation of excess earnings and the rebate of all or a portion thereof to the Department of the Treasury of the United States of America, which shall be subject at all reasonable times to the inspection of the Institution and its agents and representatives, any of whom may make copies thereof. Upon written request from the Institution, DASNY shall as soon as practicable provide the Institution with a copy of such documents, reports and computations.

(Section 35)

Limitation on DASNY Rights

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

(Section 36)

Certificate as to Representations and Warranties

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

(Section 38)

Further Assurances

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

(Section 41)

Amendments to Loan Agreement

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

(Section 42)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Institution shall have been made or provision made for the payment thereof; **provided, however**, that the liabilities and the obligations of the Institution under the Loan Agreement relating to the prompt payment of arbitrage rebate and to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to provisions of the Loan Agreement summarized under the headings “**Insurance**”, “**Taxes and Assessments**”, “**Defaults and Remedies**” above and provisions of the Loan Agreement related to indemnity by the Institution and disclaimer of personal liability shall nevertheless survive any such termination. Upon such termination, DASNY shall promptly deliver such documents as may be reasonably requested by the Institution to evidence such termination and the discharge of the Institution’s duties under the Loan agreement and the release or surrender of any security interests granted by the Institution to DASNY pursuant to the Loan Agreement.

(Section 43)

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SUMMARY OF PROJECT DESCRIPTION (SCHEDULE D TO THE LOAN AGREEMENT)

The Project consists of the Series 2019A Project, the Series 2019B Project, the Series 2019C Project and the Series 2020A Project, as the context requires:

The “**Series 2019A Project**” and the “**Series 2019C Project**” consist of the following components, as the context requires: (1) a new money project consisting of acquiring, constructing, reconstructing, renovating, equipping, repairing, purchasing or otherwise providing for: (i) a new five-story, approximately 180,000 gross square foot (“gsf”) Innovative Maker and Learning Complex including a major maker space, collaboration space for interdisciplinary teams and dynamic classrooms (approximately \$105 million); (ii) a new approximately 40,000 gsf student musical performance theater with approximately 600-seat capacity (approximately \$17 million); (iii) a new athletic stadium complex including turf field, concessions, restrooms and training facilities (approximately \$11 million); and (iv) renovations of the Riverknoll student housing apartment complex, consisting of approximately 497 beds in 23 buildings (approximately \$17 million); and (2) the refinancing of the Institution’s outstanding taxable bank loan, the proceeds of which financed the expansion of student apartments at the Global Village student housing complex, and the renovation of other campus-wide improvements to various administrative, academic and student housing buildings.

The “**Series 2019B Project**” consists of the advance refunding of a portion of DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2012, the proceeds of which (i) financed the construction of the Gene Polisseni Center, a 135,000 square foot ice arena, renovations and improvements to the Institute of Health Science and Technology, and renovations of laboratories for the College of Science and the acquisition of University Commons Project II, and (ii) refunded a portion of DASNY’s Rochester Institute of Technology Insured Revenue Bonds, Series 2002B (the “Series 2002B Bonds”) and DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2008A (the “Series 2008A Bonds”). The proceeds of the Series 2002B Bonds financed various capital improvements throughout the Institution’s campus including (a) construction of an academic building for the B. Thomas Golisano College of Computing and Information Sciences, (b) construction of an athletic field house, (c) construction of six University Commons Student Housing complexes, (d) renovation and development of roadways and walkways, various roof, window and HVAC renewal projects, (e) construction of an addition to the Louise M. Slaughter Center for Integrated Manufacturing Studies to house the Heidelberg Digital Sunday 2000 Press and (f) construction of a new modular academic building. The Series 2008A Bonds were used to finance the (a) construction of a new mixed/use residential housing complex, and (b) the renewal, replacement and expansion of existing heating and cooling infrastructure and energy management systems on the Institution's campus and the rehabilitation or renovation of academic, athletic and residential buildings throughout the main campus.

The “**Series 2020A Project**” consists of the refunding of all or a portion of DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2010, the proceeds of which financed (i) the construction of Institute Hall, a new academic building that houses the Kate Gleason College of Engineering’s chemical and biomedical engineering programs as well as to provide additional general use classrooms, (ii) the design and construction of a green data center housed within Institute Hall, (iii) the expansion of the Frank Ritter Ice Arena locker rooms, (iv) the development of a quad including improvements to pedestrian walkways, (v) various other campus-wide improvements including the development of a bicycle path and bicycle parking and renovations and equipping of other academic, residential, student life, administrative and athletic facilities, and (vi) the refunding of DASNY’s Rochester Institute of Technology Revenue Bonds, Series 2002A (the “Series 2002A Bonds”). The proceeds of the Series 2002A Bonds were used to finance (a) the construction of a three-story academic building for the B. Thomas Golisano College of Computing and Information Sciences, (b) construction of a two-story athletic field house; (c) construction of six University Commons student housing complexes, (d) construction of a modular academic building, (e) renovation and development of roadways and walkways, (f) various campus-wide roof, window, and HVAC renewal projects, and (g) the acquisition, construction, renovation and equipping of other campus-wide improvements to various administrative, academic and student housing buildings.

**SUMMARY OF FINANCIAL COVENANTS WITH RESPECT TO THE SERIES 2019AB/2020A BONDS
(SCHEDULE E TO THE LOAN AGREEMENT)**

Additional Indebtedness

Except as otherwise provided in Section 2 of Schedule E to the Loan Agreement, the Institution will not after the date of the Loan Agreement issue, incur, assume or guarantee any Indebtedness without the prior written consent of DASNY.

The Institution may issue, incur, assume or guarantee Indebtedness without the consent of DASNY provided that (a) (i) it maintains a debt rating in the “BBB” category without regard for “+” or “-” from at least one Rating Service **and** (ii) such Long-Term Indebtedness issued in any Fiscal Year is in an amount less than or equal to ten percent (10%) of the amount of its Expendable Resources as reported for the most recently concluded Fiscal Year for which audited financial statements are available **or** (b) the Institution provides to DASNY a certificate of an Authorized Officer of the Institution containing pro forma calculations demonstrating that Expendable Resources are at least equal to 50% of Long-Term Indebtedness for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the additional Long-Term Indebtedness proposed to be issued.

Notwithstanding the foregoing, the Institution may issue Non-Recourse Indebtedness without DASNY’s consent.

The Institution may incur Short-Term Indebtedness without DASNY’s consent if, with respect to such indebtedness, during any twelve (12) month period, there will be no outstanding balance for a period of not less than thirty (30) days.

(Section 2 of Schedule E to the Loan Agreement)

**SUMMARY OF CERTAIN PROVISIONS
OF THE RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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

Resolution and Bonds Constitute a Contract

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

(Section 1.03)

Assignment of Certain Rights and Remedies

With respect to each Series of Bonds, as security for the payment of the principal Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Bonds of such Series and for the performance of each other obligation of DASNY under the Resolution and under a Series Resolution, DASNY may, and upon the occurrence of an event of default under the Resolution shall, grant, pledge and assign to the Trustee all of DASNY's estate, right, title, interest and claim in, to and under the Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of DASNY under such Loan Agreement, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by DASNY under the Loan Agreement, and the right to make all waivers and agreements in the name and on behalf of DASNY, as Trustee for the benefit of the Bondholders of such Series, and to perform all other necessary and appropriate acts under the Loan Agreement, subject to the following conditions, that (i) the Holders of such Bonds of such Series, if any, shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by DASNY and (ii) that, unless and until the Trustee, in its discretion exercised following an "Event of Default" under the Loan Agreement that is continuing, so elects, by an instrument in writing delivered to DASNY and the Institution (and then, only to the extent that the Trustee so elects), the Trustee shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in the Loan Agreement to be performed by DASNY (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision) DASNY, however, to remain liable to observe and perform all the conditions and covenants, in the Loan Agreement, provided to be observed and performed by it; and (iii) that any grant, pledge and assignment of money, revenues, accounts, rights or other property of the Institution made with respect to the Loan Agreement pursuant to the Resolution as summarized herein shall secure, in the case of the Loan Agreement, only the payment of the amounts payable under the Loan Agreement.

Any grant, pledge or assignment made pursuant to the Resolution as summarized herein, shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by DASNY as soon as practicable after the occurrence of an event of default under the Resolution, but in no event more than thirty (30) days thereafter. The Trustee shall accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee in form and substance reasonably satisfactory to DASNY. Upon any such grant, pledge or assignment contemplated by the Resolution DASNY may retain the right to (i) the payment of any fees, costs and expenses of DASNY payable pursuant to the applicable Loan Agreement, (ii) the indemnities provided thereby

and payments made pursuant to such indemnities and (iii) the exercise of any right or remedy available under such Loan Agreement for the enforcement of the obligations of the Institution to which DASNY has retained such right.

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

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

(Section 1.04)

Refunding Bonds

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. DASNY may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding and to make such deposits required by the Resolution and by the Series Resolution authorizing such Series of Refunding Bonds.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Resolution) of:

- (a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;
- (b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in the defeasance provisions of the Resolution to the Holders of the Bonds being refunded;
- (c) Either (i) money in an amount sufficient to effect payment of the principal at maturity or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate fund or account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the defeasance provisions of the Resolution, which Defeasance Securities and money shall be held in trust and used only as provided in the defeasance provisions of the Resolution; and
- (d) A certificate of an Authorized Officer of DASNY containing such additional statements as may be reasonably necessary to show compliance with the requirements summarized herein.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or as determined in accordance with the Series Resolution authorizing such Refunding Bonds or the Bond Series Certificate relating to such Series of Refunding Bonds.

(Section 2.04)

Additional Obligations

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

(Section 2.05)

Redemption and Purchase of Bonds

Authorization of Redemption

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

(Section 4.01)

Redemption at the Election or Direction of DASNY

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

(Section 4.02)

Redemption Other Than at DASNY's Election or Direction

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

(Section 4.03)

Selection of Bonds to Be Redeemed

Unless otherwise provided in the Series Resolution authorizing the issuance of Bonds of a Series or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds

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

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

(Section 4.04)

Notice of Redemption

Whenever Bonds of a Series are to be redeemed, the Trustee shall give notice of the redemption of such Bonds in the name of DASNY which notice shall specify: (i) the Bonds to be redeemed which shall be identified pursuant to the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) the principal amount of each Bond to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (ix) if DASNY's obligation to redeem the Bonds is subject to conditions, a statement that describes the condition to such redemption. Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

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

redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

(Section 4.05)

Payment of Redeemed Bonds

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

(Section 4.06)

Purchase of Purchased Bonds

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

(Section 4.07)

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

Pledge of Revenues

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

(Section 5.01)

Establishment of Funds and Accounts

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

Construction Fund;
Debt Service Fund; and
Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution, or any Bond Series Certificate, DASNY may for purposes of internal accounting establish such other accounts and subaccounts as DASNY 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, unless otherwise provided in the applicable Series Resolution; **provided, however**, that (i) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds, and may be pledged to the provider of such Liquidity Facility.

(Section 5.02)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond

Series Certificate relating to such Series. In addition, DASNY shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any money paid to DASNY pursuant to provisions of the Resolution summarized under the heading “**Deposit of Certain Money in the Construction Fund**” below, and all amounts paid by the Institution which by the terms of the Loan Agreement are required to be deposited therein.

Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such Series of Bonds.

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

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

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

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

First: Upon the direction of an Authorized Officer of DASNY, 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 a Loan Agreement, are required to be paid to the Trustee, shall upon receipt thereof be deposited or paid by the Trustee as follows and in the following order of priority:

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds of a Series payable on or prior to the next succeeding January 1, including the interest estimated by DASNY to be payable on any Variable Interest Rate Bond of a Series on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds of a Series and Variable Interest Rate Bonds of a Series payable on or prior to the next

succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.06 hereof 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 DASNY 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 Section 5.06 hereof on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

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

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

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

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

(Section 5.05)

Debt Service Fund

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

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

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

(b) Notwithstanding the provisions of the Resolution summarized in paragraph (a) above, DASNY may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, (other than a Debt Service Fund established in connection with a Series of Bonds secured by a Credit Facility that is a direct-pay letter of credit), 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. In addition, the Institution pursuant to the Loan Agreement may deliver, at any time subsequent to July 1 of any Bond Year, but in no event less than

forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of the Series and maturity to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to DASNY. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; **provided, however**, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

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

(d) 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 January 1 or July 1, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of DASNY 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 DASNY 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 DASNY given pursuant to the Resolution to the redemption of Bonds as provided in the redemption provisions of the Resolution, at the Redemption Prices specified in the Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

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

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

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

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

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

(Section 5.08)

Transfer of Investments

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

(Section 5.09)

Security for Deposits and Investment of Funds

Security for Deposits

All money held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of DASNY and the Holders of a Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however**, (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to the debt service fund provisions or the defeasance provisions of the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

(Section 6.01)

Investment of Funds and Accounts

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

(b) In lieu of the investments of money in obligations authorized in paragraph (a) summarized above, the Trustee shall, to the extent permitted by law, upon direction of DASNY given or confirmed in writing, signed by an Authorized Officer of DASNY, invest money in the Construction Fund in any Permitted Investment; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which DASNY 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 DASNY, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

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

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

(e) Notwithstanding anything to the contrary in the Resolution, DASNY, 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 and summarized in this paragraph. 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 DASNY and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of summarized in paragraphs (a), (b) and (c) above. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

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

(Section 6.02)

Particular Covenants

Payment of Principal and Interest

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

(Section 7.01)

Further Assurance

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

(Section 7.04)

Accounts and Audits

DASNY shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of DASNY by the Trustee, in which complete and correct entries shall be made of its transactions relating to a Series of Bonds including but not limited to the objects and purposes for which proceeds of such Bonds were expended and the respective amounts expended for such objects and purposes. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of DASNY, shall be subject to the inspection of the Institution, the Trustee or of any Holder of a Bond of a Series or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to DASNY, to each Provider and to the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and DASNY pursuant to the provisions of the Resolution and the applicable Series Resolution; a statement of the Revenues collected in connection with the Resolution and each Series Resolution; and complete and correct entries of DASNY's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of a Series or any beneficial owner of a Book Entry Bond requesting the same.

(Section 7.05)

Creation of Liens

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

(Section 7.06)

Enforcement of Duties and Obligations of the Institution

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

(Section 7.07)

Deposit of Certain Money in the Construction Fund

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

(Section 7.08)

Offices for Payment and Registration of Bonds

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

(Section 7.09)

Amendment of Loan Agreement

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 of the applicable Series in any material respect unless consented to in writing by the Holders of at least a majority in aggregate principal amount of the Bonds of such Series then Outstanding; **provided, however**, that no such amendment, change, modification, alteration, or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of a Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Institution under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to the paragraph summarized herein by the Holders of Bonds shall, except as otherwise provided in the paragraph summarized herein, be given in the same manner required by the portion of the Resolution addressing amendments of the Resolution.

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 paragraph summarized herein, 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 DASNY of any amendment, a copy thereof certified by an Authorized Officer of DASNY shall be filed with the Trustee.

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

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

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

(Section 7.11)

Notice as to Event of Default under Loan Agreement

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

(Section 7.12)

Series Resolutions and Supplemental Resolutions

Modification and Amendment without Consent

Notwithstanding any other provisions of the Resolution, DASNY 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 DASNY:

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

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

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

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

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

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

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

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

(Section 9.03)

Amendments of Resolution

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of DASNY and of the Holders of the Bonds under the Resolution or of any Series Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution and summarized in the following paragraph, (i) of the Holders of at least a majority in principal amount of the Bonds of a Series Outstanding at the time such consent is given or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the provisions of the Resolution summarized in this paragraph, 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 DASNY and all Holders of Bonds of such Series. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of

any particular Series or maturity would be so affected by any such modification or amendment of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

(Section 10.01)

Consent of Bondholders

DASNY may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding paragraph to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders of a Series for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by DASNY to such Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in the Resolution as summarized in the preceding paragraph and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by DASNY in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon DASNY and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Resolution as summarized below. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee.

Any consent given by the a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds of a Series issued in exchange therefor (whether or not such subsequent Insurer or Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in the Resolution is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with DASNY and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed.

At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by DASNY on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds of a Series and will be effective as provided in the Resolution, shall be given to such Bondholders by DASNY by mailing such notice to such Bondholders and, at the discretion of DASNY, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for in the Resolution is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in the Resolution). DASNY shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by the Resolution to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon DASNY, the Trustee, each Paying Agent, and the Holders of all Bonds of such Series upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; **provided, however**, that DASNY, 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 provisions of the Resolution relating to amendments of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters or Remarketing Agent, for resale or otherwise, upon such

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

(Section 10.02)

Modifications by Unanimous Consent

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

(Section 10.03)

Defaults and Remedies

Events of Default

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

(a) With respect to a Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any Bond shall not be made by DASNY when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to a Series of Bonds, payment of an installment of interest on any Bond shall not be made by DASNY when the same shall become due and payable; or

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

(d) With respect to a Series of Bonds, DASNY shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in such Bonds or in any series resolution on the part of DASNY 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 DASNY by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series, or if such default is not capable of being cured within thirty (30) days, if DASNY fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

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

(Section 11.02)

Acceleration of Maturity

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

(Section 11.03)

Enforcement of Remedies

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

In the enforcement of any remedy under the Resolution and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from DASNY for principal or interest or otherwise under any of the provisions of the Resolution or of a Series Resolution or of the Bonds of a Series, 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 a Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against DASNY but solely as provided in the Resolution, in a Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit,

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

(Section 11.08)

Defeasance

(a) If DASNY shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of DASNY, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by DASNY, 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 DASNY; second, to the applicable Provider the Provider Payments which have not been repaid, pro rata based upon the respective Provider Payments then unpaid to each such Provider; third, to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to the Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Loan Agreement.

(b) Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. All Outstanding Bonds of any Series or any maturity within such Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph (a) if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, DASNY shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will, provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received the written consent to such defeasance of each applicable Provider which has given written notice to the Trustee and DASNY 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 (iv) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, DASNY shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses, appearing on the registration books, and, if directed by the Authorized Officer of DASNY, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to

have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. DASNY shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the provisions of the Resolution summarized in this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; **provided, however**, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be; **provided, further**, that money and Defeasance Securities may be withdrawn and used by DASNY 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 DASNY; second, to each applicable Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to the Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the Institution, 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 applicable Loan Agreement.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with the provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; **provided, however**, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of 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 the provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the Trustee shall, if requested by DASNY, 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 DASNY; second, to each applicable Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to the Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the Institution, 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 applicable Loan Agreement.

(d) Option Bonds of a Series shall be deemed to have been paid in accordance with the provisions of the Resolution summarized in clause (ii) of the second sentence of the paragraph (b) of this section only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, 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 provisions of the Resolution summarized in the preceding paragraph (b), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of the

provisions summarized in this paragraph. 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 DASNY, 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 DASNY; second, to each applicable Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to the Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the Institution, 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 applicable Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, shall, at the written request of DASNY, be repaid by the Trustee or Paying Agent to DASNY as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to DASNY for the payment of such Bonds; **provided, however**, that, before being required to make any such payment to DASNY, the Trustee or Paying Agent may, at the expense of DASNY, 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 DASNY.

(Section 12.01)

Credit Facility Provider as Holder

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

(Section 14.08)

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**PROPOSED FORMS OF APPROVING OPINIONS
OF CO-BOND COUNSEL RELATING TO THE SERIES 2019A BONDS AND SERIES 2019B BONDS**

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**PROPOSED FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL RELATING TO THE
SERIES 2019A BONDS AND SERIES 2019B BONDS**

Upon the delivery of the Series 2019A Bonds and the Series 2019B Bonds, Barclay Damon LLP, Albany, New York, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

[Delivery Date]

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

We have served as co-bond counsel to our client the Dormitory Authority of the State of New York (“DASNY”) and not as counsel to any other person in connection with the issuance by DASNY of its \$119,635,000 Rochester Institute of Technology Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and its \$148,240,000 Rochester Institute of Technology Revenue Bonds, Series 2019B (Federally Taxable) (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Bonds”), dated the date of this letter.

The Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), the Rochester Institute of Technology Revenue Bond Resolution, adopted on September 22, 2010, the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019A and the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019B (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bonds of the first maturity and the Loan Agreement, dated as of September 11, 2019 (the “Loan Agreement”), between DASNY and Rochester Institute of Technology (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by DASNY.
2. The Resolution and the Loan Agreement are valid and binding obligations of DASNY, enforceable in accordance with their respective terms.
3. The Bonds are legal, valid and binding special obligations of DASNY payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of DASNY, the State of New York or any of its political subdivisions.
4. Under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the University, and others, interest on the Series 2019A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, the “Code”), and interest on the Series 2019A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code.

The Code imposes various requirements that must be met in order that interest on the Series 2019A Bonds be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2019A Bonds and the rebate of certain earnings in respect of such investments to the United States. DASNY, the University, and others have made certain representations, certifications of fact, and statements of reasonable expectations and DASNY and the University have given certain ongoing covenants to comply with

applicable requirements of the Code to assure the exclusion of interest on the Series 2019A Bonds from gross income under Section 103 of the Code. Our opinion assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations. In addition, we have relied on, among other things, the opinion of Nixon Peabody LLP, counsel to the University, regarding, among other things, the current status of the University as an organization described in Section 501(c)(3) of the Code, and the operation of the facilities financed and refinanced by the Series 2019A Bonds as being in furtherance of the University's exempt purposes. In the event of the inaccuracy or incompleteness of any such representation, certification or statement, or of the failure by DASNY or the University to comply with any such covenant, including failure of the University to maintain its status as an organization described in Section 501(c)(3) of the Code or to operate the facilities financed and refinanced with the Series 2019A Bonds in a manner that is in furtherance of the University's exempt purposes, the interest on the Series 2019A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original issuance of the Series 2019A Bonds, regardless of the date on which the event causing such inclusion occurs.

5. Interest on the Series 2019B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code.
6. Under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivisions thereof (including The City of New York).

We express no opinion regarding any other federal, state or local tax consequences with respect to the Series 2019A Bonds except as set forth in paragraphs 4, 5 and 6 above. Our opinion speaks as of the issue date and does not contain or provide any opinions or assurance regarding the future activities of DASNY, the University or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Series 2019A Bonds from gross income for federal income tax purposes.

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

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

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

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

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

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

Very truly yours,

Upon the delivery of the Series 2019A Bonds and the Series 2019B Bonds, Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

[Delivery Date]

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

We have served as co-bond counsel to our client the Dormitory Authority of the State of New York (“DASNY”) and not as counsel to any other person in connection with the issuance by DASNY of its \$119,635,000 Rochester Institute of Technology Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and its \$148,240,000 Rochester Institute of Technology Revenue Bonds, Series 2019B (Federally Taxable) (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Bonds”), dated the date of this letter.

The Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), the Rochester Institute of Technology Revenue Bond Resolution, adopted on September 22, 2010, the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019A and the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2019B (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bonds of the first maturity and the Loan Agreement, dated as of September 11, 2019 (the “Loan Agreement”), between DASNY and Rochester Institute of Technology (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by DASNY.
2. The Resolution and the Loan Agreement are valid and binding obligations of DASNY, enforceable in accordance with their respective terms.
3. The Bonds are legal, valid and binding special obligations of DASNY payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of DASNY, the State of New York or any of its political subdivisions.

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

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

The opinions stated above are qualified to the extent that the enforceability of the Resolution, the Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or as to the availability of any particular remedy.

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

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

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

Very truly yours,

**PROPOSED FORMS OF APPROVING OPINIONS
OF CO-BOND COUNSEL RELATING TO THE SERIES 2020A BONDS**

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Upon the delivery of the Series 2020A Bonds, Barclay Damon LLP, Albany, New York, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

[Delivery Date]

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

We have served as co-bond counsel to our client the Dormitory Authority of the State of New York (“DASNY”) and not as counsel to any other person in connection with the issuance by DASNY of its \$48,345,000 Rochester Institute of Technology Revenue Bonds, Series 2020A Bonds (the “Bonds”), dated the date of this letter.

The Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), the Rochester Institute of Technology Revenue Bond Resolution, adopted on September 22, 2010 and the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2020A (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bonds of the first maturity and the Loan Agreement, dated as of September 11, 2019 (the “Loan Agreement”), between DASNY and Rochester Institute of Technology (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by DASNY.
2. The Resolution and the Loan Agreement are valid and binding obligations of DASNY, enforceable in accordance with their respective terms.
3. The Bonds are legal, valid and binding special obligations of DASNY payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of DASNY, the State of New York or any of its political subdivisions.
4. Under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by DASNY, the University, and others, interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, the “Code”), and interest on the Series 2020A Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code.

The Code imposes various requirements that must be met in order that interest on the Series 2020A Bonds be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2020A Bonds and the rebate of certain earnings in respect of such investments to the United States. DASNY, the University, and others have made certain representations, certifications of fact, and statements of reasonable expectations and DASNY and the University have given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2020A Bonds from gross income under Section 103 of the Code. Our opinion assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations. In addition, we have relied on, among other things, the opinion of Nixon Peabody LLP, counsel to the University, regarding, among other things, the current status of the University as an organization described in Section 501(c)(3) of the Code, and the operation of the

facilities financed and refinanced by the Series 2020A Bonds as being in furtherance of the University's exempt purposes. In the event of the inaccuracy or incompleteness of any such representation, certification or statement, or of the failure by DASNY or the University to comply with any such covenant, including failure of the University to maintain its status as an organization described in Section 501(c)(3) of the Code or to operate the facilities financed and refinanced with the Series 2020A Bonds in a manner that is in furtherance of the University's exempt purposes, the interest on the Series 2020A Bonds could become includable in gross income for federal income tax purposes retroactive to the date of original issuance of the Series 2020A Bonds, regardless of the date on which the event causing such inclusion occurs.

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

We express no opinion regarding any other federal, state or local tax consequences with respect to the Series 2020A Bonds except as set forth in paragraphs 4 and 5 above. Our opinion speaks as of the issue date and does not contain or provide any opinions or assurance regarding the future activities of DASNY, the University or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Series 2020A Bonds from gross income for federal income tax purposes.

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

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

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

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

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

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

Very truly yours,

Upon the delivery of the Series 2020A Bonds, Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, proposes to issue its legal opinion in substantially the following form:

[Delivery Date]

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

We have served as co-bond counsel to our client the Dormitory Authority of the State of New York (“DASNY”) and not as counsel to any other person in connection with the issuance by DASNY of its \$48,345,000 Rochester Institute of Technology Revenue Bonds, Series 2020A Bonds (the “Bonds”), dated the date of this letter.

The Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), the Rochester Institute of Technology Revenue Bond Resolution, adopted on September 22, 2010 and the Series Resolution Authorizing Up To \$375,000,000 Rochester Institute of Technology Revenue Bonds, Series 2020A (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as co-bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bonds of the first maturity and the Loan Agreement, dated as of September 11, 2019 (the “Loan Agreement”), between DASNY and Rochester Institute of Technology (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by DASNY.
2. The Resolution and the Loan Agreement are valid and binding obligations of DASNY, enforceable in accordance with their respective terms.
3. The Bonds are legal, valid and binding special obligations of DASNY payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of DASNY, the State of New York or any of its political subdivisions.

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

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

The opinions stated above are qualified to the extent that the enforceability of the Resolution, the Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or as to the availability of any particular remedy.

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

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

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

Very truly yours,

**FORM OF DELAYED DELIVERY CONTRACT
FOR THE SERIES 2020A BONDS**

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FORM OF DELAYED DELIVERY CONTRACT

September __, 2019

RBC Capital Markets, LLC
as Underwriter of the Series 2020A Bonds

Re: \$48,345,000 Dormitory Authority of the State of New York
Rochester Institute of Technology Revenue Bonds Series 2020A (the "2020A Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from RBC Capital Markets, LLC, as Underwriter set forth in the Forward Delivery Agreement (defined below) (the "Underwriter") when, as, and if issued and delivered to the Underwriter by the Dormitory Authority of the State of New York ("DASNY"), and the Underwriter agrees to sell to the Purchaser:

<u>Par Amount</u>	<u>Maturity Date</u>	<u>Interest Date</u>	<u>CUSIP Number</u>	<u>Yield</u>	<u>Price</u>
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of the above-referenced 2020A Bonds (the "Purchased Obligations") offered by DASNY under the Preliminary Official Statement dated September 11, 2019, and the Official Statement relating to the Purchased Obligations dated September 20, 2019 (the "Official Statement"), at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. The Purchased Obligations are being purchased by the Underwriter pursuant to a Forward Delivery Bond Purchase Agreement dated September 20, 2019 among DASNY, the Rochester Institute of Technology (the "University") and the Underwriter (the "Forward Delivery Agreement"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Forward Delivery Agreement or the Official Statement.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement and the Official Statement (including without limitation the section entitled "THE SERIES 2019AB/2020A BONDS - Delayed Delivery of the Series 2020A Bonds" therein), has considered the risks associated with purchasing the Purchased Obligations and is duly authorized to purchase the Purchased Obligations. The Purchaser further acknowledges and agrees that the Purchased Obligations are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of such Purchased Obligations from the Underwriter on or about April 3, 2020 (the "Date of Delivery") as they may be issued and delivered in accordance with the Forward Delivery Agreement.

Payment for the Purchased Obligations shall be made to the Underwriter or upon its order on the Date of Delivery upon delivery to the Purchaser of the Purchased Obligations through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriter be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event DASNY does not for any reason issue and deliver the Purchased Obligations.

The obligation of the Purchaser to take delivery of the Purchased Obligations hereunder shall be unconditional. The Purchaser may terminate its obligation to purchase the Purchased Obligations in the event that between Closing and the Date of Delivery (the "Delayed Delivery Period"), one of the following events shall have occurred after Closing and the Purchaser has notified the Underwriter in writing as provided herein:

1. any Change in Law (defined below) shall have occurred;
2. there shall occur any event which, in the reasonable judgment of the Underwriter, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, as amended (if applicable), between the date of the Official Statement to and including the Date of Delivery (other than any statement or information provided by the Underwriter) or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and

information contained therein not misleading in any material respect and, in either such event, DASNY refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the effect of the Official Statement as so corrected or supplemented is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Purchased Obligations or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Purchased Obligations;

3. there shall occur any outbreak of hostilities or any national or international calamity or crisis or a financial crisis or an escalation of any such hostilities, calamity or crisis, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Purchased Obligations or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Purchased Obligations;
4. any rating of the Purchased Obligations by a national rating agency rating the Purchased Obligations has been withdrawn or suspended;
5. a general suspension of trading on the New York Stock Exchange shall have occurred and be in force or minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by such Exchange or by order of the Securities and Exchange Commission or any other governmental authority the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Purchased Obligations or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Purchased Obligations;
6. bond counsel cannot deliver opinions substantially in the form attached as Appendix F to the Official Statement;
7. the issuance, offering or sale of the Purchase Obligations as contemplated by the Official Statement is or would be in violation of any provision of the federal or state securities laws, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended;
8. a general banking moratorium shall have been declared by either federal or State authorities and be in force or a material disruption in commercial banking and securities settlement and clearance services shall have occurred, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Purchased Obligations or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Purchased Obligations; or
9. a material disruption in commercial banking or securities settlement, payment or clearance services in the United States shall have occurred.

A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States or introduced therein or recommended for passage by the President of the United States (if such enacted, introduced or recommended legislation has a proposed effective date that is on or before the Date of Delivery), (iii) any law, rule or regulation proposed or enacted by any governmental body, department or agency (if such proposed or enacted law, rule or regulation has a proposed effective date that is on or before the Date of Delivery) or (iv) any judgment, ruling or order issued by any court or administrative body, which in the case of any of (i), (ii), (iii) or (iv) would, (A) as to the Underwriter, prohibit (or have the retroactive effect of prohibiting, if enacted, adopted, passed or finalized) the Underwriter from purchasing the Purchased Obligations as provided in the Forward Delivery Agreement or selling the Purchased Obligations or beneficial ownership interests therein to the public; (B) as to DASNY, would make the issuance, sale or delivery of the Purchased Obligations illegal (or have the retroactive effect of making such issuance, sale or delivery illegal, if enacted, adopted, passed or finalized); or (C) eliminate the exclusion from gross income for federal income tax purposes of interest on the Purchased Obligations (or have the retroactive effect of eliminating such exclusion if enacted, adopted, passed, or finalized) provided, however, that such change in or addition to law, legislation, rule or regulation or judgment, ruling or order shall have become effective, been enacted, introduced or recommended, been proposed or enacted or been issued as the case may be, after the date of the Forward Delivery Agreement.

If the Change of Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes of interest payable on “state or local bonds,” DASNY may, nonetheless, be able to satisfy the requirements for the delivery of the Purchased Obligations. In such event, the Underwriter would be obligated to purchase the Purchased Obligations from DASNY and the Purchaser would be required to accept delivery of the Purchased Obligations from the Underwriter.

The Purchaser acknowledges and agrees that the Purchased Obligations are being sold on a “forward” or “delayed delivery” basis for delivery on the Date of Delivery and that the Purchaser is obligated to take up and pay for the Purchased Obligations on the Date of Delivery unless the Underwriter terminates the Forward Delivery Agreement or the Purchaser terminates its obligation to purchase the Purchased Obligations as described herein. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Delayed Delivery Contract to the Underwriter before the Date of Delivery. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after the Date of Delivery. The Purchaser is not a third party beneficiary under the Forward Delivery Agreement and has no rights to enforce, or cause the Underwriter to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Obligations on the Date of Delivery because of market or credit changes, including specifically, but not limited to (a) changes in the ratings assigned to the Purchased Obligations or changes in the credit associated with the Purchased Obligations generally, and (b) changes in the financial condition and operations of the University. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Obligations in accordance with the terms hereof, even if the Purchaser decides to sell such Purchased Obligations following the date hereof, unless the Purchaser sells Purchased Obligations to another entity with the prior written consent of the Underwriter and such entity provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Obligations hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into the Forward Delivery Agreement with DASNY and the University to purchase the Purchased Obligations in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument under the laws of the State of New York.

It is understood that the acceptance by the Underwriter of any Delayed Delivery Contract (including this one) is in the Underwriter’s sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a “first-come, first-served” basis. If this Delayed Delivery Contract is acceptable to the Underwriter, it is requested that the Underwriter sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriter and the Purchaser when such counterpart is so mailed or delivered by the Underwriter. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

Purchaser

Address

Telephone

By: _____

Name: _____

Title: _____

Accepted: RBC Capital Markets, LLC, as Underwriter,

Name: _____

Title: _____

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