

\$[_____]
**DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
MEMORIAL SLOAN KETTERING CANCER CENTER
REVENUE BONDS**
consisting of

\$[_____]
**2020 Series 1
(Tax-Exempt)**

\$[_____]
**2020 Series 2
(Federally Taxable)**

BOND PURCHASE AGREEMENT

[_____], 2020

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

Memorial Sloan Kettering Cancer Center
633 Third Avenue, Fourth Floor
New York, New York

Ladies and Gentlemen:

Goldman Sachs & Co. LLC, (the “**Underwriter**”), offers to enter into the following agreement (this “**Bond Purchase Agreement**”) with the Dormitory Authority of the State of New York (“**DASNY**”) and the Memorial Sloan Kettering Cancer Center, New York (the “**Institution**”), which Bond Purchase Agreement is subject to acceptance by DASNY and the Institution at or before 8:30 p.m., New York time, on the date hereof or at such later time or date as may be agreed upon by DASNY, the Underwriter and the Institution. This Bond Purchase Agreement, upon the acceptance of this offer by DASNY and the Institution, will be binding upon DASNY, the Institution and the Underwriter. All terms not defined in this Bond Purchase Agreement shall have the meanings specified in the Resolution referred to in Section 1(b) hereof.

1. Purchase and Sale of Bonds; Description of Bonds. (a) Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Letter of Representation of Memorial Hospital for Cancer and Allied Diseases (the “**Hospital**”), dated the date hereof and substantially in the form attached hereto as Exhibit A-1 (the “**Hospital Letter of Representation**”), the Letter of Representation of Sloan Kettering Institute for Cancer Research (the “**Institute**”), dated the date hereof and substantially in the form attached hereto as Exhibit A-2 (the “**Institute Letter of Representation**”) and the Letter of Representation of S.K.I. Realty Inc. (“**Realty**”), dated the date hereof and substantially in the form attached hereto

as Exhibit A-3 (“**Realty Letter of Representation**”) (collectively, the “**Letters of Representation**”), the Underwriter hereby agrees to purchase from DASNY for a bona fide offering to the public, and DASNY hereby agrees to sell to the Underwriter for such purpose, all (and not less than all) of DASNY’s Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) (the “**2020 Series 1 Bonds**”) and Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “**2020 Series 2 Bonds**” and, together with the 2020 Series 1 Bonds, the “**Bonds**”) in the aggregate principal amount set forth in the heading of this Bond Purchase Agreement and identified in Schedule I hereto.

The purchase price for the 2020 Series 1 Bonds shall be \$[_____], which represents the par amount of the 2020 Series 1 Bonds, less the Underwriter’s discount of \$[_____], [plus/less] [net] [premium/discount] of \$[_____] (the “**2020 Series 1 Purchase Price**”).

The purchase price for the 2020 Series 2 Bonds shall be \$[_____], which represents the par amount of the 2020 Series 2 Bonds, less the Underwriter’s discount of \$[_____] (the “**2020 Series 2 Purchase Price**” and, together with the 2020 Series 1 Purchase Price, the “**Purchase Price**”). The Bonds shall mature, be subject to redemption and bear interest as set forth in Schedule I hereto.

(b) The Bonds shall be as described in Schedule I hereto and in the Official Statement, as defined in Section 2 hereof. The Bonds shall be issued and secured under the provisions of the Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by DASNY on February 26, 2003, as supplemented and amended (the “**General Resolution**”), and with respect to the 2020 Series 1 Bonds, authorized by the Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [_____], 2020 (the “**2020 Series 1 Series Resolution**”), and with respect to the 2020 Series 2 Bonds, authorized by the Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 adopted by DASNY on [_____], 2020 (the “**2020 Series 2 Series Resolution**” and, collectively with the 2020 Series 1 Series Resolution and the General Resolution, the “**Resolution**”). The Bonds are to be issued in connection with the loan by DASNY to the Institution pursuant to a Loan Agreement, dated as of February 26, 2003 as previously supplemented and amended (the “**Loan Agreement**”), between DASNY and the Institution for the purpose of financing or refinancing the Institution’s Project as defined in the Loan Agreement (the “**Project**”). The Institution has heretofore delivered Guaranties of such loan, each dated as of May 14, 2003 (the “**Guaranties**”), made by the Institute and Realty respectively. The Bonds will be special obligations of DASNY, payable solely from certain payments to be made by the Institution to DASNY under the Loan Agreement and by the Institute and Realty pursuant to the Guaranties, and from moneys and securities held by The Bank of New York Mellon, as trustee (the “**Trustee**”) under the Resolution.

DASNY and the Institution will enter into a Tax Certificate and Agreement dated the Closing Date (as hereinafter defined) (the “**Tax Certificate**”) between DASNY and the Institution.

Pursuant to the Resolution, DASNY has pledged and assigned to the Trustee, with certain specified exceptions, all of DASNY’s right, title and interest in and to the Loan Agreement.

2. Official Statement; Amendment; Rule 15c2-12. (a)(1) As soon as reasonably practicable, but no later than seven business days, after the time of acceptance of this Bond Purchase Agreement by DASNY and the Institution, DASNY and the Institution will deliver to the Underwriter an Official Statement, dated the date of this Bond Purchase Agreement (the “**Official Statement**”), in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board (the “**MSRB**”)) and in sufficient quantity as determined by the Underwriter to permit the Underwriter to comply with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”) and other applicable rules of the Securities and Exchange Commission (the “**SEC**”) and the MSRB. DASNY and the Institution authorize the Official Statement, any amendments or supplements thereto made in accordance with this Section 2, and the information contained therein to be used by the Underwriter in connection with the offering and sale of the Bonds. DASNY and the Institution also hereby ratify and confirm the use by the Underwriter prior to the date of this Bond Purchase Agreement of the Preliminary Official Statement, dated [____], 2020, in connection with the offering of the Bonds (the “**Preliminary Official Statement**”).

(2) If, from the date of the Official Statement until the later of (A) the date on which the Official Statement is filed with the MSRB pursuant to paragraph 2(b) below; and (B) 25 days following the “end of the underwriting period” as defined in Section 2(b) below, any event shall occur as a result of which, in the reasonable judgment of the Underwriter, it is necessary to amend or supplement the Official Statement in order for the Official Statement not to contain any untrue statement of a material fact or not to omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, the Institution agrees, in cooperation with the Underwriter and DASNY, to prepare and furnish to the Underwriter, at the expense of the Institution, either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended or supplemented will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances in which they were made, not misleading. The Institution shall notify the Underwriter and DASNY promptly upon becoming aware of any such event. DASNY shall notify the Underwriter and the Institution of any such event relating to information contained under the caption “**PART 8 — DASNY**” (the “**DASNY Section**”) in the Official Statement. DASNY will be required to prepare and furnish any amendments or supplements relating to information under the DASNY Section in the Official Statement that may be required by this Section 2. The Institution and DASNY will, before the Official Statement is amended or supplemented, furnish a copy of each proposed amendment or supplement to the Underwriter, who will have the right to approve it, which approval shall not be unreasonably withheld.

(b) The Underwriter agrees to (i) promptly file a copy of the Official Statement with the MSRB upon receipt of the final Official Statement by delivering such Official Statement (with any required forms) to the Electronic Municipal Market Access System of the MSRB within one (1) business day after receipt of such final Official Statement from DASNY and the Institution pursuant to MSRB Rule G-32; and (ii) take any and all other actions necessary to comply with applicable SEC and MSRB rules governing the offering, sale and delivery of the Bonds to ultimate purchasers. The Underwriter shall notify DASNY and the Institution of the date on which the final Official Statement is filed with the MSRB. Unless otherwise notified in writing by the Underwriter at or prior to the Closing Date (as defined in Section 10 hereof), the “end of

the underwriting period” for purposes of Rule 15c2-12 shall be the Closing Date. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify DASNY and the Institution promptly in writing following the occurrence of the “end of the underwriting period” as defined in Rule 15c2-12. The “**end of the underwriting period**” as used in this Bond Purchase Agreement shall mean either the Closing Date or such later date as to which notice is given by the Underwriter, which date shall constitute the “end of the underwriting period” as defined in Rule 15c2-12.

(c) In order to assist the Underwriter in complying with Rule 15c2-12(b)(5), the Institution will undertake, pursuant to an Agreement to Provide Continuing Disclosure dated [____], 2020 (the “**Continuing Disclosure Agreement**”) among the Institution, the Trustee and Digital Assurance Certification LLC, to provide annual reports and notices of certain events as described in the Official Statement. The Underwriter acknowledges that the Continuing Disclosure Agreement, when executed, will enable it to comply with Rule 15c2-12(b)(5). The Underwriter and the Institution also acknowledge and agree that DASNY is not an “obligated person” under Rule 15c2-12.

(d) The Underwriter and the Institution acknowledge that DASNY has made no independent investigation and has furnished no information contained in the Preliminary Official Statement or Official Statement, except the information contained in the DASNY Section, and that except for the DASNY Section, DASNY assumes no responsibility with respect to the sufficiency, accuracy, or completeness of any of the information contained in the Preliminary Official Statement or the Official Statement or any other document used by the Underwriter or the Institution in connection with the offer and sale of the Bonds.

3. Reserved.

4. Sale of all the Bonds; Offering. (a) It shall be a condition to the Underwriter’s obligation to purchase and accept delivery of the Bonds that all the Bonds be sold and delivered by DASNY at the Closing (as defined in Section 10 hereof). It shall be a condition to DASNY’s obligation to sell and deliver the Bonds to the Underwriter that all the Bonds be accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not in excess of the initial offering prices (or at yields not less than the yields) set forth on the inside cover page of the Official Statement and Schedule I hereto. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts or mutual funds) at prices lower (or yields higher) than the public offering prices (or yields) described above.

(b) The Underwriter shall be obligated to execute and deliver to DASNY prior to the Closing an “issue price certificate” in the form attached as Exhibit B hereto (the “**Issue Price Certificate**”) and shall take all necessary steps in order to enable it to execute and deliver such Issue Price Certificate prior to the Closing (including, without limitation, adherence with the procedures set forth in the Issue Price Certificate), and to provide such other information as to the prices and yields at which a substantial portion of the 2020 Series 1 Bonds (including each maturity) were sold to the public by the Underwriter as shall be reasonably required by Co-Bond Counsel (as hereinafter defined) in order to enable Co-Bond Counsel and DASNY, among other things, to determine the “issue price” of the applicable Bonds defined in Regulations promulgated

by the U.S. Treasury Department pursuant to Section 148 of the Internal Revenue Code of 1986, (the “**Code**”).

5. Representations and Warranties of DASNY. DASNY represents and warrants to the Underwriter and the Institution as follows:

(a) DASNY is: (i) a body corporate and politic constituting a public benefit corporation of the State of New York (the “**State**”), duly created and established and validly existing pursuant to the Dormitory Authority Act, being Chapter 524 of the Laws of 1944 of the State, as amended, and constituting Titles 4 and 4B of Article 8 of the Public Authorities Law of the State, as amended; (ii) the successor to the powers, duties and functions of the New York State Medical Care Facilities Finance Agency, duly created and established and validly existing pursuant to the New York State Medical Care Facilities Finance Agency Act, being Section 4 of Section 1 of Chapter 392 of the Laws of 1973, as amended; and (iii) the successor to the powers, duties and functions of the Facilities Development Corporation, duly created and established and validly existing pursuant to the Facilities Development Corporation Act, being Section 4 of Section 1 of Chapter 359 of the Laws of 1968, as amended (the “**Enabling Legislation**”).

(b) DASNY has all requisite legal right, power and authority to: (i) adopt the Resolution and to execute and deliver the other “**DASNY Documents**” (as defined in Exhibit C hereto) and perform its obligations under the DASNY Documents, (ii) execute, deliver and authorize distribution of the Official Statement, (iii) execute, issue, sell and deliver the Bonds and (iv) consummate the transactions to which DASNY is or is to be a party as contemplated by the DASNY Documents.

(c) DASNY has duly authorized by all necessary actions: (i) the adoption of the Resolution and the execution and delivery of the other DASNY Documents and the performance of its obligations under the DASNY Documents, (ii) the execution, delivery and distribution of the Official Statement, (iii) the execution, issuance, sale and delivery of the Bonds and (iv) the consummation of the transactions as contemplated by the DASNY Documents. Such authorized acts do not and will not in any material respect conflict with, or constitute on the part of DASNY a breach of or default under, any agreement or other instrument to which DASNY is a party or any existing law, administrative regulation, judgment, order, decree or ruling by which DASNY is bound or to which it is subject.

(d) The Resolution constitutes, and the other DASNY Documents, when duly executed and delivered by the other parties thereto, will constitute legal, valid and binding obligations of DASNY enforceable in accordance with their respective terms; and the Bonds, when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of Section 10 hereof, will constitute legal, valid and binding special obligations of DASNY, enforceable in accordance with their terms and in conformity with, and entitled to the benefits of the provisions of, the Enabling Legislation and the DASNY Documents (except as the enforceability of any of the foregoing may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights and general equitable principles).

(e) The statements and information contained in the Preliminary Official Statement, as of the date thereof and hereof, and the Official Statement under the DASNY Section are, as of the date hereof, and will be, as of the Closing Date, true, correct and complete, and the DASNY Section of the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make such statements and information, in light of the circumstances under which they were made, not misleading. DASNY hereby confirms that the DASNY Section of the Preliminary Official Statement was deemed “final” (except for permitted omissions) as of its date by DASNY for purposes of paragraph (b)(1) of Rule 15c2-12.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by DASNY of its obligations in connection with the execution, issuance, delivery or sale of the Bonds under the DASNY Documents have been duly obtained (including the approval of the Public Authorities Control Board of the State) and are in full force and effect, except for such approvals, consents and other actions as may be required under the blue sky or other securities laws of any state or other jurisdiction of the United States in connection with the offering and sale of the Bonds.

(g) DASNY is not now in default under, and the execution and delivery of the DASNY Documents will not conflict with or constitute a breach of, any agreement or other instrument to which it is a party or any existing administrative regulation, judgment, order, decree, ruling or other law by which it is bound or subject, which breach or default is material to the transactions contemplated by the DASNY Documents; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such instrument or law, such a breach or default material to such transactions.

(h) No action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency or body, is pending or, to the best knowledge of DASNY, threatened against or affecting DASNY seeking to restrain or enjoin the execution, issuance, sale or delivery of the Bonds or the proceedings or authority under which the Bonds are to be issued, or contesting the legal existence of DASNY, the title of any of its members or officers to their respective offices or wherein an unfavorable decision, ruling or finding would, in any way, adversely affect (i) the transactions contemplated by the DASNY Documents, (ii) the validity of the DASNY Documents or any agreement or instrument to which DASNY is a party and which is used or is contemplated for use in the consummation of the transactions contemplated by the DASNY Documents, or (iii) the exclusion from gross income of the interest on the Bonds for purposes of federal income taxation, or the exemption of the Bonds from taxation by the State of New York and its political subdivisions, as set forth in the approving opinion of each of Orrick, Herrington & Sutcliffe LLP and Marous Law Group, P.C., co-bond counsel to DASNY (“**Co-Bond Counsel**”).

Any certificate signed by any Authorized Officer of DASNY and delivered to the Underwriter pursuant to the DASNY Documents shall be deemed a representation and warranty

by DASNY as to the statements made therein with the same effect as if such representation and warranty were set forth in the DASNY Documents.

6. Agreements of DASNY. DASNY agrees with the Underwriter and the Institution as follows:

(a) DASNY will furnish such information, execute such instruments and take such other actions in cooperation with the Underwriter as the Underwriter may request in order to: (i) qualify the Bonds for offering and sale under the blue sky or other securities laws of such states and other jurisdictions of the United States as the Underwriter may designate, and DASNY will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, however, that DASNY will not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination. DASNY hereby consents to the use of the DASNY Documents (and drafts of the DASNY Documents prior to the availability of such documents in final form) by the Underwriter in obtaining such qualifications and determining such eligibilities.

(b) Prior to the Closing Date, DASNY will not, without the prior written consent of the Underwriter, offer or issue any bonds under the Resolution, other than the Bonds, except as described in or contemplated by the Official Statement.

7. Representations and Warranties of the Institution. The Institution represents and warrants to DASNY and to the Underwriter as follows:

(a) The Institution is a not-for-profit corporation, which includes among its corporate purposes or powers the establishment or maintenance of any hospital, as defined in Article 28 of the Public Health Law, duly organized, validly existing and in good standing under the laws of the State, no part of the net earnings of which inures or will inure to the benefit of any private stockholder or individual.

(b) (i) The Institution is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and has received a determination letter from the Internal Revenue Service to that effect, which letter has not been modified, limited or revoked, (ii) the Institution is in compliance with all terms, conditions and limitations, if any, contained in such letter, (iii) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, (iv) the Institution is exempt from federal income taxes, except for unrelated business income subject to taxation under Section 511 of the Code and (v) the Institution is not a “private foundation” as that term is defined in Section 509(a) of the Code.

(c) Except as disclosed in the Preliminary Official Statement and the Official Statement, in the previous five years the Institution has not failed to comply, in all material respects, with any previous undertakings under Rule 15c2-12.

(d) The Institution has all requisite legal right, power and authority to (i) execute and deliver the “**Institution Documents**” (as defined in Exhibit D hereto) and to perform its obligations thereunder, (ii) consummate the transactions to which it is or is to be a party as contemplated by the Institution Documents, and (iii) as applicable, acquire, construct, own, operate, repair and maintain the Project.

(e) The Institution has duly authorized by all necessary actions: (i) the execution and delivery of the Institution Documents, (ii) the performance of its obligations thereunder and (iii) the consummation of the transactions to which the Institution is or is to be a party as contemplated by the Institution Documents. Such authorized acts: (i) do not and will not in any material respect conflict with or constitute on the part of the Institution a breach of or default under (A) any agreement or other instrument to which the Institution is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or (B) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties, assets or operations are bound or subject; and (ii) except as contemplated in the Institution Documents, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Institution’s revenues, properties, assets or operations.

(f) This Bond Purchase Agreement constitutes, and the other Institution Documents will, when executed and delivered by the Institution, constitute legal, valid and binding obligations of the Institution, enforceable in accordance with their respective terms except as they may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights and general equitable principles.

(g) The Institution Information (as defined below) contained in the Preliminary Official Statement was as of its date and is as of the date hereof, and the Official Statement is as of the date hereof and will be as of the Closing, true and correct in all material respects and did not, does not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Institution has approved and consents to the use of the Preliminary Official Statement and the Official Statement by the Underwriter. The Institution hereby confirms that Institution Information contained in the Preliminary Official Statement was deemed “final” (except for permitted omissions) as of its date by the Institution for purposes of paragraph (b)(1) of Rule 15c2-12. “Institution Information” shall include “PART 1 – INTRODUCTION – Purpose of the Issue,” “PART 1 – INTRODUCTION – MSKCC,” “PART 1 – INTRODUCTION – The Series 2020 DASNY Bonds,” “PART 1 – INTRODUCTION – Payment of the Series 2020 DASNY Bonds” (insofar as it relates to the Institution), “PART 1 – INTRODUCTION – Security for the Series 2020 DASNY Bonds” (insofar as it relates to the Institution), “PART 1 – INTRODUCTION – Guaranties and Inducement Agreements,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Payment of the Series 2020 DASNY Bonds,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Security for the Series 2020 DASNY Bonds,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Guaranties and Inducement Agreements,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Special Covenants,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS –

Events of Default and Acceleration under the Resolution,” “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Additional Bonds,” “PART 3 – THE SERIES 2020 DASNY BONDS (except the information contained in “Book-Entry Only System”), “PART 4 – ESTIMATED SOURCES AND USES OF FUNDS,” “PART 5 – THE PLAN OF FINANCE,” “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER,” “PART 7 – BONDHOLDERS’ RISKS,” “PART 11 – TAX MATTERS,” “PART 16 – CONTINUING DISCLOSURE,” “PART 17 – RATINGS,” “PART 19 – MISCELLANEOUS” (with respect to the Institution) and in [APPENDICES B, D, F and H.]

(h) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Institution of, its obligations under the Institution Documents or the consummation of the transactions to which the Institution is or is to be a party as contemplated by the Institution Documents and the Bonds, which are required to be obtained by the Institution, have been duly obtained and are in full force and effect except for (i) recordings and filings to be done at the time of the Closing and (ii) such approvals, consents and other actions as may be required under the blue sky or other securities laws of any state or other jurisdiction of the United States in connection with the offering and sale of the Bonds.

(i) The Institution is not in breach of or in default under any agreement or other instrument to which the Institution is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, which breach or default is material to the transactions contemplated by the Institution Documents and the Bonds; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such instrument, such a breach or default material to such transactions.

(j) Except as specifically set forth in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Institution, threatened: (i) that, in the reasonable judgment of the Institution, might (A) result in material liability on the part of the Institution or (B) materially and adversely affect, as applicable, the acquisition, construction, operation, condition or feasibility of the Project; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the transactions contemplated by the Institution Documents or (B) the validity or enforceability of the Institution Documents or any agreement or instrument to which the Institution is a party and which is used or is contemplated for use in the consummation of the transactions contemplated by the Institution Documents and the Bonds.

(k) Since December 31, 2019, no material adverse change has occurred in the financial position of the Institution or in its results of operations, except as set forth in or contemplated by the Preliminary Official Statement and the Official Statement, nor has the Institution, since such date, incurred any material liabilities other than in the ordinary course of

business or as set forth or contemplated in the Preliminary Official Statement and the Official Statement.

(l) The audited combined financial statements with respect to the Institution included in the Preliminary Official Statement and the Official Statement: (i) have been included with the consent of Ernst & Young LLP; (ii) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such combined financial statements); and (iii) fairly present the combined financial position and results of operations of the Institution at the respective dates and for the respective period indicated therein.

(m) Except as specifically set forth in the Preliminary Official Statement and the Official Statement, there are no pledges, liens, charges or encumbrances of any nature whatsoever on any item pledged by the Institution pursuant to the Institution Documents and the Institution has not entered into any contract or arrangement of any kind and there is no existing, pending, threatened or anticipated event or circumstance, that might give rise to any such pledge, lien, charge or encumbrance.

(n) Neither DASNY nor any of its members, officers, employees or agents shall have any responsibility to the Underwriter or the Institution for the completeness of the information obtained from any source with respect to the Institution or its assets, operations, circumstances, financial conditions and properties, not-for-profit status, or with respect to the Project, the Bonds or the security purported to be afforded by the DASNY Documents and the Institution Documents, or otherwise (other than the DASNY Section) and the Institution acknowledges that it assumes responsibility for all such information provided to the Underwriter in connection with the Underwriter's decision to purchase the Bonds.

Any certificate signed by any officer of the Institution and delivered to DASNY or the Underwriter pursuant to the Institution Documents shall be deemed to be a representation and warranty by the Institution as to the statements made therein with the same effect as if such representation and warranty were set forth in the Institution Documents.

8. Agreements of the Institution. The Institution agrees with DASNY and the Underwriter that the Institution will furnish such information, execute such instruments and take such other actions in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the Bonds for offer and sale under the blue sky or other securities laws of such states and other jurisdictions of the United States as the Underwriter and the Institution may designate, and the Institution will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, however, that the Institution shall not be required to execute a general or special consent for service of process or to qualify to do business in connection with any such qualification or determination. The Institution hereby consents to the use of the Institution Documents, the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications and determining such eligibilities.

9. Underwriter's Representations and Agreements. The Underwriter hereby represents, warrants and agrees as follows:

(a) The Underwriter represents that it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the power and all the authority necessary to enter into this Bond Purchase Agreement and to perform its covenants, obligations and undertakings hereunder.

(b) When executed and delivered by the other parties hereto, this Bond Purchase Agreement will constitute a valid, binding and enforceable obligation of the Underwriter in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights and general equitable principles.

(c) The Underwriter has neither requested nor received from (nor does the Underwriter expect to receive from or have reviewed by) DASNY or any of its members, officers, employees or agents any information with respect to the Institution, the Project, the Bonds or the security purported to be afforded by the DASNY Documents and the Institution Documents, or otherwise, except for any such information that is included within the express representations and warranties of DASNY in the DASNY Documents or in the DASNY Section of the Official Statement or in any other instrument delivered to the Underwriter by or on behalf of DASNY in connection with the transactions contemplated thereby.

(d) The Underwriter has not relied and does not rely on any findings or actions made or taken by DASNY as required by the Enabling Legislation as constituting information with respect to the Institution, the Project, the Bonds or the security purported to be afforded by the DASNY Documents and the Institution Documents, or otherwise.

(e) Neither DASNY nor any of its members, officers, employees or agents shall have any responsibility to the Underwriter for the completeness of the information obtained by the Underwriter from any source with respect to the Institution or its assets, operations, circumstances, financial conditions and properties, not-for-profit status, or with respect to the Project, the Bonds or the security purported to be afforded by the DASNY Documents and the Institution Documents, or otherwise, or, subject only to the exceptions stated in (d) above, for the accuracy of such information and the Underwriter acknowledges that, as between itself and DASNY, the Underwriter assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

(f) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(g) In connection with the sale of the Bonds to the public, the Underwriter agrees to take such actions and make such disclosures as may be required by applicable Federal and state laws and applicable rules of any governmental or self-regulatory organizations, and to otherwise comply with such laws and rules. Without limiting the generality of the foregoing,

the Underwriter assumes responsibility for delivering to each purchaser of the Bonds a copy of the Official Statement, in each case together with any and all amendments and supplements, if any, thereto. The Underwriter has taken and shall continue to take action to comply with Rule 15c2-12 and the provisions of this paragraph shall survive the expiration hereof to the extent necessary for such purpose. Except as set forth above, nothing in this paragraph shall impose any responsibility on the Underwriter in addition to that under applicable laws and rules referred to above.

10. Closing. On [____], 2020, or on such other date as may be agreed upon by DASNY, the Institution and the Underwriter (such date as finally determined is referred to herein as the “**Closing Date**”), DASNY will deliver or cause to be delivered to the Underwriter through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, or at such other place as DASNY and the Underwriter may mutually agree upon, the Bonds, in definitive form, duly executed and authenticated, and will deliver or cause to be delivered to the Underwriter, the documents mentioned in Section 11(c) hereof, at the office of Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, New York, New York 10019.

The Underwriter will accept such Bonds and pay the Purchase Price of the Bonds (as set forth in Section 1 hereof) by the delivery to DASNY of a certified or official bank check or checks, payable in federal funds or by a wire transfer of federal funds to the order of DASNY or, if directed by DASNY, to the order of the Trustee under the Resolution, in an aggregate amount equal to such Purchase Price. The deliveries of such Bonds and such check or checks or funds are referred to herein as the “**Closing.**” The Bonds shall be issued in form to satisfy the requirements of DTC’s book entry system and shall be prepared and delivered in such authorized denominations and registered in such names as the Underwriter may request. The Bonds shall be made available to the Underwriter for purposes of inspection and packaging, at any time not more than two (2) business days nor less than one (1) business day prior to the Closing Date, at any place in New York, New York, agreed upon by the Underwriter and DASNY.

11. Conditions of Closing and Termination of Underwriter’s Obligation. The obligation of the Underwriter to purchase and pay for the Bonds at the Closing shall be subject to the performance by DASNY, the Institution, the Hospital, the Institute and Realty, prior to or concurrently with the Closing, of their respective obligations to be performed under this Bond Purchase Agreement and to the accuracy of the representations and warranties of DASNY and the Institution contained in this Bond Purchase Agreement and of the Hospital, the Institute and Realty in their respective Letter of Representation as of the date hereof and as of the Closing Date, as if made on and as of the Closing Date (it being specifically understood that for purposes of satisfying this condition and the conditions in Section 11(c) hereof, the term “Official Statement” shall include any amendments thereof or supplements thereto pursuant to Section 2(b) hereof), and shall also be subject to the following additional conditions:

(a) (i) Each of the DASNY Documents and the Institution Documents shall have been duly authorized, executed and delivered, and each of the foregoing shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, (ii) DASNY shall have duly adopted and there shall be in full force and effect such additional resolutions or agreements as shall be necessary, in the opinion of Co-Bond Counsel, in connection with the transactions contemplated hereby, (iii)

DASNY shall perform or have performed all of its obligations required under or specified in the DASNY Documents to be performed at or prior to the Closing, (iv) the Institution shall perform or have performed all of its obligations required under or specified in the Institution Documents to be performed at or prior to the Closing and (v) the Official Statement shall not have been amended or supplemented, except in such manner as may have been approved by the Underwriter pursuant to Section 2(b) hereof.

(b) The Underwriter shall not have elected to cancel its obligation hereunder to purchase the Bonds, which election may be made by notice to DASNY and the Institution, if between the date hereof and the time of the Closing:

(i) legislation shall be introduced in or enacted by the Congress of the United States or adopted by either House thereof or introduced in or enacted by the legislature of the State, or a decision by a federal court (including the Tax Court of the United States) or State court shall be rendered, or a ruling, regulation (proposed, temporary or final) or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other federal, State or City of New York agency shall be made, with respect to federal, State or City of New York taxation upon revenues or other income of the general character expected to be derived by DASNY or upon interest received on bonds of the general character of the Bonds, or which would have the effect of changing directly or indirectly the federal, State or City of New York income tax consequences of interest on bonds of the general character of the Bonds in the hands of the holders thereof, which legislation, ruling, regulation or official statement would, in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds;

(ii) 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 (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, the Institution or DASNY refuses to permit the Official Statement to be amended or 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 price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds;

(iii) there shall occur any outbreak or escalation of hostilities or any national or international calamity or crisis or a financial 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 price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds;

(iv) 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 SEC 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 price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds;

(v) a general banking moratorium shall have been declared by either federal or State authorities and be in force, 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 price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds;

(vi) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (including any related underlying obligations) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended;

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

(viii) legislation shall have been enacted, a decision of any federal or State court shall have been made, or a ruling or regulation (proposed, temporary or final) of the SEC or other governmental agency shall have been made or issued that, in the opinion of counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Resolution to be qualified under the Trust Indenture Act of 1939, as amended;

(ix) (a) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service, Inc. ("**Moody's**"), S&P Global Ratings ("**S&P**"), or Fitch Ratings ("**Fitch**") of any debt securities issued by DASNY on behalf of the Institution, or (b) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by DASNY on behalf of the Institution, including the Bonds; or

(x) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental regulation or order of any court, governmental authority, board, agency or commission.

(c) The Underwriter shall receive or have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) Three (3) executed copies of the Official Statement executed on behalf of DASNY by one of its Authorized Officers.

(ii) Executed and final copies of the DASNY Documents, as applicable, and the Institution Documents.

(iii) A certificate, dated the Closing Date, of an Authorized Officer of DASNY substantially in the form attached hereto as Exhibit E.

(iv) (A) A certificate, dated the Closing Date, of an Authorized Officer of DASNY stating (1) DASNY's expectations regarding the amount and use of the proceeds of the 2020 Series 1 Bonds and all other amounts that are treated as proceeds of the 2020 Series 1 Bonds under Section 148(a) of the Code and the applicable Treasury Regulations thereunder, (2) sufficient facts, estimates and circumstances to support such conclusions and expectations and (3) that, to the best knowledge and belief of such Authorized Officer, DASNY's conclusions and expectations are reasonable and there are no other facts, estimates or circumstances that might materially change such conclusions and expectations; and (B) a certificate of an Authorized Officer of the Institution, dated the Closing Date, substantiating the foregoing.

(v) A certificate, dated the Closing Date, of an Authorized Officer of the Institution substantially in the form attached hereto as Exhibit F.

(vi) A certificate of the Secretary of State of the State of New York as to the incorporation or other charter documents and good standing of the Institution, the Hospital, the Institute and Realty in the State of New York, dated as of a date within ten (10) days of the Closing Date.

(vii) (vii) (1) A letter from Ernst and Young LLP addressed to the Institution agreeing to the inclusion of their report on the Institution's combined financial statements as an appendix to the Preliminary Official Statement and the Official Statement dated on or before the date of the Preliminary Official Statement and Official Statement, respectively, (2) an agreed-upon procedures letter dated the date hereof in substantially the form attached hereto as Exhibit G-1 and (3) a letter bringing down to the Closing Date the agreed-upon procedures letter delivered pursuant to Section 11(c)(vii)(2) above in substantially the form attached hereto as Exhibit G-2.

(viii) A copy of the approving opinions of Co-Bond Counsel, dated the Closing Date and addressed to DASNY, substantially in the form attached as Appendix G to the Official Statement and letters from Co-Bond Counsel addressed to the Underwriter authorizing the Underwriter to rely upon the approving opinions as if such opinions were addressed to the Underwriter.

(ix) Supplemental opinions of Co-Bond Counsel, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as Exhibit H hereto, with a reliance letter to DASNY.

(x) The opinion of Katten Muchin Rosenman LLP, counsel for the Underwriter, dated the Closing Date and addressed to the Underwriter in substantially the form attached hereto as Exhibit I.

(xi) The opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Institution, the Hospital, the Institute and Realty, dated the Closing Date and addressed to DASNY, the Trustee and the Underwriter, substantially in the form required by Exhibit J and in substance satisfactory to DASNY and Co-Bond Counsel.

(xii) The opinion of Ballard Spahr LLP, counsel for the Trustee, dated the Closing Date, in substantially the form required by Exhibit K and in substance satisfactory to DASNY and Co-Bond Counsel.

(xiii) A copy of the Trustee's certificate of acceptance of the duties as Trustee.

(xiv) Written evidence that Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings have assigned ratings to the Bonds of "[Aa3]," "[AA-]" and "[AA]," respectively.

(xv) Evidence of the approval by the Public Authorities Control Board of the issuance of the Bonds for the purposes set forth in the Resolution.

(xvi) Written evidence, satisfactory to Co-Bond Counsel, of compliance with the public approval requirement of Section 147(f) of the Code.

(xvii) A Preliminary Blue Sky Survey, dated the date of the Preliminary Official Statement prepared by counsel to the Underwriter.

(xviii) Such Uniform Commercial Code financing statements and fixture filings, completed for filing as the Underwriter may reasonably request.

(xix) A copy of DASNY's executed Blanket Letter of Representation to DTC.

(xx) A certificate of the Institution, with respect to the Loan Agreement, Certificates of the Institute and Realty, with respect to the Guaranties, and a Certificates of the Hospital, with respect to the Inducement Agreement, that such documents are, and will be after issuance of the Bonds, in full force and effect and acknowledging the applicable fees after the issuance of the Bonds.

(xxi) A certificate or certificates, dated the Closing Date, of an Authorized Officer of the Hospital to the effect that: (A) to the best of such officer's knowledge, the representations and warranties of the Hospital contained in Section 1 of the Hospital's Letter of Representation are true and complete in all material respects on and as of the Closing Date as if such representations and warranties had been made on and as of the Closing Date; (B) to the best of such officer's knowledge, the Hospital has complied with all the terms of the Inducement Agreement and the Hospital's Letter of Representation to be complied with by it prior to or concurrently with the Closing; (C) the charter documents of the Hospital have not been amended, modified or supplemented since the date of the certificates referred to in 11(c)(vi) above; (D) attached thereto is a true and complete copy of resolutions duly adopted by the Board of Trustees of the Hospital, or by a committee of such Board in accordance with authority delegated by such

Board, authorizing the execution and delivery of the Hospital's Letter of Representation and the Inducement Agreement and approving the transactions contemplated therein; and (E) the minute books made available to Co-Bond Counsel and Katten Muchin Rosenman LLP ("**Underwriter's Counsel**").

(xxii) A certificate or certificates, dated the Closing Date, of an Authorized Officer of the Institute to the effect that: (A) to the best of such officer's knowledge, the representations and warranties of the Institute contained in Section 1 of the Institute's Letter of Representation are true and complete in all material respects on and as of the Closing Date as if such representations and warranties had been made on and as of the Closing Date; (B) to the best of such officer's knowledge, the Institute has complied with all the terms of the Institute's Guaranty and the Institute's Letter of Representation to be complied with by it prior to or concurrently with the Closing; (C) the charter documents of the Institute have not been amended, modified or supplemented since the date of the certificates referred to in 11(c)(vi) above; (D) attached thereto is a true and complete copy of resolutions duly adopted by the Board of Trustees of the institute, or by a committee of such Board in accordance with authority delegated by such Board, authorizing the execution and delivery of the Institute's Letter of Representation and the Institute's Guaranty and approving the transactions contemplated therein; and (E) the minute books made available to Underwriter's Counsel.

(xxiii) A certificate or certificates, dated the Closing Date, of an Authorized Officer of Realty to the effect that: (A) to the best of such officer's knowledge, the representations and warranties of Realty contained in Section 1 of Realty's Letter of Representation are true and complete in all material respects on and as of the Closing Date as if such representations and warranties had been made on and as of the Closing Date; (B) to the best of such officer's knowledge, Realty has complied with all the terms of the Realty's Guaranty and Realty's Letter of Representation to be complied with by it prior to or concurrently with the Closing; (C) the charter documents of Realty have not been amended, modified or supplemented since the date of the certificates referred to in 11(c)(vi) above; (D) attached thereto is a true and complete copy of resolutions duly adopted by the Board of Trustees of Realty, or by a committee of such Board in accordance with authority delegated by such Board, authorizing the execution and delivery of the Institute's Letter of Representation and the Realty's Guaranty and approving the transactions contemplated therein; and (E) the minute books made available to Underwriter's Counsel.

(xxiv) The Letters of Representation.

(xxv) Such additional legal opinions, certificates, proceedings, instruments and other documents as the counsel to the Underwriter or Co-Bond Counsel may reasonably request to evidence compliance by DASNY and the Institution with legal requirements relating to the transactions contemplated by the Official Statement and this Bond Purchase Agreement, the truth and accuracy, as of the Closing Date, of the representations of DASNY and the Institution contained herein, and the due performance or satisfaction by DASNY and the Institution at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by DASNY and the Institution.

In addition to anything contained herein, DASNY's obligation to deliver the Bonds shall be subject to its receipt of the certificates, letters and opinions identified in Section 11 (c) hereof, at or prior to the Closing, all in form and substance satisfactory to DASNY.

If DASNY or the Institution shall be unable to satisfy the respective conditions to the obligation of the Underwriter contained in this Bond Purchase Agreement or if the obligation of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be canceled by the Underwriter and, upon such cancellation, neither the Underwriter, the Institution nor DASNY shall be further obligated hereunder except that the respective obligations of the Institution and the Underwriter as provided in Sections 12 and 13 hereof shall continue in full force and effect.

12. Expenses. (a) The Institution agrees to pay all expenses incident to the performance of the obligations of the Institution and DASNY hereunder, including but not limited to: (i) all costs and expenses incident to preparing and printing or otherwise reproducing (for distribution on or prior to the date of execution of this Bond Purchase Agreement) the DASNY Documents and the Institution Documents; (ii) all costs and expenses incident to the preparation, and the printing of, the Preliminary Official Statement and the Official Statement and each amendment thereof or supplement thereto made pursuant to Section 2(a)(2) hereof; (iii) all costs of preparing the definitive Bonds; (iv) all fees of rating agencies; and (v) all fees and disbursements of Co-Bond Counsel and any other experts or consultants retained by DASNY or the Institution. The Underwriter shall have no obligation to pay any of the expenses set forth in the foregoing sentence.

(b) The Underwriter shall pay (from the expense component of the underwriting discount): (i) all costs of printing any underwriting documents; (ii) all costs of qualifying the Bonds for sale in various states chosen by the Underwriter; (iii) all costs of preparing and printing blue sky and legal investment surveys to be used in connection with the public offering of the Bonds; (iv) all advertising expenses in connection with the public offering of the Bonds; (v) all costs and expenses, including those of DASNY and the Institution and the fees and disbursements of their counsel, incident to the preparation, printing and distribution of each amendment of or supplement to the Official Statement made other than pursuant to Section 2(a)(2) hereof; and (vi) all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including the fees and disbursements of counsel retained by the Underwriter and the costs associated with compliance with Section 2(c) hereof.

13. Indemnification. (a) The Institution shall indemnify and hold harmless DASNY, its members, officers, employees and agents and each person who controls DASNY within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the "**Securities Act**" and any of the foregoing being herein called an "**DASNY Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such DASNY Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an allegation or determination that the Bonds should have been registered under the Securities Act or the Resolution should have been qualified under the Trust Indenture Act of 1939, as

amended, or (ii) an allegation or determination that any statement or information (other than information contained in the DASNY Section in the Official Statement or any amendment thereof or supplement thereto or in the Preliminary Official Statement, that is (or is alleged to be) untrue, incorrect or misleading in any material respect or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Institution will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which the Institution may otherwise have to any DASNY Indemnified Party, provided that in no event shall the Institution be obligated for double indemnification.

(b) The Institution shall indemnify and hold harmless, the Underwriter, its respective members, officers, employees and agents and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**Underwriter Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any breach by the Institution of any of its representations and warranties as set forth in Section 7 hereof; or (ii) any allegation that there is, as of the date hereof or as of the Closing Date, any untrue statement of a material fact contained in the Institution Information or the omission therefrom of any material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading in the Official Statement or any amendment thereof or supplement thereto or in the Preliminary Official Statement; provided, however, that (A) the Institution will not be liable for the amount of any settlement of any claim or action made without its prior written consent and (B) the foregoing indemnity agreement with respect to any Preliminary Official Statement shall not inure to the benefit of any Underwriter Indemnified Party from whom the person asserting any such losses, claims, damages or liabilities purchased Bonds if a copy of the Official Statement (as then amended or supplemented if the Institution shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of the Underwriter to such person at or prior to delivery of Bonds to such person, and if the Official Statement (as so amended or supplemented) would have cured the alleged defect giving rise to such loss, claim, damage or liability. This indemnity agreement shall not be construed as a limitation on any other liability which the Institution may otherwise have to any Underwriter Indemnified Party, provided that in no event shall the Institution be obligated for double indemnification.

(c) Any DASNY Indemnified Party or Underwriter Indemnified Party (each an “**Indemnified Party**”) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification will be sought against the Institution under this Section 13, notify the Institution in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of the Institution by the amount of damages attributable to the failure of such Indemnified Party to give such notice to the Institution, but the failure to notify the Institution of any such claim or action shall not relieve the Institution from any liability that it may have to such Indemnified Party otherwise than under

the indemnity agreement contained in this Section 13. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Institution of the commencement thereof, the Institution may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party and after notice from the Institution to such Indemnified Party of an election so to assume the defense thereof and approval of counsel by the Indemnified Party the Institution will not be liable to such Indemnified Party under this Section 13 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Institution assumes the defense of any such action at the request of such Indemnified Party, the Institution shall have the right to participate at its own expense in the defense of any such action. If the Institution shall not have employed counsel, satisfactory to the Indemnified Party, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or any other Indemnified Party that are different from or additional to those available to the Institution (in which case the Institution shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnified Party shall be borne by the Institution.

(d) (i) The Underwriter agrees to indemnify and hold harmless DASNY and the Institution and each of their members, trustees, officers, employees and agents (such person being herein called an “**Indemnatee**”) against any and all claims, causes of action, damages, liabilities, amounts paid in settlement of litigation, losses or expenses whatsoever incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities (or actions in respect thereof), arise out of or are based upon any statement or information contained under the caption “**PART 14-UNDERWRITING**” in the Preliminary Official Statement or the Official Statement or any amendment thereof or supplement thereto and that is (or is alleged to be) untrue, incorrect or misleading in any material respect, or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein (under said caption), in light of the circumstances under which they were made, not misleading.

(ii) An Indemnatee shall, promptly after the receipt of notice of commencement of any action against such Indemnatee in respect of which indemnification will be sought against the Underwriter under this Section 13(d), notify the Underwriter in writing of the commencement thereof. Failure of the Indemnatee to give notice will reduce the liability of the Underwriter by the amount of damages attributable to the failure of the Indemnatee to give such notice to the Underwriter, but the omission to notify the Underwriter of any such claim or action shall not relieve the Underwriter from any liability that they may have to such Indemnatee otherwise than under the indemnity agreement contained in this Section 13(d). In case any such action shall be brought against an Indemnatee and such Indemnatee shall notify the Underwriter of the commencement thereof, the Underwriter may, or if so requested by such Indemnatee shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnatee and after notice from the Underwriter to such Indemnatee of an election so to assume the defense thereof and approval of counsel by the Indemnatee the Underwriter will not be liable to such Indemnatee under this Section 13(d) for any legal or other expenses subsequently incurred by such Indemnatee in connection with the defense thereof other than reasonable costs of investigation;

provided, however, that unless and until the Underwriter assume the defense of any such action at the request of such Indemnitee, the Underwriter shall have the right to participate at their own expense in the defense of any such action. If the Underwriter shall not have employed counsel, satisfactory to the Indemnitee, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnitee shall have reasonably concluded that there may be defenses available to it and/or any other Indemnitee that are different from or additional to those available to the Underwriter (in which case the Underwriter shall not have the right to direct the defense of such action on behalf of such Indemnitee), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnitee shall be borne by the Underwriter.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraphs (a), (b) or (d) of this Section 13 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Institution or the Underwriter on grounds of public policy or otherwise, the Institution and the Underwriter shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Institution and the Underwriter may be subject in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount bears to the initial offering prices set forth on the cover of the Official Statement and the Institution is responsible for the balance; provided, however, that (i) in no case shall the Underwriter be responsible for any amount in excess of the underwriting discount applicable to the Bonds purchased by the Underwriter and (ii) no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 13, each person who controls the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights as the Underwriter. Any party entitled to contribution shall, promptly after receipt of notice of any claim or commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph 13(e), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph 13(e).

14. Limitation of Liability of DASNY. Neither DASNY nor its members, officers, employees or agents shall be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions of any kind under any theory under this Bond Purchase Agreement or any document or instrument referred to herein or by reason of or in connection with this Bond Purchase Agreement or other document or instrument except to the extent it receives amounts from the Institution available for such purpose. No provision, covenant or agreement contained in, and no obligation herein imposed upon DASNY under, this Bond Purchase Agreement, or the breach thereof, shall constitute a charge against the general credit or give rise to a pecuniary liability of DASNY, except for DASNY's responsibility to make payments from money received from the Institution pursuant to, and from amounts held in the funds and accounts established pursuant to, the DASNY Documents and pledged therefor. Neither DASNY nor its members, officers, employees or agents shall have any monetary liability arising out of the obligations of DASNY hereunder or in connection with any covenant, representation or warranty

made by DASNY herein, and neither DASNY nor its members, officers, employees or agents shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from the Revenues or money received from the Institution.

15. Underwriter's Not Fiduciary. The Institution and DASNY hereby acknowledge and agree in connection with the issuance, purchase and sale of the Bonds under this Bond Purchase Agreement, that: (i) the transaction contemplated by this Bond Purchase Agreement is an arm's-length commercial transaction among DASNY, the Institution and the Underwriter; (ii) the Underwriter is acting solely as principal and not as an agent or a fiduciary of, or an advisor (including, without limitation, a "municipal advisor" as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act) to, the Institution or DASNY; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Institution or DASNY with respect to offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliates, have advised or are currently advising the Institution or DASNY on any other matter) or any other obligation to the Institution or DASNY except those obligations expressly set forth in this Bond Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the Institution and DASNY; and (v) the Institution and DASNY have consulted with their own legal, financial, tax and accounting advisors to the extent they deemed appropriate.

16. Notices. Any notice or other communication to be given to DASNY under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above, Attention: General Counsel; any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Goldman Sachs & Co. LLC, Municipal Finance Department, 200 West Street, New York, New York 10282, Attention: Healthcare Group; and any notice or other communication to be given to the Institution may be given by delivering the same in writing to Memorial Sloan Kettering Cancer Center, 633 Third Avenue, 4th Floor, New York, New York; Attention: Office of the Senior Vice President of Finance. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses set forth above.

17. Parties in Interest; Survival of Representations and Warranties. This Bond Purchase Agreement is made solely for the benefit of DASNY, the Underwriter (including the successors or assigns of the Underwriter) and the Institution and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties and agreements made by the Institution, DASNY and the Underwriter in this Bond Purchase Agreement, together with Section 14 hereof, shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds hereunder or (c) any termination of this Bond Purchase Agreement.

18. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

19. Governing Law; Venue. This Bond Purchase Agreement shall be construed in accordance with and governed by the laws of the State of New York without regard to principles

of conflict of law and action arising hereunder shall be filed and maintained in a State or federal court in either the County of Albany or New York County.

20. Execution by Counterparts. This Bond Purchase Agreement will become a binding agreement among DASNY, the Institution and the Underwriter upon its acceptance by both DASNY and the Institution. DASNY may accept this Bond Purchase Agreement by delivering to the Underwriter by the time and date herein provided a counterpart of this Bond Purchase Agreement that has been executed by an Authorized Officer of DASNY or a telecopy of such a counterpart. The Institution may accept this Bond Purchase Agreement by delivering to the Underwriter by the time and date herein provided a counterpart of this Bond Purchase Agreement that has been executed by an Authorized Officer of the Institution and executed copies of the Hospital Letter of Representation attached hereto as Exhibit A-1, the Institute Letter of Representation attached hereto as Exhibit A-2, and the Realty Letter of Representation attached hereto as Exhibit A-3, respectively, or telecopies of such counterparts.

21. Miscellaneous.

(a) If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy or for any other reasons, such circumstances shall not have the effect of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(b) This Bond Purchase Agreement shall not be amended nor shall any provision hereof be waived by either party hereto without the prior written consent of DASNY, the Institution and the Underwriter.

(c) It is understood and agreed that the members, trustees, officers, employees and agents of DASNY and the Institution shall not be subject to personal liability or accountability by reason of the issuance of the Bonds or by reason of the representations, warranties, covenants, obligations or agreements of DASNY and the Institution contained in this Bond Purchase Agreement.

(d) This Bond Purchase Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

Very truly yours,

GOLDMAN SACHS & CO. LLC,
as Underwriter

By: _____
Authorized Officer

The foregoing is hereby accepted
as of the date first written above.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Authorized Officer

The foregoing is hereby accepted as of the
date first written above.

MEMORIAL SLOAN KETTERING CANCER CENTER

By: _____
Authorized Officer

SCHEDULE I

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, AND REDEMPTION REQUIREMENTS**

2020 Series 1 Bonds (Tax-Exempt)

Maturity July 1	Principal Amount	Interest Rate	Yield
	\$	%	%

\$ _____ % Term Bonds Due July 1, 20__, Yield ____ %
\$ _____ % Term Bonds Due July 1, 20__, Yield ____ %

2020 Series 2 Bonds (Federally Taxable)

Maturity July 1	Principal Amount	Interest Rate	Yield
	\$	%	%

\$ _____ % Term Bonds Due July 1, 20__, Yield ____ %
\$ _____ % Term Bonds Due July 1, 20__, Yield ____ %

Redemption and Tender for Purchase Provisions

The Bonds are subject to optional, special and mandatory redemption and mandatory tender for purchase at the election of DASNY as described below.

Optional Redemption or Mandatory Tender. The 2020 Series 1 Bonds are subject to redemption or mandatory tender for purchase prior to maturity at the election of DASNY, exercised at the direction of or with the consent of the Institution, on or after July 1, 20[___], in whole or in part, at any time at a redemption price or tender price, as applicable, of 100% of the principal amount of the 2020 Series 1 Bonds to be redeemed or tendered, plus accrued interest to the redemption date or tender date, as applicable.

The 2020 Series 2 Bonds are subject to redemption or mandatory tender for purchase prior to maturity at the election of DASNY, exercised at the direction of or with the consent of the Institution, on or after July 1, 20[___], in whole or in part, at any time at a redemption price or tender price, as applicable, of 100% of the principal amount of the 2020 Series 2 Bonds to be redeemed or tendered, plus accrued interest to the redemption date or tender date, as applicable.

Purchase in Lieu of Optional Redemption or Mandatory Tender. The 2020 Series 1 Bonds maturing on or after July 1, 20[___] are subject to purchase in lieu of optional redemption or mandatory tender prior to maturity at the election of the Institution, on or after July 1, 20[___], in whole or in part at any time, at a price of 100% of the principal amount of 2020 Series 1 Bonds to be purchased, plus accrued interest to the purchase date.

The 2020 Series 2 Bonds maturing on or after July 1, 20[___] are subject to purchase in lieu of optional redemption or mandatory tender prior to maturity at the election of the Institution, on or after July 1, 20[___], in whole or in part at any time, at a price of 100% of the principal amount of 2020 Series 2 Bonds to be purchased, plus accrued interest to the purchase date.

Special Redemption. Each series of Bonds is also subject to redemption prior to maturity at the option of DASNY, in whole or in part, at 100% of the principal amount thereof, on any Interest Payment Date from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the projects financed with the Bonds.

Mandatory Redemption. In addition, the 2020 Series 1 Bonds maturing on July 1, 20[___] and July 1, 20[___] are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount of the 2020 Series 1 Bonds to be redeemed, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of 2020 Series 1 Bonds specified for each of the years shown below:

[____]% 2020 Series 1 Bonds Term Bond Maturing 20[____]

<u>July 1</u>	<u>Amount</u>
	\$

†

[____]% 2020 Series 1 Bonds Term Bond Maturing 20[____]

<u>July 1</u>	<u>Amount</u>
	\$

†

† Final maturity.

In addition, the 2020 Series 2 Bonds maturing on July 1, 20[____] and July 1, 20[____] are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount of the 2020 Series 2 Bonds to be redeemed, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of 2020 Series 2 Bonds specified for each of the years shown below:

[____]% 2020 Series 2 Bonds Term Bond Maturing 20[____]

<u>July 1</u>	<u>Amount</u>
	\$

†

[____]% 2020 Series 2 Bonds Term Bond Maturing 20[____]

<u>July 1</u>	<u>Amount</u>
	\$

†

[†] Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of applicable series of Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the Institution or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Bonds purchased with money in the related Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the applicable series of Bonds so purchased payable on the next succeeding July 1. Bonds redeemed at the option of DASNY, purchased by DASNY or the Institution (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments on such dates as DASNY shall specify in a written direction of DASNY delivered to the Trustee at least fifteen (15) days prior to the earliest date on which notice of redemption of the Bonds entitled to such Sinking Fund Installment may be given by the Trustee and the Sinking Fund Installment payable on each date specified in such direction shall be reduced by the principal amount of the Bonds so purchased, redeemed or deemed to have been paid in accordance with the Resolution to be applied in satisfaction of such Sinking Fund Installment as set forth in such direction. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Bonds of the maturity so purchased will be reduced for such year.

EXHIBIT A-1

\$_[_____]

HOSPITAL LETTER OF REPRESENTATION

[_____], 2020

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

Goldman Sachs & Co. LLC
200 West Street, 33rd Floor
New York, New York 10282

Ladies and Gentlemen:

The Dormitory Authority of the State of New York (the “**Authority**”) and Memorial Sloan Kettering Cancer Center (the “**Institution**”) have entered into a Loan Agreement dated as of February 26, 2003 (the “**Loan Agreement**”), which contemplates the issuance by the Authority of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1(Tax Exempt) (the “**2020 Series 1 Bonds**”) and its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “**Bonds**”), in the aggregate principal amount set forth in the heading of this Letter of Representation (the “**Letter of Representation**”). In connection with the Institution’s obligations under the Loan Agreement, Sloan Kettering Hospital for Cancer and Allied Diseases (the “**Hospital**”) and the Authority have entered into an Inducement Agreement, dated as of February 26, 2003 (the “**Inducement Agreement**”). Pursuant to the Bond Purchase Agreement, dated the date hereof (the “**Bond Purchase Agreement**”), among the Authority, the Institution and Goldman Sachs & Co. LLC (the “**Underwriter**”), the Underwriter will purchase the Bonds identified in the Bond Purchase Agreement from the Authority for a public offering. The Bonds shall be as described in, and shall be issued and secured under the provisions of, the Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by the Authority on February 26, 2003 (the “**Master Resolution**”) and with respect to the 2020 Series 1 Bonds, authorized by the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 1 Bonds, adopted on [_____], 2020 (the “**2020 Series 1 Series Resolution**”) and with respect to the 2020 Series 2 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 2 Bonds, adopted on [_____], 2020 (the “**2020 Series 2 Series Resolution**”, and collectively with the Master Resolution and the 2020 Series 1 Series Resolution, the “**Resolutions**”).

In order to induce the Authority and the Underwriter to enter into the Bond Purchase Agreement and to make the offering and sale of the Bonds contemplated therein, the Hospital hereby makes and undertakes the following representations, warranties, agreements and

indemnities. All terms not defined in the Letter of Representation shall have the meanings attributed to them in the Bond Purchase Agreement.

1. Representations and Warranties of the Hospital. The Hospital represents and warrants to the Authority and to the Underwriter as follows:

(a) The Hospital is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York (the “**State**”), and no part of the net earnings of which inures or will inure to the benefit of any private stockholder or individual.

(b) The Hospital is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, (the “**Code**”), or corresponding provisions of prior law, and has received a determination letter from the Internal Revenue Service to that effect, which letter has not been modified, limited or revoked, (ii) the Hospital is in compliance with all terms, conditions and limitations, if any, contained in such letter, (iii) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, (iv) the Hospital is exempt from federal income taxes, except for unrelated business income subject to taxation under Section 511 of the Code and (v) the Hospital is not a “private foundation” as that term is defined in Section 509(a) of the Code.

(c) The Hospital has all requisite legal right, power and authority to (i) execute and deliver the Inducement Agreement and to execute and deliver the Letter of Representation and to perform its obligations hereunder and thereunder, and (ii) consummate the transactions to which it is or is to be a party as contemplated by the Inducement Agreement and the Letter of Representation.

(d) The Hospital has duly authorized by all necessary actions: (i) the execution and delivery of the Letter of Representation and the Inducement Agreement, (ii) the performance of its obligations thereunder and (iii) the consummation of the transactions to which the Hospital is or is to be a party as contemplated by the Letter of Representation and the Inducement Agreement. Such authorized acts: (i) do not and will not in any material respect conflict with or constitute on the part of the Hospital a breach of or default under (A) any agreement or other instrument to which the Hospital is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or (B) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties, assets or operations are bound or subject; and (ii) except as contemplated in the Inducement Agreement, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Hospital’s revenues, properties, assets or operations.

(e) The Inducement Agreement constitutes, and the Letter of Representation will, when executed and delivered by the Hospital, constitute legal, valid and binding obligations of the Hospital, enforceable in accordance with their respective terms except as they may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights and general equitable principles.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or

commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Hospital of its obligations under the Inducement Agreement or the Letter of Representation or the consummation of the transactions to which the Hospital is or is to be a party as contemplated by the Letter of Representation and the Inducement Agreement, which are required to be obtained by the Hospital, have been duly obtained and are in full force and effect except for (i) recordings and filings to be done at the time of the Closing and (ii) such approvals, consents and other actions as may be required under the blue sky or other securities laws of any state or other jurisdiction of the United States in connection with the offering and sale of the Bonds.

(g) The Hospital is not in breach of or in default under any agreement or other instrument to which the Hospital is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, which breach or default is material to the transactions contemplated hereby and by the Inducement Agreement; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such instrument, such a breach or default material to such transactions.

(h) Except as specifically set forth in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Hospital, threatened: (i) that reasonably might result in material liability on the part of the Hospital; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the Letter of Representation or the Inducement Agreement, or (B) the validity or enforceability of the Inducement Agreement, the Letter of Representation or any agreement or instrument to which the Hospital is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Inducement Agreement.

(i) Since December 31, 2019, no material adverse change has occurred in the financial position of the Hospital or in its results of operations, except as set forth in or contemplated by the Preliminary Official Statement or the Official Statement, nor has the Hospital, since such date, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Preliminary Official Statement or the Official Statement.

(j) The audited financial statements with respect to Memorial Sloan Kettering Cancer Center and Affiliated Corporations (“**MSKCC**”) included in the Preliminary Official Statement and the Official Statement have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such financial statements) and fairly present the financial position and results of operations of MSKCC at the respective dates and for the respective period indicated therein.

(k) In connection with the sale and issuance of the Bonds, (A) the Underwriter is acting solely as principal and not as advisor or fiduciary of the Hospital, (B) the Underwriter has not assumed any advisory or fiduciary responsibility to the Hospital, (C) the Underwriter has financial and other interests that differ from those of the Hospital, (D) the Underwriter has not assumed any obligation to the Hospital in connection with the sale and issuance of the Bonds other than the

obligations expressly set forth in this Agreement and (E) the Hospital has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate.

Any certificate signed by any officer of the Hospital and delivered to DASNY or the Underwriter pursuant hereto or to the Bond Purchase Agreement shall be deemed to be a representation and warranty by the Hospital as to the statements made therein with the same effect as if such representations and warranty were set forth herein.

2. Agreement of the Hospital. The Hospital agrees with the Underwriter as follows:

(a) The Hospital hereby consents to the use of the Inducement Agreement and the Letter of Representation by the Underwriter in obtaining such qualifications and determining such eligibilities with regard to qualifying the Bonds for offer and sale under the blue sky or other securities laws of such states and other jurisdictions of the United States as the Underwriter may designate.

3. Indemnification. (a) The Hospital shall indemnify and hold harmless DASNY, its members, officers, employees and agents and each person who controls DASNY within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**DASNY Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such DASNY Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an allegation or determination that any statement or information (other than information contained in the DASNY Section in the Official Statement or any amendment thereof or supplement thereto or in the Preliminary Official Statement, that is (or is alleged to be) untrue, incorrect or misleading in any material respect or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Hospital will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which the Hospital may otherwise have to any DASNY Indemnified Party, provided that in no event shall the Hospital be obligated for double indemnification.

(b) The Hospital shall indemnify and hold harmless, the Underwriter, its respective members, officers, employees and agents and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**Underwriter Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach by the Hospital of any of its representations and warranties as set forth in

Section 1 hereof; provided, however, that the Hospital will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which the Hospital may otherwise have to any Underwriter Indemnified Party, provided that in no event shall the Hospital be obligated for double indemnification.

(c) Any DASNY Indemnified Party or Underwriter Indemnified Party (each an “**Indemnified Party**”) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification will be sought against the Hospital under this Section 3, notify the Hospital in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of the Hospital by the amount of damages attributable to the failure of such Indemnified Party to give such notice to the Hospital, but the failure to notify the Hospital of any such claim or action shall not relieve the Hospital from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained in this Section 3. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Hospital of the commencement thereof, the Hospital may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party and after notice from the Hospital to such Indemnified Party of an election so to assume the defense thereof and approval of counsel by the Indemnified Party the Hospital will not be liable to such Indemnified Party under this Section 3 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Hospital assumes the defense of any such action at the request of such Indemnified Party, the Hospital shall have the right to participate at its own expense in the defense of any such action. If the Hospital shall not have employed counsel, satisfactory to the Indemnified Party, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or any other Indemnified Party that are different from or additional to those available to the Hospital (in which case the Hospital shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnified Party shall be borne by the Hospital.

(d) (i) The Underwriter agrees to indemnify and hold harmless DASNY and the Hospital and each of their members, trustees, officers, employees and agents (such person being herein called an “**Indemnitee**”) against any and all claims, causes of action, damages, liabilities, amounts paid in settlement of litigation, losses or expenses whatsoever incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities (or actions in respect thereof), arise out of or are based upon any statement or information contained under the caption “**PART 14-UNDERWRITING**” in the Preliminary Official Statement or the Official Statement or any amendment thereof or supplement thereto and that is (or is alleged to be) untrue, incorrect or misleading in any material respect, or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein (under said caption), in light of the circumstances under which they were made, not misleading.

(ii) An Indemnitee shall, promptly after the receipt of notice of commencement of any action against such Indemnitee in respect of which indemnification will be sought against the Underwriter under this Section 3(d), notify the Underwriter in writing of the commencement thereof. Failure of the Indemnitee to give notice will reduce the liability of the Underwriter by the amount of damages attributable to the failure of the Indemnitee to give such notice to the Underwriter, but the omission to notify the Underwriter of any such claim or action shall not relieve the Underwriter from any liability that they may have to such Indemnitee otherwise than under the indemnity agreement contained in this Section 3(d). In case any such action shall be brought against an Indemnitee and such Indemnitee shall notify the Underwriter of the commencement thereof, the Underwriter may, or if so requested by such Indemnitee shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnitee and after notice from the Underwriter to such Indemnitee of an election so to assume the defense thereof and approval of counsel by the Indemnitee the Underwriter will not be liable to such Indemnitee under this Section 3(d) for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Underwriter assumes the defense of any such action at the request of such Indemnitee, the Underwriter shall have the right to participate at its own expense in the defense of any such action. If the Underwriter shall not have employed counsel, satisfactory to the Indemnitee, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnitee shall have reasonably concluded that there may be defenses available to it and/or any other Indemnitee that are different from or additional to those available to the Underwriter (in which case the Underwriter shall not have the right to direct the defense of such action on behalf of such Indemnitee), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnitee shall be borne by the Underwriter.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraphs (a) or (c) of this Section 3 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Hospital or the Underwriter on grounds of public policy or otherwise, the Hospital and the Underwriter shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Hospital and the Underwriter may be subject in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount bears to the initial offering prices set forth on the cover of the Official Statement and the Hospital is responsible for the balance; provided, however, that (i) in no case shall the Underwriter be responsible for any amount in excess of the underwriting discount applicable to the Bonds purchased by the Underwriter and (ii) no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 3, each person who controls the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights as the Underwriter. Any party entitled to contribution shall, promptly after receipt of notice of any claim or commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph 3(e), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought

from any other obligation it or they may have hereunder or otherwise than under this paragraph 3(e).

4. Notices. Any notice or other communication to be given to the Authority or the Underwriter under the Letter of Representation may be given by delivering the same in writing to the respective addresses set forth in Section 16 of the Bond Purchase Agreement; and any notice or other communication to be given to the Hospital under the Letter of Representation may be given by delivering the same in writing to Memorial Hospital for Cancer and Allied Diseases, 633 Third Avenue, 4th Floor, New York, New York; Attention: Office of the Senior Vice President of Finance.

5. Parties in Interest; Survival of Representations, Warranties and Indemnities, Payment of Expenses. (a) The Letter of Representation is made solely for the benefit of the Authority, the Underwriter, the Hospital (including their respective successors or assigns) and, to the extent set forth herein, persons to be indemnified pursuant to Section 3 of the Letter of Representation (including their respective personal representatives, successors and assigns), and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. (b) All the representations, warranties and indemnities made by the Hospital in the Letter of Representation shall remain operative and in full force and effect and shall survive the date of the Closing (as defined in the Bond Purchase Agreement), regardless of (i) any investigations made by or on behalf of the Underwriter, the Authority or any other person to be indemnified pursuant to Section 3 hereof, (ii) delivery of and payment for the Bonds and (iii) any termination of the Bond Purchase Agreement.

6. Miscellaneous. The headings of the sections of the Letter of Representation are inserted for convenience only and shall not be deemed to be a part hereof.

No recourse under or upon any obligation, covenant or agreement contained in the Letter of Representation shall be had against any officers or trustees of the Hospital or the Underwriter, as individuals. In the event of a conflict between the Loan Agreement and the Letter of Representation, the Loan Agreement shall be controlling. The Letter of Representation shall be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding of the agreement among us, please sign and return to each of us the enclosed duplicates of the Letter of Representation, whereupon this will constitute a binding agreement among us in accordance with the terms hereof. The Authority and the Underwriter may execute their respective acceptances hereof in counterparts.

Very truly yours,

MEMORIAL HOSPITAL FOR CANCER AND ALLIED
DISEASES

By: _____
Authorized Officer

The foregoing is hereby accepted
as of the date first written above.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Authorized Officer

GOLDMAN SACHS & CO. LLC
as Underwriter

By: _____
Authorized Officer

EXHIBIT A-2

\$_[_____]

INSTITUTE LETTER OF REPRESENTATION

[_____], 2020

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

Goldman Sachs & Co. LLC
200 West Street, 33rd Floor
New York, New York 10282

Ladies and Gentlemen:

The Dormitory Authority of the State of New York (the “**Authority**”) and Memorial Sloan Kettering Cancer Center (the “**Institution**”) have entered into a Loan Agreement dated as of February 26, 2003 (the “**Loan Agreement**”), which contemplates the issuance by the Authority of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax Exempt) (the “**2020 Series 1 Bonds**”) and its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “**2020 Series 2 Bonds**” and, together with the 2020 Series 1 Bonds, the “**Bonds**”), in the aggregate principal amount set forth in the heading of this Letter of Representation (the “**Letter of Representation**”). In connection with the Institution’s obligations under the Loan Agreement, Sloan Kettering Institute for Cancer Research (the “**Institute**”) has made a Guaranty of such loan, dated February 23, 2003 (the “**Guaranty**”). Pursuant to the Bond Purchase Agreement, dated the date hereof (the “**Bond Purchase Agreement**”), among the Authority, the Institution and Goldman Sachs & Co. LLC (the “**Underwriter**”), the Underwriter will purchase the Bonds identified in the Bond Purchase Agreement from the Authority for a public offering. The Bonds shall be as described in, and shall be issued and secured under the provisions of, the Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by the Authority on February 26, 2003 (the “**Master Resolution**”) and with respect to the 2020 Series 1 Bonds, authorized by the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 1 Bonds, adopted on [_____], 2020 (the “**2020 Series 1 Series Resolution**”) and with respect to the 2020 Series 2 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 2 Bonds, adopted on [_____], 2020 (the “**2020 Series 2 Series Resolution**”, and collectively with the Master Resolution and the 2020 Series 1 Series Resolution, the “**Resolutions**”).

In order to induce the Authority and the Underwriter to enter into the Bond Purchase Agreement and to make the offering and sale of the Bonds contemplated therein, the Institute hereby makes and undertakes the following representations, warranties, agreements and indemnities. All terms not defined in the Letter of Representation shall have the meanings attributed to them in the Bond Purchase Agreement.

1. Representations and Warranties of the Institute. The Institute represents and warrants to the Authority and to the Underwriter as follows:

(a) The Institute is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York (the “**State**”), and no part of the net earnings of which inures or will inure to the benefit of any private stockholder or individual.

(b) The Institute is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, (the “**Code**”), or corresponding provisions of prior law, and has received a determination letter from the Internal Revenue Service to that effect, which letter has not been modified, limited or revoked, (ii) the Institute is in compliance with all terms, conditions and limitations, if any, contained in such letter, (iii) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, (iv) the Institute is exempt from federal income taxes, except for unrelated business income subject to taxation under Section 511 of the Code and (v) the Institute is not a “private foundation” as that term is defined in Section 509(a) of the Code.

(c) The Institute has all requisite legal right, power and authority to (i) execute and deliver the Guaranty and to execute and deliver the Letter of Representation and to perform its obligations hereunder and thereunder, and (ii) consummate the transactions to which it is or is to be a party as contemplated by the Guaranty and the Letter of Representation.

(d) The Institute has duly authorized by all necessary actions: (i) the execution and delivery of the Letter of Representation and the Guaranty, (ii) the performance of its obligations thereunder and (iii) the consummation of the transactions to which the Institute is or is to be a party as contemplated by the Letter of Representation and the Guaranty. Such authorized acts: (i) do not and will not in any material respect conflict with or constitute on the part of the Institute a breach of or default under (A) any agreement or other instrument to which the Institute is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or (B) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties, assets or operations are bound or subject; and (ii) except as contemplated in the Guaranty, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Institute’s revenues, properties, assets or operations.

(e) The Guaranty constitutes, and the Letter of Representation will, when executed and delivered by the Institute, constitute legal, valid and binding obligations of the Institute, enforceable in accordance with their respective terms except as they may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights and general equitable principles.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Institute of its obligations under the Guaranty or the Letter of Representation or the consummation of the transactions to which the Institute is or is to be a party as contemplated by the Letter of Representation and the Guaranty, which are required to be obtained by the Institute, have been

duly obtained and are in full force and effect except for (i) recordings and filings to be done at the time of the Closing and (ii) such approvals, consents and other actions as may be required under the blue sky or other securities laws of any state or other jurisdiction of the United States in connection with the offering and sale of the Bonds.

(g) The Institute is not in breach of or in default under any agreement or other instrument to which the Institute is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, which breach or default is material to the transactions contemplated hereby and by the Guaranty; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such instrument, such a breach or default material to such transactions.

(h) Except as specifically set forth in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of the Institute, threatened: (i) that reasonably might result in material liability on the part of the Institute; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the Letter of Representation or the Guaranty, or (B) the validity or enforceability of the Guaranty, the Letter of Representation or any agreement or instrument to which the Institute is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Guaranty.

(i) Since December 31, 2019 no material adverse change has occurred in the financial position of the Institute or in its results of operations, except as set forth in or contemplated by the Preliminary Official Statement and the Official Statement, nor has the Institute, since such date, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Preliminary Official Statement and the Official Statement.

(j) The audited financial statements with respect to Memorial Sloan Kettering Cancer Center and Affiliated Corporations (“**MSKCC**”) included in the Preliminary Official Statement and the Official Statement have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such financial statements) and fairly present the financial position and results of operations of MSKCC at the respective dates and for the respective period indicated therein.

(k) In connection with the sale and issuance of the Bonds, (A) the Underwriter is acting solely as principal and not as advisor or fiduciary of the Institute, (B) the Underwriter has not assumed any advisory or fiduciary responsibility to the Institute, (C) the Underwriter has financial and other interests that differ from those of the Institute, (D) the Underwriter has not assumed any obligation to the Institute in connection with the sale and issuance of the Bonds other than the obligations expressly set forth in this Agreement and (E) the Institute has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate.

Any certificate signed by any officer of the Institute and delivered to DASNY or the Underwriter pursuant hereto or to the Bond Purchase Agreement shall be deemed to be a representation and warranty by the Institute as to the statements made therein with the same effect as if such representations and warranty were set forth herein.

2. Agreement of the Institute. The Institute agrees with the Underwriter as follows:

(a) The Institute hereby consents to the use of the Guaranty and the Letter of Representation by the Underwriter in obtaining such qualifications and determining such eligibilities with regard to qualifying the Bonds for offer and sale under the blue sky or other securities laws of such states and other jurisdictions of the United States as the Underwriter may designate.

3. Indemnification. (a) The Institute shall indemnify and hold harmless DASNY, its members, officers, employees and agents and each person who controls DASNY within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**DASNY Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such DASNY Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an allegation or determination that any statement or information (other than information contained in the DASNY Section in the Official Statement or any amendment thereof or supplement thereto or in the Preliminary Official Statement, that is (or is alleged to be) untrue, incorrect or misleading in any material respect or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Institute will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which the Institute may otherwise have to any DASNY Indemnified Party, provided that in no event shall the Institute be obligated for double indemnification.

(b) The Institute shall indemnify and hold harmless, the Underwriter, its respective members, officers, employees and agents and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**Underwriter Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach by the Institute of any of its representations and warranties as set forth in Section 1 hereof; provided, however, that the Institute will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which the Institute may otherwise have

to any Underwriter Indemnified Party, provided that in no event shall the Institute be obligated for double indemnification.

(c) Any DASNY Indemnified Party or Underwriter Indemnified Party (each an “**Indemnified Party**”) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification will be sought against the Institute under this Section 3, notify the Institute in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of the Institute by the amount of damages attributable to the failure of such Indemnified Party to give such notice to the Institute, but the failure to notify the Institute of any such claim or action shall not relieve the Institute from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained in this Section 3. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Institute of the commencement thereof, the Institute may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party and after notice from the Institute to such Indemnified Party of an election so to assume the defense thereof and approval of counsel by the Indemnified Party the Institute will not be liable to such Indemnified Party under this Section 3 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Institute assumes the defense of any such action at the request of such Indemnified Party, the Institute shall have the right to participate at its own expense in the defense of any such action. If the Institute shall not have employed counsel, satisfactory to the Indemnified Party, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or any other Indemnified Party that are different from or additional to those available to the Institute (in which case the Institute shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnified Party shall be borne by the Institute.

(d) (i) The Underwriter agrees to indemnify and hold harmless DASNY and the Institute and each of their members, trustees, officers, employees and agents (such person being herein called an “**Indemnitee**”) against any and all claims, causes of action, damages, liabilities, amounts paid in settlement of litigation, losses or expenses whatsoever incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities (or actions in respect thereof), arise out of or are based upon any statement or information contained under the caption “**PART 14-UNDERWRITING**” in the Preliminary Official Statement or the Official Statement or any amendment thereof or supplement thereto and that is (or is alleged to be) untrue, incorrect or misleading in any material respect, or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein (under said caption), in light of the circumstances under which they were made, not misleading.

(ii) An Indemnitee shall, promptly after the receipt of notice of commencement of any action against such Indemnitee in respect of which indemnification will be sought against the Underwriter under this Section 3(d), notify the Underwriter in writing of the commencement thereof. Failure of the Indemnitee to give notice will reduce the liability of the Underwriter by the

amount of damages attributable to the failure of the Indemnitee to give such notice to the Underwriter, but the omission to notify the Underwriter of any such claim or action shall not relieve the Underwriter from any liability that they may have to such Indemnitee otherwise than under the indemnity agreement contained in this Section 3(d). In case any such action shall be brought against an Indemnitee and such Indemnitee shall notify the Underwriter of the commencement thereof, the Underwriter may, or if so requested by such Indemnitee shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnitee and after notice from the Underwriter to such Indemnitee of an election so to assume the defense thereof and approval of counsel by the Indemnitee the Underwriter will not be liable to such Indemnitee under this Section 3(d) for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Underwriter assumes the defense of any such action at the request of such Indemnitee, the Underwriter shall have the right to participate at their own expense in the defense of any such action. If the Underwriter shall not have employed counsel, satisfactory to the Indemnitee, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnitee shall have reasonably concluded that there may be defenses available to it and/or any other Indemnitee that are different from or additional to those available to the Underwriter (in which case the Underwriter shall not have the right to direct the defense of such action on behalf of such Indemnitee), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnitee shall be borne by the Underwriter.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraphs (a) or (c) of this Section 3 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Institute or the Underwriter on grounds of public policy or otherwise, the Institute and the Underwriter shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Institute and the Underwriter may be subject in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount bears to the initial offering prices set forth on the cover of the Official Statement and the Institute is responsible for the balance; provided, however, that (i) in no case shall the Underwriter be responsible for any amount in excess of the underwriting discount applicable to the Bonds purchased by the Underwriter and (ii) no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 3, each person who controls the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights as the Underwriter. Any party entitled to contribution shall, promptly after receipt of notice of any claim or commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph 3(e), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph 3(e).

4. Notices. Any notice or other communication to be given to the Authority or the Underwriter under the Letter of Representation may be given by delivering the same in writing to

the respective addresses set forth in Section 16 of the Bond Purchase Agreement; and any notice or other communication to be given to the Institute under the Letter of Representation may be given by delivering the same in writing to Memorial Sloan Kettering Institute for Cancer Research, 633 Third Avenue, 4th Floor, New York, New York; Attention: Office of the Senior Vice President of Finance.

5. Parties in Interest; Survival of Representations, Warranties and Indemnities, Payment of Expenses. (a) The Letter of Representation is made solely for the benefit of the Authority, the Underwriter, the Institute (including their respective successors or assigns) and, to the extent set forth herein, persons to be indemnified pursuant to Section 3 of the Letter of Representation (including their respective personal representatives, successors and assigns), and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. (b) All the representations, warranties and indemnities made by the Institute in the Letter of Representation shall remain operative and in full force and effect and shall survive the date of the Closing (as defined in the Bond Purchase Agreement), regardless of (i) any investigations made by or on behalf of the Underwriter, the Authority or any other person to be indemnified pursuant to Section 3 hereof, (ii) delivery of and payment for the Bonds and (iii) any termination of the Bond Purchase Agreement.

6. Miscellaneous. The headings of the sections of the Letter of Representation are inserted for convenience only and shall not be deemed to be a part hereof.

No recourse under or upon any obligation, covenant or agreement contained in the Letter of Representation shall be had against any officers or trustees of the Institute or the Underwriter, as individuals. In the event of a conflict between the Loan Agreement and the Letter of Representation, the Loan Agreement shall be controlling. The Letter of Representation shall be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding of the agreement among us, please sign and return to each of us the enclosed duplicates of the Letter of Representation, whereupon this will constitute a binding agreement among us in accordance with the terms hereof. The Authority and the Underwriter may execute their respective acceptances hereof in counterparts.

Very truly yours,

MEMORIAL SLOAN KETTERING INSTITUTE FOR
CANCER RESEARCH

By: _____
Authorized Officer

The foregoing is hereby accepted
as of the date first written above.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Authorized Officer

GOLDMAN SACHS & CO. LLC
as Underwriter

By: _____
Authorized Officer

EXHIBIT A-3

\$_[_____]
REALTY LETTER OF REPRESENTATION

[_____], 2020

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

Goldman Sachs & Co. LLC
200 West Street, 33rd Floor
New York, New York 10282

Ladies and Gentlemen:

The Dormitory Authority of the State of New York (the “**Authority**”) and Memorial Sloan Kettering Cancer Center (the “**Institution**”) have entered into a Loan Agreement dated as of February 26, 2003 (the “**Loan Agreement**”), which contemplates the issuance by the Authority of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax Exempt) (the “**2020 Series 1 Bonds**”) and its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “**2020 Series 2 Bonds**” and, together with the 2020 Series 1 Bonds, the “**Bonds**”), in the aggregate principal amount set forth in the heading of this Letter of Representation (the “**Letter of Representation**”). In connection with the Institution’s obligations under the Loan Agreement, S.K.I Realty, Inc. (“**Realty**”) has made a Guaranty of such loan, dated February 23, 2003 (the “**Guaranty**”). Pursuant to the Bond Purchase Agreement, dated the date hereof (the “**Bond Purchase Agreement**”), among the Authority, the Institution and Goldman Sachs & Co. LLC (the “**Underwriter**”), the Underwriter will purchase the Bonds identified in the Bond Purchase Agreement from the Authority for a public offering. The Bonds shall be as described in, and shall be issued and secured under the provisions of, the Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by the Authority on February 26, 2003 (the “**Master Resolution**”) and with respect to the 2020 Series 1 Bonds, authorized by the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 1 Bonds, adopted on [_____], 2020 (the “**2020 Series 1 Series Resolution**”) and with respect to the 2020 Series 2 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center Series Resolution authorizing the 2020 Series 2 Bonds, adopted on [_____], 2020 (the “**2020 Series 2 Series Resolution**”, and collectively with the Master Resolution and the 2020 Series 1 Series Resolution, the “**Resolutions**”).

In order to induce the Authority and the Underwriter to enter into the Bond Purchase Agreement and to make the offering and sale of the Bonds contemplated therein, Realty hereby makes and undertakes the following representations, warranties, agreements and indemnities. All

terms not defined in the Letter of Representation shall have the meanings attributed to them in the Bond Purchase Agreement.

1. Representations and Warranties of Realty. Realty represents and warrants to the Authority and to the Underwriter as follows:

(a) Realty is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York (the “**State**”), and no part of the net earnings of which inures or will inure to the benefit of any private stockholder or individual.

(b) Realty is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, (the “**Code**”), or corresponding provisions of prior law, and has received a determination letter from the Internal Revenue Service to that effect, which letter has not been modified, limited or revoked, (ii) Realty is in compliance with all terms, conditions and limitations, if any, contained in such letter, (iii) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, (iv) and Realty is exempt from federal income taxes, except for unrelated business income subject to taxation under Section 511 of the Code and (v) Realty is not a “private foundation” as that term is defined in Section 509(a) of the Code.

(c) Realty has all requisite legal right, power and authority to (i) execute and deliver the Guaranty and to execute and deliver the Letter of Representation and to perform its obligations hereunder and thereunder, and (ii) consummate the transactions to which it is or is to be a party as contemplated by the Guaranty and the Letter of Representation.

(d) Realty has duly authorized by all necessary actions: (i) the execution and delivery of the Letter of Representation and the Guaranty, (ii) the performance of its obligations thereunder and (iii) the consummation of the transactions to which Realty is or is to be a party as contemplated by the Letter of Representation and the Guaranty. Such authorized acts: (i) do not and will not in any material respect conflict with or constitute on the part of Realty a breach of or default under (A) any agreement or other instrument to which Realty is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or (B) any existing law, administrative regulation, judgment, order, decree or ruling by or to which it or its revenues, properties, assets or operations are bound or subject; and (ii) except as contemplated in the Guaranty, will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Realty’s revenues, properties, assets or operations.

(e) The Guaranty constitutes, and the Letter of Representation will, when executed and delivered by Realty, constitute legal, valid and binding obligations of Realty, enforceable in accordance with their respective terms except as they may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights and general equitable principles.

(f) All consents, approvals, authorizations or orders of, or filings, registrations or declarations with, any court, governmental authority, legislative body, board, agency or commission which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by Realty of its obligations under the Guaranty or the Letter of Representation or the consummation

of the transactions to which Realty is or is to be a party as contemplated by the Letter of Representation and the Guaranty, which are required to be obtained by Realty, have been duly obtained and are in full force and effect except for (i) recordings and filings to be done at the time of the Closing and (ii) such approvals, consents and other actions as may be required under the blue sky or other securities laws of any state or other jurisdiction of the United States in connection with the offering and sale of the Bonds.

(g) Realty is not in breach of or in default under any agreement or other instrument to which Realty is a party or by or to which it or its revenues, properties, assets or operations are bound or subject or any existing administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, which breach or default is material to the transactions contemplated hereby and by the Guaranty; and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute, under any such instrument, such a breach or default material to such transactions.

(h) Except as specifically set forth in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is pending or, to the best knowledge of Realty, threatened: (i) that reasonably might result in material liability on the part of Realty; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the Letter of Representation or the Guaranty, or (B) the validity or enforceability of the Guaranty, the Letter of Representation or any agreement or instrument to which Realty is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Guaranty.

(i) Since December 31, 2019 no material adverse change has occurred in the financial position of Realty or in its results of operations, except as set forth in or contemplated by the Preliminary Official Statement and the Official Statement, nor has Realty, since such date, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Preliminary Official Statement and the Official Statement.

(j) The audited financial statements with respect to Memorial Sloan Kettering Cancer Center and Affiliated Corporations (“**MSKCC**”) included in the Preliminary Official Statement and the Official Statement have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods concerned (except as otherwise disclosed in the notes to such financial statements) and fairly present the financial position and results of operations of MSKCC at the respective dates and for the respective period indicated therein.

(k) In connection with the sale and issuance of the Bonds, (A) the Underwriter is acting solely as principal and not as advisor or fiduciary of Realty, (B) the Underwriter has not assumed any advisory or fiduciary responsibility to Realty, (C) the Underwriter has financial and other interests that differ from those of Realty, (D) the Underwriter has not assumed any obligation to Realty in connection with the sale and issuance of the Bonds other than the obligations expressly set forth in this Agreement and (E) Realty has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent that it has deemed appropriate.

Any certificate signed by any officer of Realty and delivered to DASNY or the Underwriter pursuant hereto or to the Bond Purchase Agreement shall be deemed to be a representation and

warranty by Realty as to the statements made therein with the same effect as if such representations and warranty were set forth herein.

2. Agreement of Realty. Realty agrees with the Underwriter as follows:

(a) Realty hereby consents to the use of the Guaranty and the Letter of Representation by the Underwriter in obtaining such qualifications and determining such eligibilities with regard to qualifying the Bonds for offer and sale under the blue sky or other securities laws of such states and other jurisdictions of the United States as the Underwriter may designate.

3. Indemnification. (a) Realty shall indemnify and hold harmless DASNY, its members, officers, employees and agents and each person who controls DASNY within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**DASNY Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such DASNY Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an allegation or determination that any statement or information (other than information contained in the DASNY Section in the Official Statement or any amendment thereof or supplement thereto or in the Preliminary Official Statement, that is (or is alleged to be) untrue, incorrect or misleading in any material respect or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that Realty will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which Realty may otherwise have to any DASNY Indemnified Party, provided that in no event shall Realty be obligated for double indemnification.

(b) Realty shall indemnify and hold harmless, the Underwriter, its respective members, officers, employees and agents and each person who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended (such Act being herein called the “**Securities Act**” and any of the foregoing being herein called an “**Underwriter Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under any statute or at law or in equity or otherwise, and shall reimburse any such Underwriter Indemnified Party for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any breach by Realty of any of its representations and warranties as set forth in Section 1 hereof; provided, however, that Realty will not be liable for the amount of any settlement of any claim or action made without its prior written consent. This indemnity agreement shall not be construed as a limitation on any other liability which Realty may otherwise have to any Underwriter Indemnified Party, provided that in no event shall Realty be obligated for double indemnification.

(c) Any DASNY Indemnified Party or Underwriter Indemnified Party (each an “**Indemnified Party**”) shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification will be sought against Realty under this Section 3, notify Realty in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of Realty by the amount of damages attributable to the failure of such Indemnified Party to give such notice to Realty, but the failure to notify Realty of any such claim or action shall not relieve Realty from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained in this Section 3. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Realty of the commencement thereof, Realty may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party and after notice from Realty to such Indemnified Party of an election so to assume the defense thereof and approval of counsel by the Indemnified Party Realty will not be liable to such Indemnified Party under this Section 3 for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until Realty assumes the defense of any such action at the request of such Indemnified Party, Realty shall have the right to participate at its own expense in the defense of any such action. If Realty shall not have employed counsel, satisfactory to the Indemnified Party, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or any other Indemnified Party that are different from or additional to those available to Realty (in which case Realty shall not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnified Party shall be borne by Realty.

(d) (i) The Underwriter agrees to indemnify and hold harmless DASNY and Realty and each of their members, trustees, officers, employees and agents (such person being herein called an “**Indemnitee**”) against any and all claims, causes of action, damages, liabilities, amounts paid in settlement of litigation, losses or expenses whatsoever incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities (or actions in respect thereof), arise out of or are based upon any statement or information contained under the caption “**PART 14-UNDERWRITING**” in the Preliminary Official Statement or the Official Statement or any amendment thereof or supplement thereto and that is (or is alleged to be) untrue, incorrect or misleading in any material respect, or the omission (or alleged omission) therefrom of any material fact necessary in order to make the statements therein (under said caption), in light of the circumstances under which they were made, not misleading.

(ii) An Indemnitee shall, promptly after the receipt of notice of commencement of any action against such Indemnitee in respect of which indemnification will be sought against the Underwriter under this Section 3(d), notify the Underwriter in writing of the commencement thereof. Failure of the Indemnitee to give notice will reduce the liability of the Underwriter by the amount of damages attributable to the failure of the Indemnitee to give such notice to the Underwriter, but the omission to notify the Underwriter of any such claim or action shall not relieve the Underwriter from any liability that they may have to such Indemnitee otherwise than under the indemnity agreement contained in this Section 3(d). In case any such action shall be

brought against an Indemnitee and such Indemnitee shall notify the Underwriter of the commencement thereof, the Underwriter may, or if so requested by such Indemnitee shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnitee and after notice from the Underwriter to such Indemnitee of an election so to assume the defense thereof and approval of counsel by the Indemnitee the Underwriter will not be liable to such Indemnitee under this Section 3(d) for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Underwriter assumes the defense of any such action at the request of such Indemnitee, the Underwriter shall have the right to participate at their own expense in the defense of any such action. If the Underwriter shall not have employed counsel, satisfactory to the Indemnitee, to have charge of the defense of any such action within a reasonable time after notice of commencement of such action, or if an Indemnitee shall have reasonably concluded that there may be defenses available to it and/or any other Indemnitee that are different from or additional to those available to the Underwriter (in which case the Underwriter shall not have the right to direct the defense of such action on behalf of such Indemnitee), legal and other expenses, including the expenses of separate counsel, incurred by such Indemnitee shall be borne by the Underwriter.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraphs (a) or (c) of this Section 3 is due in accordance with its terms but is for any reason held by a court to be unavailable from Realty or the Underwriter on grounds of public policy or otherwise, Realty and the Underwriter shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which Realty and the Underwriter may be subject in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount bears to the initial offering prices set forth on the cover of the Official Statement and Realty is responsible for the balance; provided, however, that (i) in no case shall the Underwriter be responsible for any amount in excess of the underwriting discount applicable to the Bonds purchased by the Underwriter and (ii) no person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 3, each person who controls the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights as the Underwriter. Any party entitled to contribution shall, promptly after receipt of notice of any claim or commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph 3(e), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph 3(e).

4. Notices. Any notice or other communication to be given to the Authority or the Underwriter under the Letter of Representation may be given by delivering the same in writing to the respective addresses set forth in Section 16 of the Bond Purchase Agreement; and any notice or other communication to be given to the Institute under the Letter of Representation may be given by delivering the same in writing to S.K.I Realty Inc., 633 Third Avenue, 4th Floor, New York, New York; Attention: Office of the Senior Vice President of Finance.

5. Parties in Interest; Survival of Representations, Warranties and Indemnities, Payment of Expenses. (a) The Letter of Representation is made solely for the benefit of the Authority, the Underwriter, Realty (including their respective successors or assigns) and, to the extent set forth herein, persons to be indemnified pursuant to Section 3 of the Letter of Representation (including their respective personal representatives, successors and assigns), and no other person, partnership, association or corporation shall acquire or have any right under or by virtue hereof. (b) All the representations, warranties and indemnities made by Realty in the Letter of Representation shall remain operative and in full force and effect and shall survive the date of the Closing (as defined in the Bond Purchase Agreement), regardless of (i) any investigations made by or on behalf of the Underwriter, the Authority or any other person to be indemnified pursuant to Section 3 hereof, (ii) delivery of and payment for the Bonds and (iii) any termination of the Bond Purchase Agreement.

6. Miscellaneous. The headings of the sections of the Letter of Representation are inserted for convenience only and shall not be deemed to be a part hereof.

No recourse under or upon any obligation, covenant or agreement contained in the Letter of Representation shall be had against any officers or trustees of Realty or the Underwriter, as individuals. In the event of a conflict between the Loan Agreement and the Letter of Representation, the Loan Agreement shall be controlling. The Letter of Representation shall be governed by and construed in accordance with the laws of the State of New York.

If the foregoing is in accordance with your understanding of the agreement among us, please sign and return to each of us the enclosed duplicates of the Letter of Representation, whereupon this will constitute a binding agreement among us in accordance with the terms hereof. The Authority and the Underwriter may execute their respective acceptances hereof in counterparts.

Very truly yours,

S.K.I. REALTY INC.

By: _____
Authorized Officer

The foregoing is hereby accepted
as of the date first written above.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

By: _____
Authorized Officer

GOLDMAN SACHS & CO. LLC
as Underwriter

By: _____
Authorized Officer

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

CERTIFICATE OF THE UNDERWRITER

Goldman Sachs & Co. LLC has acted as the Underwriter listed in the Bond Purchase Agreement entered into in connection with the sale and issuance by the Dormitory Authority of the State of New York (the “**Authority**”) of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (the “**Bonds**”), in the aggregate principal amount of \$[_____], being issued on the date hereof, and the Underwriter hereby certifies and represents the following:

1. As of [____], 2020 (the “**Sale Date**”), all of the Bonds were the subject of a bona fide offering to the Public at the respective prices or yields set forth on the inside cover page of the Authority’s Official Statement in respect of the Bonds dated [____], 2020 (the “**Initial Offering Price**”), which are the same prices or yields shown on the final pricing wire for the offering of the Bonds attached hereto as Schedule 1.
2. As of the Sale Date, [except for the Maturities [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the “**Unsold Maturities**”), shown on Schedule 2 attached hereto,] the first price at which 10 percent of each Maturity of the Bonds was sold by the Underwriter to the Public is set forth on Schedule 1.
3. [HOLD THE PRICE – UNDERWRITER ALLOTTED UNSOLD MATURITIES] On and following the Sale Date, with respect to the initial sales of the Unsold Maturities, the Underwriter: (i) has retained the unsold principal amounts of the Bonds of the Unsold Maturities as shown in Schedule 2 attached hereto, and (ii) has neither offered nor sold any such Bonds of Unsold Maturities to any person at a price that is higher or yield lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at a price that is at or below the Initial Offering Price.

For purposes of this Certificate, the following definitions apply:

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (c) *Related Party* means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships

(including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The Underwriter understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Certificate and Agreement to which this certificate is included as Exhibit [____] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP and Marous Law Group, P.C., as co-bond counsel to the Authority, in connection with providing an opinion as to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”), the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Authority from time to time relating to the Bonds. The Underwriter is certifying only as to facts in existence on the date hereof. Nothing herein represents the Underwriter’s interpretation of any laws, in particular the Treasury Regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

Dated: [____], 2020

GOLDMAN SACHS & CO. LLC

By: _____
Name: _____
Title: _____

FINAL PRICING WIRE

EXHIBIT C

SCHEDULE OF DASNY DOCUMENTS

1. Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by the Dormitory Authority of the State of New York (“DASNY”) on February 26, 2003;
2. Supplemental and Amendatory Resolution of DASNY adopted on September 11, 2019;
3. Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [_____] , 2020.
4. Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 adopted by DASNY on [_____] , 2020
5. Loan Agreement, dated as of February 26, 2003 as previously supplemented and amended, between DASNY and Memorial Sloan Kettering Cancer Center (the “Institution”);
6. Second Amendment of Loan Agreement dated as of September 11, 2019 between DASNY and the Institution;
7. Inducement Agreement, dated as of February 26, 2003, between Sloan Kettering Hospital for Cancer Research and DASNY;
8. Bond Series Certificates, dated as of [_____] , 2020, relating to the Bonds;
9. Tax Certificate and Agreement, dated as of [_____] , 2020, between DASNY and the Institution;
10. The Bonds; and
11. Bond Purchase Agreement, dated as of [_____] , 2020, among DASNY, the Institution and Goldman Sachs & Co. LLC.

EXHIBIT D

SCHEDULE OF INSTITUTION DOCUMENTS

1. Loan Agreement, dated as of February 26, 2003 as previously supplemented and amended, between the Dormitory Authority of the State of New York (“DASNY”) and Memorial Sloan Kettering Cancer Center (the “Institution”);
2. Second Amendment of Loan Agreement dated as of September 11, 2019, between DASNY and the Institution;
3. Inducement Agreement, dated as of February 26, 2003, between Sloan Kettering Hospital for Cancer Research and DASNY;
4. Tax Certificate and Agreement, dated as of [____], 2020, between DASNY and the Institution;
5. Agreement to Provide Continuing Disclosure, dated as of [____], 2020, among the Institution, The Bank of New York Mellon, as trustee and Digital Assurance Certification LLC;
6. The Guaranties;
7. Bond Purchase Agreement, dated as of [____], 2020, among DASNY, the Institution and Goldman Sachs & Co. LLC;
8. Preliminary Official Statement, dated as of [____], 2020, related to the Bonds; and
9. Official Statement, dated as of [____], 2020, related to the Bonds.

EXHIBIT E

CERTIFICATE OF DASNY

I, the undersigned, an Authorized Officer of the Dormitory Authority of the State of New York (the “Authority”), **DO HEREBY CERTIFY** as follows:

This certificate is executed in compliance with Paragraph 11(c)(iii) of the Bond Purchase Agreement, dated [____], 2020 (the “Bond Purchase Agreement”), by and among the Authority, Memorial Sloan Kettering Cancer Center (the “Institution”) and Goldman Sachs & Co. LLC (the “Underwriter”) in connection with the sale and issuance by the Authority of \$_____ aggregate principal amount of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) (the “2020 Series 1 Bonds”) and its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “Series 2020 Bonds”), issued pursuant to the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bond Resolution, adopted February 26, 2003 (the “General Resolution”), as supplemented and amended by the Supplemental and Amendatory Resolution adopted on September 11, 2019 (the “Supplemental and Amendatory Resolution”), and with respect to the 2020 Series 1 Bonds, authorized by the Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [____], 2020 (the “2020 Series 1 Series Resolution”), and with respect to the 2020 Series 2 Bonds, authorized by the Series Resolution Authorizing Up To \$[_____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 adopted by DASNY on [____], 2020 (the “2020 Series 2 Series Resolution”, and, together with the 2020 Series 1 Series Resolution, the General Resolution and the Supplemental and Amendatory Resolution, the “Resolution”).

1. Attached to the Record of Proceedings as documents [], [] and [] are true and complete copies of the DASNY Documents (as defined in the Bond Purchase Agreement), each of which is duly executed by an Authorized Officer of the Authority, which DASNY Documents have not been amended, supplemented, modified or terminated and, assuming due execution thereof by any other party thereto, are in full force and effect on the date hereof.

2. The representations and warranties of the Authority contained in Section 5 of the Bond Purchase Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof.

3. The Authority has complied with all the terms of the DASNY Documents to be complied with by it prior to or concurrently with the delivery of the Series 2020 Bonds.

4. As of the date hereof, the Authority is not, and, as a result of the issuance of the Series 2020 Bonds, shall not be, in default in the performance of any of the covenants, conditions, agreements or provisions of the DASNY Documents.

5. I have reviewed the Official Statement, dated [____], 2020, relating to the Series 2020 Bonds (the “Official Statement”), and no event affecting the Authority has occurred since the date of the Official Statement that would cause the information contained in the DASNY

Section (as defined in the Bond Purchase Agreement) of the Official Statement to be either untrue or incorrect in any material respect or to contain any untrue statement of a material fact or to omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. Attached hereto as Exhibit A is a true and complete copy of the By-Laws of the Authority as the same have been amended from time to time and as the same have been in full force and effect during the period from [____], 2020, to and including the date hereof.

7. The duly appointed, qualified and acting members of the Authority from [____], 2020, to and including the date hereof, are as set forth in the Official Statement dated [____], 2020, relating to the Series 2020 Bonds.

8. The duly elected or appointed and acting officers of the Authority from [____], 2020, to and including the date hereof are identified on Exhibit B attached hereto.

9. The signatures of the Authorized Officers of the Authority, as such term is defined in the Resolution, set forth opposite their names and titles in Exhibit B attached hereto, are true specimens of their signatures.

10. Alfonso L. Carney, Jr. Esq., Chair of the Authority, and Michael E. Cusack, as Assistant Secretary of the Authority, did heretofore cause to be officially executed the Series 2020 Bonds. Said Chair of the Authority has caused the Series 2020 Bonds to be executed by imprinting thereon a facsimile of his signature and said Chair of the Authority was on the date his facsimile signature was imprinted on the Series 2020 Bonds and is now, the duly elected, qualified and acting Chair of the Authority. Said Assistant Secretary has caused the official seal of the Authority to be imprinted on the Series 2020 Bonds and attested by his facsimile signature, and said Assistant Secretary was, on the date his facsimile signature was imprinted on the Series 2020 Bonds, and is now, the duly elected, qualified and acting Assistant Secretary of the Authority.

11. The seal which has been imprinted on the Series 2020 Bonds is the legally adopted proper and only official corporate seal of the Authority.

12. Attached as Exhibit A to document number [] of the Record of Proceedings are specimens identical in all respects with the Series 2020 Bonds in fully registered form, this day delivered to, or upon the order of, Goldman Sachs & Co. LLC, as the Underwriter of the Series 2020 Bonds, except as to number, amount, maturity, interest rate, signatures and name of registered owner or owners. Such specimens of the Series 2020 Bonds are in the form prescribed by the Resolution.

13. As of the date hereof, the Authority has not been notified by any representative of the Public Authorities Control Board (the "PACB") that the PACB's Resolution No. _____ adopted on _____ (the "PACB Resolution"), has been amended, modified, supplemented, annulled, rescinded or revoked, and to the best knowledge of the undersigned, said PACB Resolution remains in full force and effect on and as of the date hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of [____], 2020.

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

By _____
Name:
Title:

EXHIBIT F

CERTIFICATE OF THE INSTITUTION

I, the undersigned, the _____ of Memorial Sloan Kettering Cancer Center (the “Institution”), as an Authorized Officer thereof, **DO HEREBY CERTIFY** that:

1. This certificate is executed in compliance with Paragraph 11(c)(v) of the Bond Purchase Agreement, dated [____], 2020 (the “Bond Purchase Agreement”), by and among the Authority, the Institution and Goldman Sachs & Co. LLC (the “Underwriter”) in connection with the sale and issuance by the Dormitory Authority of the State of New York (the “Authority”) of \$_____ aggregate principal amount of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) (the “2020 Series 1 Bonds”) and its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “Series 2020 Bonds”), issued pursuant to the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bond Resolution, adopted February 26, 2003 (the “General Resolution”), as supplemented and amended by the Supplemental and Amendatory Resolution adopted on September 11, 2019 (the “Supplemental and Amendatory Resolution”), and with respect to the 2020 Series 1 Bonds, authorized by the Series Resolution Authorizing Up To \$[____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [____], 2020 (the “2020 Series 1 Series Resolution”), and with respect to the 2020 Series 2 Bonds, authorized by the Series Resolution Authorizing Up To \$[____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 adopted by DASNY on [____], 2020 (the “2020 Series 2 Series Resolution”, and, together with the 2020 Series 1 Series Resolution, the General Resolution and the Supplemental and Amendatory Resolution, the “Resolution”).

2. The representations and warranties of the Institution contained in the Loan Agreement, dated as of February 26, 2003 as previously supplemented and amended (the “Loan Agreement”), between the Authority and the Institution, and in Section 7 of the Bond Purchase Agreement are true and correct in all material respects on and as of the date hereof as if such representations and warranties had been made on and as of the date hereof.

3. The Institution has full legal power and authority to own its property, conduct its business and execute, enter into and perform in all material respects its obligations and duties under the Institution Documents (as defined in the Bond Purchase Agreement) to which it is a party and has complied with all terms of the Institution Documents (as defined in the Bond Purchase Agreement) required to be complied with by it prior to or concurrently with the delivery of the Series 2020 Bonds.

4. The Institution has obtained all necessary material licenses, approvals, consents and orders of any governmental authority, board, agency, commission or other body which would constitute a condition precedent to or are otherwise required in connection with the performance of any of its obligations under any of the Institution Documents, and any and all instruments delivered pursuant to or in connection therewith.

5. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by a court, governmental agency, public board or body, pending or, to the best of the Institution's knowledge, threatened, against the Institution affecting the existence of the Institution or in any way contesting or affecting the validity or enforceability of the Institution Documents or contesting the powers of the Institution to execute and deliver or to consummate the transactions contemplated in such documents.

6. The consummation of the transactions on the part of the Institution contemplated in the Institution Documents and any and all instruments and documents required to be executed or delivered pursuant to or in connection therewith, and the compliance by the Institution with the terms, conditions and provisions of such documents, do not contravene any provision of applicable law, administrative regulation, court decree, writ, injunction, any Members' Certificate of Incorporation or By-Laws, or any material agreement, resolution, indenture, note, contract, or other instrument to which the Institution is a party or by which it may be bound or by which its properties may be affected

7. I have reviewed the Official Statement, dated [____], 2020, relating to the Series 2020 Bonds (the "Official Statement"), and no event affecting the Institution, the Hospital, the Institute or Realty has occurred since the date of the Official Statement that would cause the Institution Information contained in the Official Statement (as defined in the Bond Purchase Agreement)) to be either untrue or incorrect in any material respect or to contain any untrue statement of a material fact or to omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

8. Attached hereto is a true and complete copy of the Certificate of Incorporation of the Institution, which has not been amended, modified or supplemented since the date of the certificate of the Secretary of State of the State of New York as to the incorporation and good standing of the Institution in the State of New York, as referred to in Section 11(c)(vi) of the Bond Purchase Agreement;

9. Since the date of the financial statements of the Institution included in the Official Statement, there has been no material adverse change, or, in the reasonable judgement of the Institution, any development involving a prospective material adverse change, in the condition (financial or other), earnings, business or properties of the Institution, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Official Statement.

10. Attached hereto is a true and complete copy of the By-Laws of the Institution as in effect from the date of adoption of the resolutions referred to in Paragraph 11 below through the date hereof, which have not been amended, modified or supplemented since the date thereof;

11. Attached hereto is a true and complete copy of resolutions duly adopted by the Board of Trustees of the Institution, authorizing the execution and delivery of the Institution Documents, authorizing and approving the transactions contemplated in the Institution Documents, and approving the inclusion of the Institution Information in the Preliminary Official Statement and the Official Statement, and such resolutions have not been in any way amended, annulled, rescinded or revoked and are in full force and effect as of the date hereof;

12. Attached hereto is a list of the respective officers who are authorized officers of the Institution under the resolutions, and the signatures opposite their names and titles on such exhibit are true specimens of their signatures.

13. The Institution is not, and, as the result of the issuance of the Series 2020 Bonds, shall not be, in default in the performance of any covenants, condition, agreements, or provisions contained in the Institution Documents.

14. The minute books were made available to Katten Muchin Rosenman LLP, co-counsel to the Underwriter, contained all minutes of the proceedings of the Board of Trustees for the period requested.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of [____], 2020.

**MEMORIAL SLOAN KETTERING
CANCERN CENTER**

By _____
Name:
Title:

EXHIBIT G-1

FORM OF AGREED UPON PROCEDURES LETTER

[To be provided by Ernst & Young]

EXHIBIT G-2

FORM OF AGREED UPON PROCEDURES LETTER BRING DOWN LETTER

[To be provided by Ernst & Young]

EXHIBIT H

FORMS OF CO-BOND COUNSEL SUPPLEMENTAL OPINIONS

[____], 2020

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Re: \$[_____] Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) and \$[_____] Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable)

Ladies and Gentlemen:

This letter is addressed to you, as the Underwriter, pursuant to Section 11(c)(ix) of the Bond Purchase Agreement, dated [____], 2020 (the “Bond Purchase Agreement”), between Goldman Sachs & Co. LLC, as Underwriter, the Dormitory Authority of the State of New York (the “Authority”) and Memorial Sloan Kettering Cancer Center (the “Center”), providing for the sale of \$[_____] aggregate principal amount of the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (the “2020 Series 1 Bonds”) and \$[_____] aggregate principal amount of the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “Bonds”).

The Bonds are issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 and 4-B of Article 8 of the New York Public Authorities Law), and the Authority’s Memorial Sloan Kettering Cancer Center Revenue Bond Resolution, adopted February 26, 2003, as amended and supplemented (the “Bond Resolution”), and with respect to the 2020 Series 1 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 1 Resolution Authorizing Up To \$[_____] 2020 Series 1 Bonds, adopted [____], 2020 (the “2020 Series 1 Resolution”) and with respect to the 2020 Series 2 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 2 Resolution Authorizing Up To \$[_____] 2020 Series 2 Bonds, adopted [____], 2020 (the “2020 Series 2 Resolution” and, together with the 2020 Series 1 Resolution and the Bond Resolution, the “Resolutions”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions or, if not defined in the Resolutions, in the Bond Purchase Agreement.

We have delivered our final legal opinion (the “Bond Opinion”) as co-bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date

hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as co-bond counsel to the Authority, we have reviewed the Bond Purchase Agreement, the Resolutions, the Loan Agreement, the Tax Certificate and Agreement dated the date hereof (the "Tax Certificate"), opinions of counsel to the Authority, counsel to the Trustee and counsel to the Institutions (defined below), certificates of the Authority, the Trustee, the Center, Memorial Hospital for Cancer and Allied Diseases (the "Hospital"), Sloan Kettering Institute for Cancer Research (the "Institute"), S.K.I. Realty, Inc. ("S.K.I."), Louis V. Gerstner, Jr. Graduate School of Biomedical Sciences, Memorial Sloan Kettering Cancer Center (together with the Center, the Hospital, the Institute and S.K.I., the "Institutions") and others, and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions set forth herein. We have relied on the opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, special counsel to the Institutions, regarding, among other matters, the current qualifications of the Institutions as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). We note that such opinion is subject to a number of qualifications and limitations. We have also relied upon representations of the Institutions regarding the use of the facilities financed with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the Institutions within the meaning of Section 513 of the Code. We note that the opinion of counsel to the Institutions does not address Section 513 of the Code. Failure of the Institutions to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of their status as organizations described in Section 501(c)(3) of the Code, or use of the bond-financed facilities in activities that are considered unrelated trade or business activities of the Institutions within the meaning of Section 513 of the Code, could negatively affect several of the opinions set forth below.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fourth paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Bond Purchase Agreement, the Tax Certificate and the Loan Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal

property described in or subject to the lien of the Resolutions or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, except as expressly set forth in numbered paragraph 5 below, completeness or fairness of the Official Statement dated [____], 2020 (the “Official Statement”) or other offering material relating to the Bonds and express no opinion relating thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bond Purchase Agreement and the Loan Agreement have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by and validity against the other parties thereto, constitute the valid and binding agreements of the Authority enforceable in accordance with their terms.

2. The Official Statement has been duly authorized, executed and delivered by the Authority, and the Authority has authorized the distribution and the use of the Official Statement by the Underwriter in connection with the public offering of the Bonds.

3. The Bond Series Certificates for the 2020 Series 1 Bonds and the 2020 Series 2 Bonds (collectively, the “Bond Series Certificates”) have been duly authorized by and executed on behalf of the Authority and is in full force and effect.

4. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

5. The statements contained in the Official Statement under the captions “PART 1 – INTRODUCTION” (other than the information under “– Purpose of the Issue” and “– MSKCC”), “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS”, “PART 3 – THE SERIES 2020 DASNY BONDS” (other than the information under “– Book-Entry Only System” and “– Principal and Interest Requirements”), “PART 9 – LEGALITY OF THE SERIES 2020 DASNY BONDS FOR INVESTMENT AND DEPOSIT”, “PART 10 – NEGOTIABLE INSTRUMENTS”, “PART 11 – TAX MATTERS”, “PART 12 – STATE NOT LIABLE ON THE SERIES 2020 DASNY BONDS”, “PART 13 – COVENANT BY THE STATE”, “APPENDIX A – DEFINITIONS”, “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT”, “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF THE SPRINGING AMENDMENTS TO THE LOAN AGREEMENT”, “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT”, “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT”, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Constitution and laws of the State of New York (including the Act), the Resolutions, the Bonds, the Bond Series Certificates, the Loan Agreement, the Guaranties, the Inducement Agreement and the form and content of our Bond Opinion, are accurate in all material respects.

This letter is furnished by us as co-bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as the Underwriter of the Bonds, is solely for your benefit as the Underwriter in connection with the original issuance of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

[____], 2020

Goldman Sachs & Co. LLC
200 West Street
New York, New York 10282

Re: \$[_____] Dormitory Authority of the State of New York Memorial Sloan
 Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) and
 \$[_____] Dormitory Authority of the State of New York Memorial Sloan
 Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable)

Ladies and Gentlemen:

This letter is addressed to you, as the Underwriter, pursuant to Section 11(c)(ix) of the Bond Purchase Agreement, dated [____], 2020 (the “Bond Purchase Agreement”), between Goldman Sachs & Co. LLC, as Underwriter, the Dormitory Authority of the State of New York (the “Authority”) and Memorial Sloan Kettering Cancer Center (the “Center”), providing for the sale of \$[_____] aggregate principal amount of the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (the “2020 Series 1 Bonds”) and \$[_____] aggregate principal amount of the Dormitory Authority of the State of New York Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “Bonds”).

The Bonds are issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 and 4-B of Article 8 of the New York Public Authorities Law), and the Authority’s Memorial Sloan Kettering Cancer Center Revenue Bond Resolution, adopted February 26, 2003, as amended and supplemented (the “Bond Resolution”), and with respect to the 2020 Series 1 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 1 Resolution Authorizing Up To \$[_____] 2020 Series 1 Bonds, adopted [____], 2020 (the “2020 Series 1 Resolution”) and with respect to the 2020 Series 2 Bonds, the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 2 Resolution Authorizing Up To \$[_____] 2020 Series 2 Bonds, adopted [____], 2020 (the “2020 Series 2 Resolution” and, together with the 2020 Series 1 Resolution and the Bond Resolution, the “Resolutions”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions or, if not defined in the Resolutions, in the Bond Purchase Agreement.

We have delivered our final legal opinion (the “Bond Opinion”) as co-bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as co-bond counsel to the Authority, we have reviewed the Bond Purchase Agreement, the Resolutions, the Loan Agreement, the Tax Certificate and Agreement dated the date hereof (the “Tax Certificate”), opinions of counsel to the Authority, counsel to the Trustee and counsel to the Institutions (defined below), certificates of the Authority, the Trustee, the Center, Memorial Hospital for Cancer and Allied Diseases (the “Hospital”), Sloan Kettering Institute for Cancer Research (the “Institute”), S.K.I. Realty, Inc. (“S.K.I.”), Louis V. Gerstner, Jr. Graduate School of Biomedical Sciences, Memorial Sloan Kettering Cancer Center (together with the Center, the Hospital, the Institute and S.K.I., the “Institutions”) and others, and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fourth paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Bond Purchase Agreement, the Tax Certificate and the Loan Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or subject to the lien of the Resolutions or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, except as expressly set forth in numbered paragraph 5 below, completeness or fairness of the Official Statement dated [____], 2020 (the “Official Statement”) or other offering material relating to the Bonds and express no opinion relating thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bond Purchase Agreement and the Loan Agreement have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by and validity against the other parties thereto, constitute the valid and binding agreements of the Authority enforceable in accordance with their terms.

2. The Official Statement has been duly authorized, executed and delivered by the Authority, and the Authority has authorized the distribution and the use of the Official Statement by the Underwriter in connection with the public offering of the Bonds.

3. The Bond Series Certificates for the 2020 Series 1 Bonds and the 2020 Series 2 Bonds (collectively, the “Bond Series Certificates”) have been duly authorized by and executed on behalf of the Authority and is in full force and effect.

4. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

5. The statements contained in the Official Statement under the captions “PART 1 – INTRODUCTION” (other than the information under “– Purpose of the Issue” and “– MSKCC”), “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS”, “PART 3 – THE SERIES 2020 DASNY BONDS” (other than the information under “– Book-Entry Only System” and “– Principal and Interest Requirements”), “PART 9 – LEGALITY OF THE SERIES 2020 DASNY BONDS FOR INVESTMENT AND DEPOSIT”, “PART 10 – NEGOTIABLE INSTRUMENTS”, “PART 11 – TAX MATTERS”, “PART 12 – STATE NOT LIABLE ON THE SERIES 2020 DASNY BONDS”, “PART 13 – COVENANT BY THE STATE”, “APPENDIX A – DEFINITIONS”, “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT”, “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF THE SPRINGING AMENDMENTS TO THE LOAN AGREEMENT”, “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT”, “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT”, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Constitution and laws of the State of New York (including the Act), the Resolutions, the Bonds, the Bond Series Certificates, the Loan Agreement, the Guaranties, the Inducement Agreement and the form and content of our Bond Opinion, are accurate in all material respects.

This letter is furnished by us as co-bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as the Underwriter of the Bonds, is solely for your benefit as the Underwriter in connection with the original issuance of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours

MAROUS LAW GROUP, P.C.

EXHIBIT I
FORM OF UNDERWRITER'S COUNSEL OPINION

[____], 2020

Goldman Sachs & Co. LLC,
200 West Street
New York, New York 10282

Dear Ladies and Gentlemen:

We have acted as your special counsel in connection with the offer and sale by the Dormitory Authority of the State of New York (the “*Authority*”) of \$_____ aggregate principal amount of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) (the “*2020 Series 1 Bonds*”) and \$_____ aggregate principal amount of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the “*2020 Series 2 Bonds*” and, together with the 2020 Series 1 Bonds, the “*Bonds*”) pursuant to a Bond Purchase Agreement dated [____], 2020 (the “*Purchase Agreement*”), among the Authority, Goldman Sachs & Co. LLC (the “*Underwriter*”), and Memorial Sloan Kettering Cancer Center (the “*Institution*”). This opinion letter is delivered to you at your request pursuant to Section 11(c)(x) of the Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings given to them in the Purchase Agreement.

In connection with this opinion letter, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

- (i) the Authority’s Memorial Sloan Kettering Cancer Center Revenue Bond Resolution, adopted on February 26, 2003 (the “*General Resolution*”);
- (ii) the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 1 Resolution Authorizing Up To \$[____] 2020 Series 1 Bonds, adopted [____], 2020 (the “*2020 Series 1 Resolution*”);
- (iii) the Authority’s Memorial Sloan Kettering Cancer Center 2020 Series 2 Resolution Authorizing Up To \$[____] 2020 Series 2 Bonds, adopted [____], 2020 (the “*2020 Series 2 Resolution*” and, together with the 2020 Series 1 Resolution and the General Resolution, the “*Resolution*”);
- (iv) a copy of the Preliminary Official Statement dated [____], 2020 (the “*Preliminary Official Statement*”) relating to the offer and sale of the Bonds;

(v) an executed copy of the Official Statement dated [____], 2020 (the “*Official Statement*”) relating to the offer and sale of the Bonds;

(vi) an executed copy of the Purchase Agreement;

(vii) an executed copy of the Agreement to Provide Continuing Disclosure, dated as of [____], 2020, by and among the Institution, Digital Assurance Certification, L.L.C., as Dissemination Agent, and The Bank of New York Mellon, as Trustee (the “*Continuing Disclosure Agreement*”); and

(viii) such other documents, certificates and opinions as we have deemed necessary in order to render this opinion.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Institution and such agreements, certificates of public officials, certificates of officers or representatives of the Institution, the Authority and others, and such other agreements, documents, instruments, certificates and records, and such matters of law, and we have made such inquiries of representatives of the Institution, in each case as we have deemed relevant, necessary or appropriate as a basis for the opinions set forth below. As to facts material to the opinions and beliefs expressed herein that we did not independently establish or verify, we have, with your consent, relied upon oral or written statements and representations of officers and other representatives of the Authority and the Institution and others.

In rendering the opinions expressed below, we have, with your consent, assumed the legal capacity of all natural persons signing documents and that the signatures of persons signing all documents in connection with which this letter is rendered are genuine, all documents submitted to us as originals or duplicate originals are authentic and all documents submitted to us as copies, whether certified or not, conform to authentic original documents. Additionally, we have, with your consent, assumed and relied upon the accuracy and completeness of all certificates and other statements, documents, records, financial statements and papers reviewed by us, and the accuracy and completeness of all representations, warranties and confirmations contained in the Purchase Agreement, with respect to the factual matters set forth therein.

Whenever in this opinion letter we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge or awareness, we are referring solely to the actual present knowledge of the particular Katten Muchin Rosenman LLP attorneys who have represented the Underwriter in connection with the offering and sale of the Bonds. Except as expressly set forth herein, we have not undertaken any independent investigation, examination or inquiry to determine the existence or absence of any facts and no inference as to our knowledge concerning any facts should be drawn from the fact that such representation has been undertaken by us.

Based upon the foregoing and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Continuing Disclosure Agreement complies as to form in all material respects with the applicable requirements contained in Rule 15c2-12(b)(5) (as promulgated by the Securities and Exchange Commission) (the “*Rule*”).

In the course of acting as your counsel, we have also participated in conferences with your representatives and those of the Institution and the Authority and their respective counsel at which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and, although we did not independently verify such information and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, on the basis of the foregoing (relying as to factual matters upon statements of officers and other representatives of the Institution and the Authority and public officials), no facts have come to our attention which would lead us to believe that the Preliminary Official Statement, as of its date and as of the date of the Purchase Agreement, or the Official Statement, as of its date or as of the date hereof, (except with respect to the Preliminary Official Statement certain information permitted to be excluded pursuant to the Rule, and except for the Appendices thereto, information regarding the Authority, the Book-Entry Only System, information under the heading "PART 11 – TAX MATTERS" and the financial statements and other financial and statistical data included in the Preliminary Official Statement or the Official Statement, as to which no view is expressed), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

The foregoing opinions are limited to the laws of the State of New York and the federal laws of the United States. We express no opinion herein as to any other laws, statutes, regulations or ordinances. The opinions expressed herein that are based on the laws of the State of New York and the federal laws of the United States are limited to the laws generally applicable in transactions of the type covered by the Purchase Agreement. This letter is limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

Our opinions and beliefs set forth in this letter are based upon the facts in existence and laws in effect on the date hereof, and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof.

This letter is being delivered solely for your benefit and may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a governmental agency or otherwise circulated, utilized or referred to without our express prior written consent, except that reference may be made to it in the Purchase Agreement or in any list of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

KATTEN MUCHIN ROSENMAN LLP

EXHIBIT J

FORM OF INSTITUTION'S COUNSEL OPINION

[____], 2020

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

Goldman, Sachs & Co. LLC
200 West Street
New York, New York 10282

Re: Dormitory Authority of the State of New York
Memorial Sloan-Kettering Cancer
Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) and
2020 Series 2 (Federally Taxable)

Ladies and Gentlemen:

We have acted as special counsel to Memorial Sloan-Kettering Cancer Center (the “Center”), Sloan-Kettering Institute for Cancer Research (the “Institute”), S.K.I. Realty, Inc. (“Realty”) Memorial Hospital for Cancer and Allied Diseases (the “Hospital”), and Louis V. Gerstner Jr. Graduate School of Biomedical Science, Memorial Sloan-Kettering Cancer Center (“Gerstner”), each of which is a corporation organized pursuant to the Not-for-Profit Corporation Law of the State of New York (the Center, the Institute, Realty, and the Hospital are hereinafter collectively referred to as the Related Corporations), in connection with the issuance of the above-captioned 2020 Series 1 Bonds (Tax-Exempt) (the “2020 Series 1 Bonds”) and 2020 Series 2 Bonds (Federally Taxable) (the “2020 Series 2 Bonds” and, together with the 2020 Series 1 Bonds, the “Bonds”) of the Dormitory Authority of the State of New York (the “Authority”). The Bonds are being issued pursuant to the Dormitory Authority of the State of New York Memorial Sloan-Kettering Cancer Center Revenue Bond Resolution adopted by the Authority on February 26, 2003, the 2020 Series 1 Bonds Resolution adopted pursuant thereto on [____], 2020 and the 2020 Series 2 Bonds Resolution adopted pursuant thereto on [____], 2020 (collectively, the “Resolution”). The Authority and the Center have entered into a Loan Agreement, dated as of February 26, 2003 (the “Loan Agreement”).

The Bonds are special obligations of the Authority payable from and secured by a pledge of certain payments to be made under the Loan Agreement and the Guaranties (defined below) and certain funds and accounts established under the Resolution. The Institute and Realty have each guaranteed the obligations of the Center under the Loan Agreement by each executing

a Guaranty dated as of May 14, 2003 (collectively, the “Guaranties”) and the Hospital has made certain covenants with respect to its properties contained in an Inducement Agreement dated as of May 14, 2003 (the “Inducement Agreement”). The Related Corporations have also each executed the Tax Certificate and Agreement by and between the Authority, the Center, the Institute, the Hospital, Realty and Gerstner, dated [____], 2020 (the “Tax Certificate”).

Unless otherwise expressly provided herein, capitalized terms used herein have the respective meanings assigned to them in the Resolution and the Loan Agreement. This opinion is being furnished to you at the request of the Center as required by Section 27 of the Loan Agreement and Section 11(c)(xi) of the Purchase Agreement referred to below.

In connection with this opinion, we have examined originals, or copies certified or otherwise identified to our satisfaction, of the following documents, each dated the date of this letter except as otherwise noted (collectively, the “Documents”):

1. the Loan Agreement;
2. the Guaranties;
3. the Inducement Agreement;
4. the Tax Certificate;
5. a Bond Purchase Agreement relating to the 2020 Series 1 Bonds, dated [____], 2020 (the “Purchase Agreement”), among the Authority and Goldman, Sachs & Co. (the “Underwriter”) and approved by the Center; and
6. three (3) Letters of Representation relating to the Bonds, each dated [____], 2020, from each of (i) the Institute, (ii) the Hospital and (iii) Realty in favor of the Authority and the Underwriter (the “Letters of Representations”).

In addition, we have examined: (i) those corporate records of the Related Corporations that we have considered appropriate, including copies of the certificate of incorporation and by-laws of each of the Related Corporations certified by it as in effect on the date of this letter (collectively, the “Charter Documents”) and copies of resolutions of the board of managers of each of the Related Corporations certified by it; and (ii) those other certificates, agreements and documents that we deemed relevant and necessary as a basis for our opinion. We have also relied to the extent we deemed relevant and necessary as a basis for the opinions and statements expressed below, upon oral and written statements of officers and other representatives of the Related Corporations, upon the factual matters contained in the representations and warranties of the Related Corporations made in the Documents and upon certificates of public officials and the Related Corporations.

In our examination of the documents referred to above, we have assumed without independent investigation, the genuineness of all signatures, the legal capacity of all individuals who have executed any of the documents reviewed by us, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as

certified, photostatic, reproduced or conformed copies of all valid existing agreements or other documents, the authenticity of the latter documents and that the statements regarding matters of fact in the certificates, records, agreements, instruments and documents that we have examined are accurate and complete. We have also assumed, without independent investigation, the enforceability of the Documents against each party other than the Related Corporations.

Whenever we indicate that our opinion is based upon our knowledge or words of similar import, our opinion is based solely on an officer's certificate of the applicable Related Corporation and without any independent verification or investigation except (a) as to the opinions given in paragraph 4(ii) and (iii) below, for which, in addition to reliance on an officer's certificate of the applicable Related Corporations, inquiry was made of certain attorneys at this Firm who have, on occasion, represented one or more of the Related Corporations with respect to a particular matter, (b) as to opinions given in paragraph 5 below, for which, in addition to reliance on an officer's certificate of the applicable Related Corporation, inquiry was made of appropriate officers of the Related Corporations after our review of the Documents and (c) as to the opinions given in paragraph 7 below, for which, in addition to reliance on the letter from the Internal Revenue Service, dated June 12, 2019, as to the tax exempt status of the Center, the Institute, Realty, the Hospital and Gerstner, inquiry was made of appropriate officers of the Related Corporation and Gerstner.

Based upon the foregoing, and subject to the assumptions, exceptions and qualifications stated below, we are of the opinion that:

1. Each of the Related Corporations is a subsisting corporation in existence under the laws of the State of New York.

2. Each of the Related Corporations has all necessary corporate power and authority to execute, deliver and perform its obligations under each Document to which it is a party. The execution, delivery and performance by each of the Related Corporations of each Document to which it is a party have been duly authorized by all necessary corporate action on the part of the Related Corporation and do not violate or conflict with its Charter Documents.

3. The Documents have been duly authorized, executed and delivered by each Related Corporation which is a party to it and constitutes the legal, valid and binding obligation of each Related Corporation which is a party to it, enforceable against such Related Corporation in accordance with its terms.

4. The execution and delivery by each Related Corporation of each of the Documents to which it is a party, the consummation of the transactions therein contemplated and the performance by the Related Corporation of its obligations under the Documents do not (i) violate any Covered Law (as defined below), (ii) violate any order, writ, injunction or decree of which we have knowledge (after the inquiry described above) of any court or governmental authority or agency binding upon the Related Corporation, or (iii) breach or result in a default under any material agreement or instrument of which we have knowledge (after the inquiry described above) to which any Related Corporation is a party or by which any of its properties are bound, which has not been waived.

5. To our knowledge (after the inquiry described above), no Event of Default (as defined in the Loan Agreement, the Inducement Agreement or the Guaranties), nor any occurrence which but for the passage of time or the giving of notice or both would be an Event of Default, has occurred.

6. Except with respect to the Hospital (as to which we express no opinion) and except for orders, authorizations or approvals as are specifically provided for in the Documents or which each Related Corporation has undertaken in the Documents to obtain prior to the time required by a court or regulatory body, no orders, authorizations or approvals of any court or governmental or regulatory authority or agency are necessary under any Covered Law for the execution, delivery or performance by any of the Related Corporations of the Documents to which it is a party or the consummation of the transactions therein contemplated.

7. Each Related Corporation and Gerstner is an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law and is exempt from federal income taxes under Section 501(a) of the Code and has received a letter or other notification from the Internal Revenue Service to that effect, which letter or other notification has not, to our knowledge, been modified, limited or revoked, and after reasonable investigation, we believe that the facts and circumstances upon which such letter or other notification was issued continue to exist, such that each Related Corporation and Gerstner is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification.

8. Based solely upon our review of the Charter Documents and the representations of the Related Corporations and Gerstner made in the Documents, each Related Corporation and Gerstner is an organization (a) organized and operating exclusively for charitable purposes and not for pecuniary profit, and (b) 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 of the Securities Exchange Act of 1934, as amended.

This opinion is subject to the following assumptions, exceptions and qualifications:

(a) The enforceability of the Documents may be: (i) subject to bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally, (ii) subject to general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity), and (iii) subject to the qualification that certain remedial provisions of the Loan Agreement may be unenforceable in whole or in part under the laws of the State of New York, but the inclusion of such provisions does not make the remedies afforded by the Loan Agreement inadequate for the practical realization of the rights and benefits purported to be provided by the Loan Agreement except for the economic consequences resulting from any delay imposed by, or any procedure required by, applicable New York laws, rules, regulations and court decisions and by constitutional requirements in and of the State of New York.

(b) We express no opinion as to: (i) the enforceability of any provisions in the Guaranties purporting to preserve and maintain the liability of any party to any Guaranty despite the fact that the guaranteed debt is unenforceable due to illegality; (ii) the enforceability of any provisions contained in the Documents that purport to establish (or may be construed to

establish) evidentiary standards; (iii) the enforceability of any provisions contained in the Loan Agreement or the Guaranties that constitute waivers which are prohibited under Section 9-602 of the NY-UCC; or (iv) the enforceability of forum selection clauses in the federal courts.

This opinion is limited to the laws of the State of New York and the federal laws of the United States of America, excluding zoning, environmental, land use, and local and state building, fire, life or work safety, electrical, landmarks, health, certificate of occupancy, handicap or disability code, laws, rules and regulations (collectively, the “Covered Laws”). This opinion is rendered only with respect to the laws, and the rules, regulations and orders under those laws that are currently in effect.

This opinion is furnished by us solely for your benefit in connection with the transactions referred to in the Loan Agreement and may not be circulated to, or relied upon by, any other person, except that (i) Orrick, Herrington & Sutcliffe LLP may rely upon the opinion rendered in paragraph 7 above for purposes of the opinions delivered by it on the date of this letter and (ii) the Trustee may rely on this opinion.

Very truly yours,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

EXHIBIT K

FORM OF TRUSTEE'S COUNSEL OPINION

[____], 2020

The Bank of New York Mellon
240 Greenwich Street, 7E
New York, New York 10286

Dormitory Authority of the
State of New York
Albany, New York

Memorial Sloan Kettering Cancer Center
633 Third Avenue, Fourth Floor
New York, New York

Re: Dormitory Authority of the State of New York
Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt)
and 2020 Series 2 (Federally Taxable)

Ladies and Gentlemen:

We have acted as counsel to The Bank of New York Mellon (the “Bank”) in connection with its appointment by the Dormitory Authority of the State of New York (the “Authority”) as Trustee (the “Trustee”) under its Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by the Authority on February 26, 2003 (the “General Resolution”), as supplemented and amended by the Supplemental and Amendatory Resolution adopted on September 11, 2019 (the “Supplemental and Amendatory Resolution”), and authorized by the Series Resolution Authorizing Up To \$[____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [____], 2020 and the Series Resolution Authorizing Up To \$[____] Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 adopted by DASNY on [____], 2020 (collectively, the “Resolution”) relating to the Authority’s Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) and 2020 Series 2 (Federally Taxable) (collectively, the “Bonds”). Unless otherwise defined herein, capitalized terms used herein shall have the same meaning ascribed to them in the Resolution.

We have examined the Resolution, the Bond Series Certificates relating to the Bonds (the “Series Certificates”), the Continuing Disclosure Agreement, by and between Memorial Sloan Kettering Cancer Center (the “Institution”), Digital Assurance Certification LLC, as the Institution’s disclosure dissemination agent, and the Trustee (the “Continuing Disclosure Agreement”) and originals or photostatic or certified copies of such records of the Bank, certificates of officers of the Bank and of public officials, and such other documents as we have deemed relevant and necessary as the basis for the opinions set forth below.

In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such latter documents. As to questions of fact material to our opinion, we have relied, without independent investigation or verification, upon certain representations and warranties and statements of fact contained in the documents which we have examined. In rendering the opinions set forth below, we have assumed the due authorization, execution and delivery by the parties thereto (other than the Bank) of all documents referred to herein.

On the basis of the foregoing, we advise you that in our opinion:

1. The Bank has been duly organized and is validly existing and in good standing as a national banking association duly organized and existing under the laws of the United States of America.
2. The Bank has full corporate trust power and authority to (i) act as Trustee under the Resolution, (ii) enter into and perform its obligations thereunder and under the Bonds and (iii) execute and deliver any and all agreements to which the Trustee is a party, and the Trustee has duly accepted its duties and obligations pursuant to those documents.
3. The Bank has duly authorized the acceptance of its obligations under the Resolution, the Series Certificates and the Continuing Disclosure Agreement and such obligations are valid, binding and enforceable against it in accordance with their respective terms, except that such enforceability may be subject (a) to applicable bankruptcy, insolvency, reorganization, and other similar laws of affecting the rights of creditors generally, and (b) to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
4. The acceptance by the Bank of its obligations under the Resolution and the execution and delivery by the Bank of the Resolution do not require any consent, approval or authorization of, or any registration or filing with, any governmental authority having jurisdiction over the trust powers of the Bank, other than those consents, approvals or authorizations as have been obtained.

We are members of the State bar. We do not express any opinion concerning any law, rule, regulation or administrative regulation other than the law of the State and the federal law of the United States.

Very truly yours,

NEW ISSUE

Ratings: See "PART 17 – RATINGS" herein.



\$ _____ *

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

MEMORIAL SLOAN KETTERING CANCER CENTER

REVENUE BONDS

consisting of

Memorial Sloan Kettering
Cancer Center.

\$ _____ *

2020 Series 1

(Tax-Exempt)

\$ _____ *

2020 Series 2

(Federally Taxable)

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

Payment and Security: The Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax Exempt) (the "2020 Series 1 Bonds") the Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Federally Taxable) (the "2020 Series 2 Bonds" and together with the 2020 Series 1 Bonds, the "Series 2020 DASNY Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable from and secured by a pledge of (i) certain payments to be made under the Loan Agreement dated as of February 26, 2003, as amended (the "Loan Agreement"), between Memorial Sloan Kettering Cancer Center (the "Center") and DASNY and Guaranties dated as of February 26, 2003 (the "Guaranties"), from the Sloan Kettering Institute for Cancer Research and S.K.I. Realty, Inc. to DASNY (the "Revenues") and (ii) all funds and accounts (excluding the Arbitrage Rebate Fund and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase) established under DASNY's Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted February 26, 2003 (the "General Resolution"), the [2020 Series 1] Resolution, adopted [_____,] 2020 (the "2020 Series 1 Resolution") and the [2020 Series 2] Resolution, adopted [_____,] 2020 (the "2020 Series 2 Resolution" and together with 2020 Series 1 Resolution, the "Series 2020 Resolutions", and collectively with the General Resolution, the "Resolution"). The Loan Agreement is a general, unsecured obligation of the Center and requires the Center to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay the principal and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2020 DASNY Bonds, as such payments become due.

The Series 2020 DASNY Bonds are not a debt of the State of New York (the "State"), nor is the State liable thereon. DASNY has no taxing power.

Description: Each series of Series 2020 DASNY Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Interest (due [_____] 1, 20__ and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the applicable series of Series 2020 DASNY 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 the applicable series of Series 2020 DASNY Bonds, by wire transfer to the holder of such Series 2020 DASNY 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 2020 DASNY 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 (as defined herein) or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of the applicable series of Series 2020 DASNY Bonds, by wire transfer to the holders of such Series 2020 DASNY Bonds as more fully described herein.

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

Tender for Purchase and Redemption: *The Series 2020 DASNY Bonds are subject to redemption, tender or purchase prior to maturity, as more fully described herein.*

Tax Exemption: In the opinion of Orrick, Herrington & Sutcliffe LLP ("Orrick"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Series 1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Orrick, interest on the 2020 Series 1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Orrick is also of the opinion that interest on the 2020 Series 1 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Orrick expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2020 Series 1 Bonds. Orrick also is of the opinion that interest on the 2020 Series 2 Bonds is included in gross income for Federal income tax purposes pursuant to the Code. In addition, in the opinion of Orrick, under existing statutes, interest on the 2020 Series 2 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.

Except as set forth in "PART 3 – THE SERIES 2020 DASNY BONDS," this Official Statement does not describe (i) any other interest rate mode into which the Series 2020 DASNY Bonds may be converted, (ii) any provision relating to the tender provisions applicable to the Series 2020 DASNY Bonds after any such conversion, or (iii) the remarketing of the Series 2020 DASNY Bonds upon any such conversion and the application of the proceeds thereof. A remarketing of the Series 2020 DASNY Bonds upon any such conversion will be made solely by a separate offering document or through a private placement to a limited number of institutional investors and not by this Official Statement.

* Preliminary, subject to change.

MATURITY SCHEDULE – See Inside Cover Page

The Series 2020 DASNY Bonds, are offered when, as and if issued and received by the Underwriter. The offer of the Series 2020 DASNY Bonds may be subject to prior sale, or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality by DASNY's Co-Bond Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York and Marous Law Group, P.C., New York, New York and to certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York; and for the Center and its related corporations by its counsel, Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York. DASNY expects to deliver the Series 2020 DASNY Bonds in definitive form in New York, New York, on or about [_____] __, 2020.

Goldman Sachs & Co. LLC

[_____] __, 2020

PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS OR PRICES

\$ _____ * 2020 Series 1 Bonds (Tax-Exempt)

Maturity July 1	Principal Amount	Interest Rate	Yield	CUSIP[†]
	\$	%	%	

\$ _____ % Term Bonds Due July 1, 20__, Yield ____% CUSIP: _____[†]
 \$ _____ % Term Bonds Due July 1, 20__, Yield ____% CUSIP: _____[†]

\$ _____ * 2020 Series 2 Bonds (Federally Taxable)

Maturity July 1	Principal Amount	Interest Rate	Yield	CUSIP[†]
	\$	%	%	

\$ _____ % Term Bonds Due July 1, 20__, Yield ____% CUSIP: _____[†]
 \$ _____ % Term Bonds Due July 1, 20__, Yield ____% CUSIP: _____[†]

* Preliminary, subject to change

† The CUSIP number has been assigned by an independent company not affiliated with DASNY and is included solely for the convenience of the owners of the Series 2020 DASNY Bonds. DASNY is not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness on the Series 2020 DASNY Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Series 2020 DASNY Bonds as a result of various subsequent actions including, but not limited to, a refunding of a portion of the Series 2020 DASNY Bonds.

No dealer, broker, salesperson or other person has been authorized by DASNY, MSKCC (defined herein), the Underwriter to give any information or to make any representations with respect to the Series 2020 DASNY 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, MSKCC or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2020 DASNY Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein relating to DASNY under the heading "PART 8 – DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the Center and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the Center or MSKCC nor does it directly or indirectly guarantee, endorse or warrant (i) the creditworthiness or credit standing of the Center or MSKCC, (ii) the sufficiency of the security for the Series 2020 DASNY Bonds or (iii) the value or investment quality of the Series 2020 DASNY Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Center reviewed the parts of this Official Statement describing MSKCC, the Plan of Finance and Appendices B-1 and B-2. The Center shall certify as of the date hereof and as of the date of issuance of the Series 2020 DASNY 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 light of the circumstances under which the statements are made, not misleading. The Center makes no representations as to the accuracy or completeness of any other information included in this Official Statement.

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

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

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

References to website addresses herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into and are not a part of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020 DASNY BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2020 DASNY BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. IN ADDITION, IF THE UNDERWRITER OVERALLOTS (THAT IS, SELLS MORE THAN THE AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2020 DASNY BONDS SET FORTH ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT) AND THEREBY CREATE A SHORT POSITION IN THE SERIES 2020 DASNY BONDS IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY REDUCE THAT

SHORT POSITION BY PURCHASING SERIES 2020 DASNY BONDS IN THE OPEN MARKET. IN GENERAL, PURCHASES OF A SECURITY FOR THE PURPOSE OF STABILIZATION OR TO REDUCE A SHORT POSITION COULD CAUSE THE PRICE OF A SECURITY TO BE HIGHER THAN IT MIGHT OTHERWISE BE IN THE ABSENCE OF SUCH PURCHASES. THE UNDERWRITER DOES NOT MAKE ANY REPRESENTATION OR PREDICTION AS TO THE DIRECTION OR THE MAGNITUDE OF ANY EFFECT THAT THE TRANSACTIONS DESCRIBED ABOVE MAY HAVE ON THE PRICE OF THE SERIES 2020 DASNY BONDS. IN ADDITION, THE UNDERWRITER DOES NOT MAKE ANY REPRESENTATION IT WILL ENGAGE IN SUCH TRANSACTIONS OR THAT SUCH TRANSACTIONS, IF COMMENCED, WILL NOT BE DISCONTINUED WITHOUT NOTICE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute projections or estimates of future events, generally known as forward-looking statements. These statements are generally identifiable by the terminology used such as “may,” “believe,” “will,” “expect,” “project,” “intend,” “estimate,” “anticipate,” “plan,” “continue,” “budget” or other similar words. These forward looking statements are based on the current plans and expectations of the Center and are subject to a number of known and unknown uncertainties and risks, many of which are beyond the control of the Center, that could significantly affect current plans and expectations and the Center’s future financial position and results of operations. These risk factors include, but are not limited to, (i) the highly competitive nature of the health care business, (ii) the efforts of insurers, health care providers and others to contain health care costs, (iii) possible changes in the Medicare and Medicaid programs that may affect reimbursements to health care providers and insurers, (iv) changes in federal, state or local regulations affecting the health care industry, (v) the implementation of health care reform, (vi) the ability to attract and retain qualified management and other personnel, including affiliated physicians, nurses and medical support personnel, (vii) liabilities and other claims asserted against the Center, (viii) changes in accounting standards and practices, (ix) changes in general economic conditions, (x) future divestitures or acquisitions which may result in additional changes, (xi) changes in revenue mix and the ability to enter into and renew managed care provider arrangements on acceptable terms, (xii) the availability and terms of capital to fund expansion plans of the Center and to provide for ongoing capital expenditure needs, (xiii) changes in business strategy or development plans, (xiv) delays in receiving payments, (xv) the ability to implement shared services and other initiatives and realize decreases in administrative, supply and infrastructure costs, (xvi) the outcome of pending and any future litigation, (xvii) the Center’s continuing efforts to monitor, maintain and comply with appropriate laws, regulations, policies and procedures relating to their status as tax-exempt organizations as well as their ability to comply with the requirements of the Medicare and Medicaid programs, (xviii) the ability to achieve expected levels of patient volumes and control the costs of providing services, (xix) results of reviews of the Center’s cost reports, (xx) the Center’s ability to comply with recently enacted legislation and/or regulations, (xxi) pandemics, epidemics and natural disasters and (xxii) the risks set forth under the heading “PART 7 – BONDHOLDERS’ RISKS” herein. As a consequence, current plans, anticipated actions and future financial position and results of operations may differ from those expressed in any forward looking statements made by or on behalf of the Center. Investors are cautioned not to unduly rely on such forward looking statements when evaluating the information presented in this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The Center does not plan to issue any updates or revisions to those forward-looking statements if or when changes in its expectations, or events, conditions or circumstances on which such statements are based, occur.

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

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

OFFICIAL STATEMENT RELATING TO

\$ _____ *

**DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
MEMORIAL SLOAN KETTERING CANCER CENTER
REVENUE BONDS
consisting of**

\$ _____ * \$ _____ *
2020 Series 1 (Tax-Exempt) 2020 Series 2 (Federally Taxable)

PART 1 – INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and Memorial Sloan Kettering Cancer Center (the “Center”) and its related corporations (collectively, “MSKCC”) in connection with the offering by DASNY of an aggregate principal amount of (i) \$ _____ * of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 1 (Tax-Exempt) (the “2020 Series 1 Bonds”) and (ii) \$ _____ * of its Memorial Sloan Kettering Cancer Center Revenue Bonds, 2020 Series 2 (Taxable) (the “2020 Series 2 Bonds”) and together with the 2020 Series 1 Bonds, the “Series 2020 DASNY Bonds”).

The following is a brief description of certain information concerning the Series 2020 DASNY Bonds, DASNY and MSKCC. A more complete description of such information and additional information that may affect decisions to invest in the Series 2020 DASNY 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 – DEFINITIONS” hereto.

Purpose of the Issue

The 2020 Series 1 Bonds are being issued for the purpose of [(i) paying a portion of the costs of constructing, improving, and equipping an ambulatory care and inpatient facility near East 74th Street in New York, New York; (ii) paying for certain equipment; and (iii) paying costs of issuance on the 2020 Series 1 Bonds]. The 2020 Series 2 Bonds are being issued for the purpose of [(i) paying a portion of the costs of constructing, improving, and equipping an ambulatory care and inpatient facility near East 74th Street in New York, New York; (ii) paying for certain equipment; and (iii) paying costs of issuance on the 2020 Series 1 Bonds]. “PART 5 – THE PLAN OF FINANCE” herein.

Simultaneously with the issuance of the Series 2020 DASNY Bonds, MSKCC expects to issue \$ _____ * aggregate principal amount of its Memorial Sloan Kettering Cancer Center Taxable Bonds, Series 2020A (the “Series 2020

* Preliminary, subject to change.

Taxable Bonds” and together with the Series 2020 DASNY Bonds, the “*Series 2020 Bonds*”). See “_____” herein.

Authorization of Issuance

The 2020 Series 1 Bonds will be issued pursuant to the Act, DASNY’s Memorial Sloan Kettering Cancer Center Revenue Bond Resolution adopted by DASNY on February 26, 2003, as amended and supplemented (the “*General Resolution*”), DASNY’s Memorial Sloan Kettering Cancer Center 2020 Series 1 Resolution Authorizing Up To \$_____ 2020 Series 1 Bonds (the “*2020 Series 1 Resolution*”) and DASNY’s Bond Series Certificate relating to the 2020 Series 1 Bonds (the “*2020 Series 1 Bond Series Certificate*”). The 2020 Series 2 Bonds will be issued pursuant to the Act, the General Resolution, DASNY’s Memorial Sloan Kettering Cancer Center 2020 Series 2 Resolution Authorizing Up To \$_____ 2020 Series 2 Bonds (the “*2020 Series 2 Resolution*” and together with the 2020 Series 1 Resolution, the “*Series 2020 Resolutions*”) and DASNY’s Bond Series Certificate relating to the 2020 Series 2 Bonds (the “*2020 Series 2 Bond Series Certificate*” and together with the 2020 Series 1 Bond Series Certificate, the “*Bond Series Certificates*” and collectively with the General Resolution and the Series 2020 Resolutions, the “*Resolution*”). In addition to the Series 2020 DASNY Bonds, the General Resolution authorizes the issuance of other Series of Bonds to (i) pay Costs of one or more Projects, (ii) pay Costs of Issuance of such Series of Bonds and (iii) refund Outstanding Bonds or other notes or bonds of DASNY the proceeds of which were applied to make a loan to the Center, or to refund other indebtedness of the Center. There is no limit on the amount of additional Bonds that may be issued under the Resolution. All Bonds issued under the General Resolution will rank on a parity with each other and will be secured equally and ratably with each other. The Series 2020 DASNY Bonds are the eighth and ninth Series of Bonds to be issued under the General Resolution. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Additional Bonds” herein.

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 and not-for-profit institutions. See “PART 8 – DASNY” herein.

MSKCC

MSKCC is the oldest and largest privately operated not-for-profit cancer center in the world. The mission of MSKCC is to provide leadership in the prevention, diagnosis, treatment and cure of cancer through excellence, vision and cost effectiveness in patient care, outreach programs, research and education. The corporations related to the Center are Memorial Hospital for Cancer and Allied Diseases (the “*Hospital*”), Sloan Kettering Institute for Cancer Research (the “*Institute*”), and S.K.I. Realty, Inc. (“*Realty*” and together with the Institute, the “*Related Corporations*”). The Center, the Hospital and the Institute currently have virtually identical officers and Boards of Managers. See “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER” herein.

The Center is the only party obligated under the Loan Agreement. The Institute and Realty have each entered into a Guaranty (collectively, the “*Guaranties*” and each a “*Guaranty*”) pursuant to which they guaranty the Center’s payment obligations under the Loan Agreement. The Hospital has entered into an Inducement Agreement with DASNY (the “*Inducement Agreement*”) containing certain covenants of the Hospital. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Guaranties and Inducement Agreement” herein.

The Series 2020 DASNY Bonds

Each series of Series 2020 DASNY Bonds will be issued in the Fixed Rate Mode, will be dated their date of delivery and will bear interest from such delivery date through the final maturity date of the applicable series of Series 2020 DASNY Bonds, payable _____ 1, 20__ and on each January 1 and July 1 thereafter, at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2020 DASNY BONDS” herein.

Payment of the Series 2020 DASNY Bonds

The Series 2020 DASNY Bonds are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the Center under the Loan Agreement and by the Institute and/or Realty under the Guaranties. The Loan Agreement will be a general, unsecured obligation of the Center. Pursuant to the Resolution, the

Revenues have been pledged to the Trustee for the benefit of the Bondholders. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS” herein.

Security for the Series 2020 DASNY Bonds

Each series of Series 2020 DASNY Bonds are secured on a parity basis with the Outstanding Bonds issued under the General Resolution and with any additional Bonds which may be issued under the General Resolution by the pledge and assignment to the Trustee of the Revenues. Each series of Series 2020 DASNY Bonds, and all other Bonds which have been or may be issued under the General Resolution, are also secured by, and each Series 2020 DASNY Bond has an equal claim to, the proceeds from the sale of the Series 2020 DASNY Bonds (until disbursed as provided by the Resolution) and all funds and accounts established by the Resolution (with the exception of the Arbitrage Rebate Fund, as applicable, and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase). The Revenues have been pledged by DASNY to the Trustee for the benefit of the Bondholders. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Security for the Series 2020 DASNY Bonds” herein.

The Series 2020 DASNY Bonds are not a debt of the State nor is the State liable thereon. DASNY has no taxing power.

Guaranties and Inducement Agreements

The Institute and Realty have each entered into a Guaranty in favor of DASNY pursuant to which they jointly and severally guaranty payment of the Center’s obligations under the Loan Agreement. The Guaranties are general, unsecured obligations of the Institute and Realty. The Institute and Realty entered into guaranties similar to the Guaranties with respect to the 2001 Loan Agreement, the 2011 Taxable Indenture and the 2012 Taxable Indenture (the 2011 Taxable Indenture and the 2012 Taxable Indenture, the “*Taxable Indentures*”) and the New Jersey Economic Development Authority Revenue Bond (Memorial Sloan Kettering Project) Series 2016-2 (the “*2016-2 Bond*”), but not with respect to the 1998 Loan Agreement (as defined herein). [revise as needed if new separate Taxable Indenture is entered into.]

The Hospital has entered into an Inducement Agreement with DASNY whereby the Hospital has agreed to certain limitations on its ability to incur debt or liens on its assets and has agreed that, under certain circumstances, it will pledge certain collateral to secure the Center’s obligations under the Loan Agreement. The Hospital entered into an inducement agreement similar to the Inducement Agreement with respect to the 2001 Loan Agreement and the Taxable Indentures, but not with respect to the 1998 Loan Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2020 DASNY BONDS – Guaranties and Inducement Agreement” herein.

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

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2020 DASNY Bonds and certain related covenants. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolution, the Loan Agreement, the Guaranties, the Inducement Agreement and the Intercreditor Agreement. Copies of the Resolution, the Loan Agreement, the Guaranties, the Inducement Agreement and the Intercreditor Agreement are on file with DASNY and the Trustee. See also “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF THE SPRINGING AMENDMENTS TO THE LOAN AGREEMENT,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT,” “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT” for a more complete statement of the rights, duties and obligations of the parties thereto.

Certain proposed Loan Agreement amendments will become effective with respect to DASNY’s Memorial Sloan Kettering Cancer Center Revenue Bonds, 2019 Series 1 (the “2019 Series 1 Bonds”) and any Bonds issued subsequent thereto, including the Series 2020 DASNY Bonds, when no Bonds issued prior to November 1, 2019 (the date of issuance of the 2019 Series 1 Bonds) remain Outstanding. See “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT” hereto.

Payment of the Series 2020 DASNY Bonds

The Series 2020 DASNY Bonds and all other Bonds which have been or may be issued under the General Resolution are or will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, and Redemption Price of

and interest on the Series 2020 DASNY Bonds, and all other Bonds which have been or may be issued under the Resolution, are payable from the Revenues. The Revenues consist of the payments required to be made by the Center under the Loan Agreement on account of the principal, Sinking Fund Installments and Redemption Price of and interest on the Bonds and the payments made by the Institute and/or Realty under the Guaranties. The Revenues and the right to receive them have been pledged by DASNY to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the Center and obligates the Center to make payments on account of the principal, Sinking Fund Installments and Redemption Price of and interest on all Outstanding Bonds under the Resolution. Payments for principal and Sinking Fund Installments are to be made by the Center on June 10 prior to each July 1 on which principal on the Bonds is due by maturity or Sinking Fund Redemption. Payments made by the Center in respect of interest on Outstanding Bonds are to be made on the 10th day of each June and December immediately preceding a July 1 and January 1 interest payment date. The Loan Agreement also obligates the Center to pay, at least 15 days prior to a redemption date for Bonds called for redemption, the amount, if any, required to pay the Redemption Price of such Bonds. DASNY has directed, and the Center has agreed, to make its payments directly to the Trustee.

Security for the Series 2020 DASNY Bonds

The Series 2020 DASNY Bonds will be secured on a parity basis with the Outstanding Bonds issued under the General Resolution and any additional Bonds which may be issued under the Resolution by the pledge and assignment of the Revenues. The Series 2020 DASNY Bonds, and all other Bonds which have been or may be issued under the General Resolution, are also secured by the proceeds from the sale of the Series 2020 DASNY Bonds (until disbursed as provided by the Resolution) and all funds and accounts established by the Resolution (with the exception of the Arbitrage Rebate Fund, as applicable, and any fund established for the payment of the Purchase Price of Option Bonds tendered for purchase). The Revenues have been pledged by DASNY to the Trustee for the benefit of the Bondholders. See “Additional Bonds” below.

DASNY has not assigned and is not assigning to the Trustee its rights under the Loan Agreement, other than its pledge of certain payments by the Center under the Loan Agreement. DASNY may assign such rights under the Loan Agreement to the Trustee but has no present intention to do so. Under the Resolution, DASNY is required to assign such rights to the Trustee upon the occurrence of certain events of default under the Resolution, the Loan Agreement or the Inducement Agreement or upon the occurrence of a Funding Event (described below). See “APPENDIX A – DEFINITIONS – Assignment Events” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Assignment of Certain Rights and Remedies” hereto.

For a description of the outstanding bonds and certain other indebtedness of MSKCC, see “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – FINANCIAL INFORMATION – OUTSTANDING INDEBTEDNESS”, which includes a description of the authorizing resolutions under which outstanding bonds were issued and references certain key documents relating to such outstanding bonds.

Guaranties and Inducement Agreements

The Institute and Realty have each entered into a Guaranty in favor of DASNY pursuant to which they jointly and severally guaranty payment of the Center’s obligations under the Loan Agreement. The Guaranties are general, unsecured obligations of the Institute and Realty. The Institute and Realty entered into guaranties similar to the Guaranties with respect to the 2001 Loan Agreement, the Taxable Indentures and the 2016-2 Bond, but not with respect to the 1998 Loan Agreement.

The Hospital has entered into the Inducement Agreement with DASNY whereby the Hospital has agreed that, upon the occurrence and continuation of a Funding Event (described below), it will pledge certain collateral to secure the Center’s obligations under the Loan Agreement. In addition, the Inducement Agreement includes certain financial covenants of the Hospital described below under “Special Covenants.” The Hospital entered into inducement agreements (the “2001 Inducement Agreement”, the “2011 Inducement Agreement” and the “2012 Inducement Agreement”; the 2011 Inducement Agreement and the 2012 Inducement Agreement are collectively referred to herein as the “Taxable Inducement Agreements”) similar to the Inducement Agreement, with respect to the 2001 Loan Agreement and the Taxable Indentures, but not with respect to the 1998 Loan Agreement (each as hereinafter defined). The material difference between the Inducement Agreement, the 2001 Inducement Agreement and the Taxable Inducement Agreements, is that under the 2001 Inducement Agreement the Hospital agrees to pledge as collateral a portion of the Gross Receipts of the Hospital as well as

Hospital Property, while under the Inducement Agreement and the Taxable Inducement Agreements the Hospital agrees to pledge as collateral only Hospital Property.

DASNY has not assigned and is not assigning to the Trustee its rights under the Guaranties and the Inducement Agreement. DASNY may assign such rights under the Guaranties and the Inducement Agreement to the Trustee but has no present intention to do so. Under the Resolution, DASNY is required to assign such rights to the Trustee upon the occurrence of certain events of default under the Resolution, the Loan Agreement or the Inducement Agreement or upon the occurrence of a Funding Event (described below). See “APPENDIX A – DEFINITIONS – Assignment Events” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION – Assignment of Certain Rights and Remedies” hereto.

See “APPENDIX A – DEFINITIONS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT” hereto.

Special Covenants

The Loan Agreement contains several financial covenants of the Center and the Related Corporations including (i) a requirement that the Center engage a Management Consultant if MSKCC experiences certain levels of operating losses and does not maintain certain ratios of Cash and Investments to Debt; (ii) a requirement that the Center and the Related Corporations provide certain collateral to secure the Center’s obligations under the Loan Agreement following the occurrence and continuation of a Funding Event; (iii) limitations on the ability of the Center and the Related Corporations to incur Liens on Property and Debt secured by Liens; and (iv) limitations on the sale of Property by the Center and the Related Corporations and the application of Sale Proceeds from such sale. The Inducement Agreement contains several financial covenants of the Hospital including (i) a requirement that the Hospital provide certain collateral to secure the Center’s obligations under the Loan Agreement following the occurrence and continuation of a Funding Event; (ii) limitations on the ability of the Hospital to incur Liens on Property and Debt secured by Liens; and (iii) limitations on the sale of Hospital Property and the application of Sale Proceeds from such sale. *Certain covenants in the Loan Agreement and the Inducement Agreement may be amended, and compliance with certain covenants may be waived, with the consent of DASNY but without the consent of the Holders of the Series 2020 DASNY Bonds.*

Definitions for defined terms used under this heading “Special Covenants” are contained in “APPENDIX A – DEFINITIONS” hereto. The summary set forth below does not purport to be complete. See “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Financial Covenants of the Center,” “– Funding Events and Collateral Requirement,” “– Limitations on Liens; Secured Debt” and “– Sale of Property” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT – The Inducement Agreement” hereto.

Management Consultant. The Center is required to engage a Management Consultant if either (i) the Debt Ratio on any Measurement Date is less than 1.0:1.0 or (ii) the Debt Ratio on the Measurement Date that is the last day of the fiscal year of the Center is less than 1.2:1.0 and the Adjusted Operating Loss is greater than \$50,000,000. The Adjusted Operating Loss, by which operating losses are adjusted by contributions and an assumed return on investments, is only required to be calculated if the most recently available audited financial statements of the Center and its Affiliates show a decrease in Unrestricted Net Assets of \$50,000,000 or more or the Debt Ratio on the Measurement Date that is the last day of the fiscal year of the Center is less than 1.2:1.0. [On a pro forma basis, taking into account the issuance of the Series 2020 DASNY Bonds and the incurrence of other long-term debt, as of December 31, 2019 the Debt Ratio would have exceeded 1.2:1.0.] See “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – Outstanding Indebtedness – Actual Capitalization as of December 31, 2019” and “– MSKCC – Capitalization Ratio Summary” herein, for information regarding outstanding indebtedness and capitalization of MSKCC.

Funding Events and Collateral Requirement. Upon the occurrence and continuation of any of the following “Funding Events,” the Center and the Hospital will be required to provide or cause to be provided certain collateral (described below) to secure the Center’s obligations under the Loan Agreement. Funding Events include: (i) failure to pay certain amounts due under the Loan Agreement, (ii) failure to engage a Management Consultant when required or act on its recommendation as provided in the Loan Agreement, (iii) for two consecutive fiscal years, a decrease in Unrestricted Net Assets of the Center and its Affiliates of \$50,000,000 or more and an Adjusted Operating Loss in excess of \$50,000,000, (iv) the Debt Ratio on any Measurement Date is less than 0.6:1.0, (v) the senior unsecured or unenhanced Debt of the Center is rated lower than the “A” category by two Rating Services if such Debt is rated by at least three Rating Services or by one

Rating Service if such Debt is rated by fewer than three Rating Services, or (vi) the occurrence of an “event of default” under the Inducement Agreement.

The collateral to be provided consists of the Shared Collateral (described below) and the Research Center Property together with rents, profits and issues of the Research Center Property (other than receivables and other income derived by the Center or an Affiliate from its general business activities in the Research Center Property). ***Certain proposed Loan Agreement amendments eliminate this requirement to pledge the Research Center Property and will become effective with respect to the Series 2020 DASNY Bonds and any other Bonds issued on or after November 1, 2019 (the date of issuance of the 2019 Series 1 Bonds), when no Bonds issued prior to November 1, 2019 remain Outstanding. See “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT” hereto.***

Within 60 days of a Funding Event, the Center and the Hospital, as applicable, are required to grant a lien, mortgage or a security interest in the Shared Collateral (defined below). Collateral will be released from such pledge at such time as no Funding Event or Event of Default (or event which with the passage of time or the giving of notice or both could become an Event of Default) is then continuing. Upon the occurrence of a Funding Event, MSKCC is also required to grant a lien, mortgage or a security interest in the Shared Collateral to (i) DASNY to secure the Center’s obligations under the 2001 Loan Agreement, (ii) the Taxable Bond Trustee to secure the Center’s obligations under the Taxable Indentures, and (iii) DNT Asset Trust, as purchaser of the 2016-2 Bond, equally and ratably.

In order to assure that the lien on the Shared Collateral is granted on a parity basis to secure the Center’s obligations under the Loan Agreement, the 2001 Loan Agreement, the 2016 Bond Documents and the Taxable Indentures, each of the Center and the Hospital has agreed that it will take the steps necessary to grant the lien on the Shared Collateral to secure the obligations of the Center under the Loan Agreement, 2001 Loan Agreement, the 2016 Bond Documents and Taxable Indentures, within 60 days of the occurrence of a Funding Event under any of the Loan Agreement, 2001 Loan Agreement, the 2016 Bond Documents or Taxable Indentures. Each of the Center and the Hospital have further agreed that such lien shall not be released unless and until such release is permitted under all of the Loan Agreement, 2001 Loan Agreement, the 2016 Bond Documents and Taxable Indentures (collectively, the “*Shared Collateral Documents*”).

“*Shared Collateral*” means (i) the pledge of or security interest in the Gross Receipts of the Center and the Related Corporations, provided, however, that the rents, profits and issues of the Research Center Property, other than receivables and other income derived by the Center or an Affiliate from its general business activities in the Research Center Property, shall not constitute Shared Collateral and shall only secure the Center’s obligations under the Loan Agreement, (ii) the mortgage or mortgages on Restricted Property, Unrestricted Property and Hospital Property (provided that if approval of the Department of Health is required and cannot be obtained after a reasonable effort then a mortgage on Hospital Property is not required), (iii) the security interest in the furnishings and equipment located in and used in connection with any of the Unrestricted Property and Hospital Property, (iv) the pledge of or security interest in any and all Sale Proceeds (except for Sale Proceeds resulting from the sale or other disposition of Research Center Property), (v) in lieu of all or a portion of the collateral described in clauses (i) through (iv) above, such other collateral security to which the Center has obtained prior written consent of DASNY given or made by the Center or a Related Corporation pursuant to a Funding Event, and by the Hospital pursuant to the Inducement Agreement and (vi) any other pledge, security interest or mortgage given or made to DASNY pursuant to the Loan Agreement or pursuant to the Inducement Agreement.

“*Shared Collateral*” does not include (i) the Research Center Property together with rents, profits and issues of the Research Center Property (other than receivables and other income derived by the Center or an Affiliate from its general business activities in the Research Center Property), which will secure only the Center’s obligations under the Loan Agreement (and not under the 2001 Loan Agreement or the Taxable Indentures) and (ii) the Hospital’s Gross Receipts, a portion of which will secure only the Center’s obligations under the 2001 Loan Agreement (and not under the Loan Agreement or the Taxable Indentures). ***Certain proposed Loan Agreement amendments eliminate this requirement to pledge the Research Center Property and will become effective with respect to the Series 2020 DASNY Bonds and any other Bonds issued on or after November 1, 2019 (the date of issuance of the 2019 Series 1 Bonds), when no Bonds issued prior to November 1, 2019 remain Outstanding. See “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT” hereto.***

DASNY, the Taxable Bonds Trustee, DNT Asset Trust, as purchaser of the 2016-2 Bond and the Trustee have entered into the Intercreditor Agreement regarding the application of proceeds resulting from the enforcement and exercise of remedies with respect to the Shared Collateral. The Intercreditor Agreement provides that any cash proceeds realized as a result of the sale of the Shared Collateral are to be held for the equal benefit of all parties to the Intercreditor Agreement,

to be applied first to pay costs of collection and second to pay the indebtedness under the Shared Collateral Documents pro rata based on the unpaid principal amount of such indebtedness. The Intercreditor Agreement further provides that any party may commence a foreclosure or enforcement action or proceeding with respect to the Shared Collateral without the consent of the other parties. The Intercreditor Agreement requires that each party give the other parties at least 15 days' notice of any enforcement action it proposes to pursue. In the Intercreditor Agreement, DASNY and the Trustee (but not the Taxable Bonds Trustee or DNT Asset Trust) agree that if DASNY or the Trustee accelerates payment of amounts due under the Loan Agreement, then DASNY or either of such other trustees, to the extent entitled to do so, will accelerate payment of amounts due under the Loan Agreement. The Taxable Bonds Trustee or DNT Asset Trust may, but is not required to, accelerate payment of the Taxable Bonds or the 2016-2 Bond, as applicable, at such time and DASNY and the Trustee may, but are not required to, accelerate the payment of amounts due under the Loan Agreement if the Taxable Bonds Trustee or DNT Asset Trust accelerates payment of amounts due under the Taxable Indentures or the 2016-2 Bond, as applicable. Many, but not all, of the events of default under the Loan Agreement are the same and an event of default under the Loan Agreement is an event of default under the Taxable Indentures and the 2016-2 Bond. See "APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT" hereto.

Sale of Property. Unrestricted Property, Restricted Property, Hospital Property, Research Center Property and Mortgaged Property may be sold, for not less than fair market value or to the Center or an Affiliate. Sale Proceeds from the sale of Unrestricted Property, Restricted Property, Research Center Property or Mortgaged Property are generally required to be held by the Center or a Related Corporation separate and apart from other funds and Sale Proceeds from the sale of Hospital Property are required to be held by the Hospital separate and apart from other funds, although for purposes of investment Sale Proceeds may be commingled with other moneys of the Center or an Affiliate similarly invested. Sale Proceeds from the sale of Unrestricted Property may, if no Funding Event is continuing, be used for any corporate purpose of the Center or a Related Corporation. Sale Proceeds from the sale of Restricted Property or Mortgaged Property may only be used to acquire title to other real property of the Center or a Related Corporation, to pay the costs of construction on land owned by the Center or a Related Corporation, or, with the consent of DASNY, for other corporate purposes (including the payment of Bonds). Sale Proceeds from the sale of Hospital Property may only be used to acquire title to other real property of the Hospital, to pay the costs of construction on land owned by the Hospital, or, with the consent of DASNY, for other corporate purposes (including the payment of Bonds).

Restricted Property includes, but is not limited to, the Rockefeller Outpatient Pavilion, the Rockefeller Research Laboratories at the main campus of MSKCC, and property used for administrative purposes at locations in Manhattan other than the main campus. Hospital Property currently includes all property owned by the Hospital, including the patient care facilities at the main campus. Research Center Property includes the Mortimer B. Zuckerman Research Center. Unrestricted Property includes all other properties of MSKCC. See "PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – The Facilities and Services" hereto.

Certain proposed Loan Agreement amendments eliminate the restriction described above on Research Center Property and will become effective with respect to the Series 2020 DASNY Bonds and any other Bonds issued on or after November 1, 2019 (the date of issuance of the 2019 Series 1 Bonds), when no Bonds issued prior to November 1, 2019 remain Outstanding. See "APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT" hereto.

Limitation on Liens and Secured Debt; Collateral Upon Excess Secured Debt. The Center in the Loan Agreement agrees that it and the Related Corporations, and the Hospital in the Inducement Agreement agrees that it, will not incur Debt secured by Liens on any Property unless either the obligations of the Center under the Loan Agreement are equally and ratably secured or DASNY consents. Notwithstanding the foregoing, the Loan Agreement and the Inducement Agreement list several types of Liens which the Center, the Hospital and the Related Corporations may create or permit including the following: (i) Liens to secure Debt incurred pursuant to the Loan Agreement, (ii) Liens to secure the purchase price of furnishings or equipment or Investment Property, (iii) Liens on Property existing upon its time of acquisition, (iv) with the consent of DASNY, Liens to secure providers of Credit Facilities or Liquidity Facilities, (v) Liens on Collateral to secure Debt to DASNY, (vi) Liens on Property other than Collateral to secure other Debt to DASNY, (vii) extension of existing Liens, (viii) Liens on pledges to make gifts or bequests to secure Debt the proceeds of which is used to acquire real property or furnishings and equipment to be used in and in connection with Research Center Property, Unrestricted Property, Restricted Property, Hospital Property or Mortgaged Property and (ix) Permitted Encumbrances. Furthermore, subject to the limitations described in the next two sentences, the Center, the Hospital and the Related Corporations may create or permit (i) Liens on intangible personal property (other than accounts receivable) to secure Short-Term Debt, (ii) Liens on intangible personal property to secure obligations incurred in connection with Derivative Agreements and (iii) Liens on accounts receivable of the Center or the Related Corporations (but not those of the Hospital). First, the aggregate principal

amount of such Debt and the maximum exposure under Derivative Obligations (based on certain assumptions) may not be more than 15% of the Unrestricted Net Assets of the Center and the Affiliates at the time such Debt is incurred or such Derivative Agreements are executed and delivered. Second, (i) Short-Term Debt secured by Liens on intangible personal property may not exceed 15% of Total Operating Revenues of the Center and the Affiliates and must be reduced to not more than 5% of the Total Operating Revenues of the Center and the Affiliates for a period of at least 20 consecutive days each year and (ii) Debt secured by Liens on accounts receivable may not exceed 80% of the accounts receivable subject to such Liens and the accounts receivable securing such Debt may not exceed 25% of the net accounts receivable of the Center and the Affiliates.

Certain proposed Loan Agreement amendments to the permitted Liens described above will become effective with respect to the Series 2020 DASNY Bonds and any other Bonds issued on or after November 1, 2019 (the date of issuance of the 2019 Series 1 Bonds), when no Bonds issued prior to November 1, 2019 remain Outstanding. See “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT” hereto.

The Center in the Loan Agreement agrees, and the Hospital in the Inducement Agreement agrees, that if, at the time the Center, the Hospital or another Related Corporation creates a Lien to secure Derivative Obligations, the aggregate principal amount of Debt secured by Liens given to secure Short-Term Debt and accounts receivable, together with the aggregate amount of Derivative Obligations then secured, including the Derivative Obligation then to be secured (collectively, the “*Limited Secured Debt*”), exceeds the Secured Debt Limit, the Center or the Hospital, as applicable, as security for the Center’s obligations under the Loan Agreement, will promptly give or cause to be given to DASNY a Lien or Liens on Property reasonably acceptable to DASNY, the fair market value or, in the case of mortgages on real property, the appraised value of which is at the time such Liens are given at least equal to the amount by which the Limited Secured Debt exceeds the Secured Debt Limit. Notwithstanding the foregoing, no Lien or Liens otherwise described in this paragraph will be required if the obligations of the Center are then secured by Collateral given pursuant to a Funding Event.

Events of Default and Acceleration under the Resolution

The following are events of default under the Resolution: (a) a default in the payment of the principal, Sinking Fund Installments or Redemption Price of or interest on any Bonds; (b) a default by DASNY in the due and punctual performance of its covenant not to take or omit to take or permit any action which would cause interest on the 2020 Series 1 Bonds to no longer be excludable from gross income under Section 103 of the Code; (c) a default by DASNY in the due and punctual performance of any other covenant, condition, agreement or provision contained in the Bonds or in the Resolution which continues for thirty (30) days after written notice thereof is given to DASNY by the Trustee (such notice to be given at the Trustee’s discretion or at the written request of Holders of not less than 25% in principal amount of Outstanding Bonds); or (d) an “event of default,” as defined in the Loan Agreement, shall have occurred and is continuing and all sums payable by the Center under the Loan Agreement shall have been declared immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the Center 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 (b) 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 shall, by written notice to DASNY, declare the principal of and interest on all the Outstanding Bonds to be due and payable immediately. At the expiration of thirty (30) days from the giving of such notice, such principal and interest shall become immediately due and payable. The Trustee shall with the written consent of the Holders of not less than 25% in principal amount of the Outstanding Bonds, 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.

Notwithstanding any other provision of the Resolution to the contrary, upon DASNY’s failure to observe, or refusal to comply with, the covenant described in clause (b) of the first paragraph under this subheading, the Trustee may, and upon the direction of the Holders of not less than 25% in principal amount of the Outstanding Bonds of the Series affected thereby, shall exercise the rights and remedies provided to the Holders of the Bonds under the Resolution, other than the right to accelerate the maturity of the Bonds.

The Resolution provides that the Trustee shall give notice, in accordance with the Resolution, of each event of default known to the Trustee to the Center within five (5) days after knowledge of the occurrence thereof and to the Holders within thirty (30) days after 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 Installment

or Redemption Price of, or interest on, any of the Bonds, the Trustee shall be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Additional Bonds

In addition to the Series 2020 DASNY Bonds, the Resolution authorizes the issuance of other series of Bonds to pay the Costs of a Project, to pay the Costs of Issuance of Bonds, and to refund Outstanding Bonds or other notes or bonds of DASNY the proceeds of which were applied to make a loan to the Center and to refund other indebtedness of the Center. All Bonds issued under the Resolution will rank on a parity with each other and will be secured equally and ratably with each other, except with respect to any fund or account established under a series resolution for the benefit of the series of bonds authorized pursuant thereto for the payment of the Purchase Price of Option Bonds tendered for purchase. For a more complete description of conditions to issuing additional Bonds, see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” hereto.

General

The Series 2020 DASNY Bonds are not a debt of the State nor will the State be liable thereon. DASNY has no taxing power. DASNY has never defaulted in the timely payment of principal or sinking fund installments of or interest on its bonds or notes. See “PART 8 – DASNY” herein.

PART 3 – THE SERIES 2020 DASNY BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2020 DASNY Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution and the Loan Agreement, copies of which are on file with DASNY and the Trustee. See also “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN AGREEMENT” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” for a more complete description of certain provisions of the Series 2020 DASNY Bonds.

Description of the Series 2020 DASNY Bonds

General. Each series of Series 2020 DASNY Bonds will be issued pursuant to the Resolution and the applicable Series 2020 Resolution and will be dated and bear interest from their date of delivery (payable [_____] 1, 20__ and on each January 1 and July 1 thereafter) at the rates, and will mature on the applicable dates set forth on the inside cover page of this Official Statement.

Each series of Series 2020 DASNY Bonds is being issued in a Fixed Rate Mode maturing on the dates and bearing interest at the applicable rates set forth on the inside cover page hereof through the final maturity date thereof. Each series of Series 2020 DASNY Bonds may be subject to mandatory tender for purchase and converted to Daily or Weekly Rates, Commercial Paper Rates, Term Rates, or Fixed Rates at the times and upon the conditions set forth in the Resolution. Each series of Series 2020 DASNY Bonds may only be subject to mandatory tender for purchase and converted to another interest rate mode on or after the first date on which the applicable series of Series 2020 DASNY Bonds are subject to optional redemption as described under the caption “Redemption and Tender for Purchase Provisions” below.

Except as set forth below under “Redemption and Tender for Purchase Provisions”, this Official Statement does not describe (i) any other interest rate mode into which the Series 2020 DASNY Bonds may be converted, (ii) any provision relating to the tender provisions applicable to the Series 2020 DASNY Bonds after any such conversion, or (iii) the remarketing of the Series 2020 DASNY Bonds upon any such conversion and the application of the proceeds thereof. A remarketing of a series of Series 2020 DASNY Bonds upon any such conversion will be made solely by a separate offering document or through a private placement to a limited number of institutional investors and not by this Official Statement.

Each series of Series 2020 DASNY Bonds will be issued as fully registered bonds. Each series of Series 2020 DASNY Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC’s Book-Entry Only System. Purchasers of beneficial interests in the Series 2020 DASNY Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for a series of Series 2020 DASNY Bonds, such bonds will be

exchangeable for other fully registered bonds in any other authorized denominations of the same maturity without charge except for 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 Resolutions. See “Book-Entry Only System” herein and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” hereto.

Interest on the each series of Series 2020 DASNY Bonds will be payable by check mailed to the registered owners thereof. The principal or redemption price of each series of Series 2020 DASNY 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, the Trustee and Paying Agent. As long as the Series 2020 DASNY Bonds of a series are registered in the name of Cede & Co., as nominee of DTC, such payments applicable to such series will be made directly to DTC. See “Book-Entry Only System” herein.

Redemption and Tender for Purchase Provisions

The Series 2020 DASNY Bonds are subject to optional, special and mandatory redemption and mandatory tender for purchase at the election of DASNY as described below.

Optional Redemption or Mandatory Tender. The 2020 Series 1 Bonds are subject to redemption or mandatory tender for purchase prior to maturity at the election of DASNY, exercised at the direction of or with the consent of the Center, on or after July 1, 20__, in whole or in part, at any time at a redemption price or tender price, as applicable, of 100% of the principal amount of the 2020 Series 1 Bonds to be redeemed or tendered, plus accrued interest to the redemption date or tender date, as applicable.

The 2020 Series 2 Bonds are subject to redemption or mandatory tender for purchase prior to maturity at the election of DASNY, exercised at the direction of or with the consent of the Center, on or after July 1, 20__, in whole or in part, at any time at a redemption price or tender price, as applicable, of 100% of the principal amount of the 2020 Series 2 Bonds to be redeemed or tendered, plus accrued interest to the redemption date or tender date, as applicable.

Purchase in Lieu of Optional Redemption or Mandatory Tender. The 2020 Series 1 Bonds maturing on or after July 1, 20__ are subject to purchase in lieu of optional redemption or mandatory tender prior to maturity at the election of the Center, on or after July 1, 20__, in whole or in part at any time, at a price of 100% of the principal amount of 2020 Series 1 Bonds to be purchased, plus accrued interest to the purchase date (the “*2020 Series 1 Bonds Purchase Date*”).

The 2020 Series 2 Bonds maturing on or after July 1, 20__ are subject to purchase in lieu of optional redemption or mandatory tender prior to maturity at the election of the Center, on or after July 1, 20__, in whole or in part at any time, at a price of 100% of the principal amount of 2020 Series 2 Bonds to be purchased, plus accrued interest to the purchase date (the “*2020 Series 2 Bonds Purchase Date*” and together with the 2020 Series 2 Bonds, the “*Purchase Dates*” and each a “*Purchase Date*”).

Special Redemption. Each series of Series 2020 DASNY Bonds is also subject to redemption prior to maturity at the option of DASNY, in whole or in part, at 100% of the principal amount thereof, on any Interest Payment Date from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the projects financed with the Series 2020 DASNY Bonds. See “PART 5 – THE PLAN OF FINANCE”, “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER” and “PART 7 – BONDHOLDERS’ RISKS” herein.

Mandatory Redemption. In addition, the 2020 Series 1 Bonds maturing on July 1, 20__ and July 1, 20__ are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount of the 2020 Series 1 Bonds to be redeemed, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of 2020 Series 1 Bonds specified for each of the years shown below:

____ % 2020 Series 1 Bonds Term Bond Maturing 20__

<u>July 1</u>	<u>Amount</u>
	\$

†

____ % 2020 Series 1 Bonds Term Bond Maturing 20__

<u>July 1</u>	<u>Amount</u>
	\$

†

† Final maturity.

In addition, the 2020 Series 2 Bonds maturing on July 1, 20__ and July 1, 20__ are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount of the 2020 Series 2 Bonds to be redeemed, plus accrued interest to the redemption date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of 2020 Series 2 Bonds specified for each of the years shown below:

____ % 2020 Series 2 Bonds Term Bond Maturing 20__

<u>July 1</u>	<u>Amount</u>
	\$

†

____ % 2020 Series 2 Bonds Term Bond Maturing 20__

<u>July 1</u>	<u>Amount</u>
	\$

†

† Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of applicable series of Series 2020 DASNY Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the

Center or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2020 DASNY Bonds purchased with money in the related Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the applicable series of Series 2020 DASNY Bonds so purchased payable on the next succeeding July 1. Series 2020 DASNY Bonds redeemed at the option of DASNY, purchased by DASNY or the Center (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments on such dates as DASNY shall specify in a written direction of DASNY delivered to the Trustee at least fifteen (15) days prior to the earliest date on which notice of redemption of the Series 2020 DASNY Bonds entitled to such Sinking Fund Installment may be given by the Trustee and the Sinking Fund Installment payable on each date specified in such direction shall be reduced by the principal amount of the Series 2020 DASNY Bonds so purchased, redeemed or deemed to have been paid in accordance with the Resolution to be applied in satisfaction of such Sinking Fund Installment as set forth in such direction. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2020 DASNY Bonds of the maturity so purchased will be reduced for such year.

Fixed Rate Mode. Each series of Series 2020 DASNY Bonds are being issued in the Fixed Rate Mode. DASNY may cause a mandatory tender of such series of Series 2020 DASNY Bonds at the purchase price of 100% of the principal amount of the Series 2020 DASNY Bonds to be tendered, plus accrued interest to the tender date, on any date such Series 2020 DASNY Bonds are subject to optional redemption, subject to DASNY's providing a source of payment therefor in accordance with the Resolution. If notice of mandatory tender has been given and funds prove insufficient, the Series 2020 DASNY Bonds not purchased shall continue in the Fixed Rate Mode, without change in interest rate, maturity date or other terms. Other modes to which such Series 2020 DASNY Bonds may be converted are not described in this Official Statement.

Selection of Series 2020 DASNY Bonds to be Redeemed or Tendered. In the case of redemption or tender of Series 2020 DASNY Bonds, other than from Sinking Fund Installments, DASNY, at the direction of the Center, will select the maturities of the applicable series of Series 2020 DASNY Bonds to be redeemed or tendered. If less than all of the related series of Series 2020 DASNY Bonds of a maturity are to be redeemed or tendered, the Series 2020 DASNY Bonds of such maturity and series to be redeemed or tendered will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion.

Notice of Redemption or Tender. The Trustee is to give notice of the redemption or a call for mandatory tender of the Series 2020 DASNY 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 or the tender date, as applicable, to the registered owners of any Series 2020 DASNY Bonds which are to be redeemed or tendered, at their last known addresses appearing on the registration books of DASNY and by certified mail to a national information service that disseminates bond redemption or tender notices. If DASNY's obligation to redeem or tender Series 2020 DASNY Bonds is subject to conditions, the notice of redemption or call for mandatory tender will contain a statement to such effect that describes the conditions to such redemption or tender. Provided the Trustee has delivered to DASNY a certification that such mailings occurred, such mailing is not a condition precedent to such redemption and failure of any holder or national information service to receive such notice or failure to mail such notice to any such registered owners or national information service or any defect in such notice will not affect the validity of the proceedings for the redemption or tender of the Series 2020 DASNY Bonds.

If on the redemption date or tender date moneys for the redemption or tender, as applicable, of the Series 2020 DASNY Bonds of like maturity to be redeemed or tendered, together with interest thereon to the redemption date or tender date, as applicable, are held by the Trustee so as to be available for payment of the redemption price or tender price then interest on the Series 2020 DASNY Bonds of such maturity and series to be redeemed or tendered will cease to accrue from and after the redemption date or tender date and such Series 2020 DASNY Bonds will no longer be considered to be Outstanding under the Resolution.

For a description of certain other provisions relating to the Series 2020 DASNY Bonds, see "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" hereto.

Notice of Purchase in Lieu of Redemption and its Effect. Notice of purchase of the a series of Series 2020 DASNY Bonds will be given in the name of the Center to the registered owners of the such Series 2020 DASNY Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the applicable Purchase Date specified in such notice. The Series 2020 DASNY Bonds to be purchased are required to be tendered on the applicable Purchase Date to the Trustee. Series 2020 DASNY Bonds to be purchased that are not so tendered will be deemed to have

been properly tendered for purchase. In the event a series of Series 2020 DASNY Bonds are called for purchase in lieu of an optional redemption, such purchase will not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of such Series 2020 DASNY Bonds and such Series 2020 DASNY Bonds need not be cancelled, but will remain Outstanding under the Resolution and continue to bear interest.

The Center's obligation to purchase a Series 2020 DASNY 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 related series of Series 2020 DASNY Bonds to be purchased on the applicable Purchase Date. If sufficient money is held by the Trustee on the applicable Purchase Date to pay the purchase price of the Series 2020 DASNY Bonds to be purchased, the purchase price of the Series 2020 DASNY Bonds called for purchase will become due and payable on the applicable Purchase Date, upon presentation and surrender of such Series 2020 DASNY Bonds to be purchased at the office or offices specified in such notice. If sufficient money is not available on the applicable Purchase Date for payment of the purchase price, the Series 2020 DASNY Bonds called for purchase will continue to be registered in the name of the registered owners on the applicable Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2020 DASNY Bonds in accordance with their respective terms.

In the event not all of the Outstanding Series 2020 DASNY Bonds of a maturity and series are to be purchased, the Series 2020 DASNY Bonds to be purchased will be selected by lot in the same manner as Series 2020 DASNY Bonds of a maturity and series to be redeemed in part are to be selected.

For a description of certain other provisions relating to the Series 2020 DASNY Bonds, see "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" hereto. Also see "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2020 DASNY 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 2020 DASNY Bonds. The Series 2020 DASNY 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 2020 DASNY Bonds certificate will be issued for each maturity of each Series of the Series 2020 DASNY Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Series 2020 DASNY Bonds within a maturity and series 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 2020 DASNY 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 2020 DASNY 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 2020 DASNY Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriter, 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 2020 DASNY Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2020 DASNY Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2020 DASNY 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 2020 DASNY 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 2020 DASNY Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 DASNY 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 2020 DASNY 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 2020 DASNY Bond certificates will be printed and delivered to DTC.

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

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

So long as Cede & Co. is the registered owner of the Series 2020 DASNY Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2020 DASNY 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 2020 DASNY 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 2020 DASNY Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE, THE CENTER OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2020 DASNY 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 2020 DASNY 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 2020 DASNY BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2020 DASNY BONDS; OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the amounts, after giving effect to the issuance of the Series 2020 DASNY Bonds and the Series 2020 Taxable Bonds, required to be paid by the Center during each twelve month period ending December 31 of the years shown for the payment of debt service on the currently outstanding long-term indebtedness of the Center, the principal of and interest on the Series 2020 DASNY Bonds and the total debt service on all indebtedness of the Center, including the Series 2020 DASNY Bonds.

12-Month Period Ending December 31	2020 Series 1 Bonds (Tax Exempt)		2020 Series 2 Bonds (Taxable)		Series 2020 Taxable Bonds ⁽¹⁾		Debt Service on Outstanding Indebtedness ⁽²⁾	Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest		
2020	\$	\$	\$	\$	\$	\$	\$	\$
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
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⁽¹⁾ The Series 2020 Taxable Bonds are not subject to the terms hereof and are being offered pursuant to a separate offering document.

⁽²⁾ Reflects debt service on the Series 1998, Series 2012, 2012 Series 1, 2017 Series 1 Bonds and 2019 Series 1 Bonds issued by DASNY, the privately placed Series 2010 and Series 2016 1 Bonds issued by DASNY, the 2016-2 Bond issued by the New Jersey Economic Development Authority, and the Series 2011A, Series 2012A and Series 2015A Taxable Bonds issued by the Center.

Total	\$	\$	\$	\$	\$	\$	\$	\$
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For a discussion of MSKCC’s outstanding indebtedness, see “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – Outstanding Indebtedness” herein.

PART 4 – ESTIMATED SOURCES AND USES OF FUNDS

	<u>2020 Series 1</u>	<u>2020 Series 2</u>	<u>Series 2020 Taxable</u>	<u>Total</u>
Estimated sources and uses of funds are as follows:				
Sources of Funds				
Principal Amount.....				
[Net] [Premium][Original Issue Discount]				
Other available funds.....				
Total Sources of Funds				
Uses of Funds				
Deposit for Project Costs.....				
Costs of Issuance				
Underwriter’s Discount				
Total Uses of Funds.....				

PART 5 – THE PLAN OF FINANCE

The proceeds of the 2020 Series 1 Bonds are being issued for the purpose of [(i) paying a portion of the costs of constructing, improving, and equipping an ambulatory care and inpatient facility near East 74th Street in New York, New York; (ii) paying for certain equipment; and (iii) paying costs of issuance on the 2020 Series 1 Bonds]. The proceeds of the 2020 Series 2 Bonds are being issued for the purpose of [(i) paying a portion of the costs of constructing, improving, and equipping an ambulatory care and inpatient facility near East 74th Street in New York, New York; (ii) paying for certain equipment; and (iii) paying costs of issuance on the 2020 Series 1 Bonds]. See “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – MSKCC Regional Sites” herein.

The Series 2020 Taxable Bonds are being issued by MSKCC to provide funds (i) _____, and (ii) to pay the costs of issuance of the Series 2020 Taxable Bonds.

PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER

[Section to be updated]

Introduction

MSKCC is the oldest and largest privately-operated not-for-profit cancer center in the world. The mission of MSKCC is to provide leadership in the prevention, diagnosis, treatment and cure of cancer through excellence, vision and cost effectiveness in patient care, outreach programs, research, and education.

MSKCC has devoted more than a century to providing world-class patient care, driving innovative research, and training the future generations of cancer specialists and researchers. The Hospital was founded in 1884 on Manhattan’s Upper West Side by a group that included John J. Astor and his wife, Charlotte. In 1936, the Hospital began a move to its present location on York Avenue, on land donated by John D. Rockefeller, Jr., and the new Hospital opened in 1939. The building, which was reconstructed between 1970 and 1973, stands on that site today. The founding of the Institute dates back to the 1940s, when two former General Motors executives, Alfred P. Sloan and Charles F. Kettering, joined forces to establish MSKCC’s basic research arm. In 1960, a new corporate entity — the Center — was formed to coordinate and guide the overall policy for the Hospital and the Institute, and in 1980 these entities were unified into a single institution, with a single president and CEO.

MSKCC is home to more than 18,000 physicians, scientists, nurses and support staff united by a dedication to conquering cancer. As an independent institution, MSKCC combines 135 years of research and clinical leadership with the freedom to provide highly individualized, exceptional care to each patient. MSKCC's always-evolving educational programs continue to train new leaders in the field, here and around the world. One of MSKCC's greatest strengths is the interconnectedness of its physicians and scientists. Their close collaboration enables MSKCC to provide patients with the best care available while working to discover more effective strategies to prevent, control, and ultimately cure cancer. Since their founding, the Hospital and the Institute have pioneered countless discoveries in clinical and basic science research that have led to standard-setting innovations across areas of cancer diagnosis and treatment.

The principal corporations related to the Center are the Hospital, the Institute, MSK Insurance U.S., Inc. ("*MSKI*"), Realty and the Louis V. Gerstner, Jr. Graduate School of Biomedical Sciences at Memorial Sloan Kettering Cancer Center ("*GSK*"). The Center, the Hospital and the Institute currently have virtually identical officers and Boards of Managers. The Boards of Realty and MSKI have representatives of the Center's Board of Managers.

MSKCC owns or leases approximately six million square feet of clinical, research, support and residential space in the metropolitan NYC area.

The Center

The Center provides general administrative, financial management, and other services to the clinical and research enterprises. The clinical and research enterprises share in the cost of these support services with the exception of its fundraising and certain administrative services. The fundraising activities of the Center generate funds in support of the research, clinical, and training needs of MSKCC. In addition, MSKI (described more fully below) is a subsidiary of the Center.

As of June 30, 2019, the Center accounted for 37 percent of the total assets and 71 percent of the unrestricted cash and investments of MSKCC. The Series 2020 DASNY Bonds are general unsecured obligations of the Center and are not secured by a pledge of any revenues or assets of the Center. See "PART 1 – INTRODUCTION – Security for the Series 2020 DASNY Bonds" herein.

The Clinical Enterprise

The Hospital, a 514-bed licensed specialized hospital, traces its history to the New York Cancer Hospital, founded in 1884 as the nation's first cancer hospital. All inpatient activity — from surgery to hospital stays — takes place at the Manhattan campus between 67th and 68th Streets on York Avenue. The Hospital also operates a number of outpatient locations across New York City, as well as treatment centers across Long Island, Westchester County, and New Jersey.

MSKCC has received numerous awards and distinctions for its commitment to exceptional patient care:

- According to *US News & World Report*, Memorial Sloan Kettering has ranked as one of the top two hospitals for cancer care in the country for 30 years, and among the nation's top hospitals for pediatric cancer care.
- MSKCC has been designated a Comprehensive Cancer Center by the National Cancer Institute, one of only 50 institutions to receive this distinction.
- MSKCC received patient satisfaction scores as reported by Press Ganey that place MSKCC in the 98th percentile of rated hospitals. The likelihood that an MSKCC patient would recommend MSKCC's outpatient facilities to friends and family was 97 percent.
- Received Magnet® recognition, the nation's highest honor for excellence in nursing. Granted by the American Nurses Credentialing Center (ANCC), Magnet® recognition is the most prestigious distinction a healthcare organization can receive for nursing excellence and quality patient outcomes. Only about 7 percent of hospitals nationally carry this prestigious designation.
- New York Magazine's Top Doctors issue included 121 MSKCC doctors in their 2019 listing. The listing includes more cancer physicians from MSKCC than from any other hospital in the tri-state area.

- Inclusion on Becker’s 2019 list as one of the 150 Top Places to Work in Healthcare.
- Glassdoor’s annual list of *Best Places to Work* named MSKCC 66th in the United States and one of only seven organizations in New York City selected.
- MSKCC has received the Practice Greenhealth’s Top 25 Environmental Excellence Award for five consecutive years.

To achieve its goals in patient care, the Hospital maintains a broad range of clinical expertise required to provide for the care of patients with cancer and to foster the prevention of cancer. The Hospital strives for excellence in all therapeutic modalities—surgery, chemotherapy, radiotherapy, and the emerging field of biological therapy, notably immunotherapy—with primary emphasis on the cure of cancer. Patient care is provided through the collaborative efforts of the medical staff, registered nurses, and allied health professionals. This multi-modality approach is formalized by the Hospital’s “disease management” program of care. Disease Management Teams include surgical oncologists, medical oncologists, radiation oncologists, diagnostic radiologists, pathologists, and other healthcare professionals. The approach is reflected in the organization of the Hospital’s inpatient floors such that all inpatients with a specific type of cancer receive care from the same team of specialists. MSKCC’s experts have an extraordinary breadth and depth of experience in diagnosing and treating all forms of the disease, from the most common to the very rare. Each year, they treat more than 400 different subtypes of the disease. This level of specialization can often have a dramatic effect on a patient’s chances for a cure or control of their cancer. In October 2015, a landmark study by MSKCC researchers published in *JAMA Oncology* found that there were large survival differences between different types of hospitals that treat Medicare patients with cancer. They discovered that patients treated at specialized cancer centers such as MSKCC had a significantly higher survival rate over five years compared with cancer patients treated at community hospitals. This also suggests that hospitals’ long-term survival outcomes for cancer patients can be assessed without data on tumor stage, by using readily available, unbiased Medicare claims data. The study could be a critical step toward ultimately improving patient care nationwide.

As a comprehensive cancer center, MSKCC is also committed to caring for the whole person. MSKCC patients have access to a wide range of support services, including nutrition, dermatology, sexual health and fertility, rehabilitation, psychology, integrative medicine, art and music therapy, and many others. The popular Integrative Medicine program offers techniques for nurturing the body, mind, and spirit to enhance patients’ and family members’ quality of life. In addition, MSKCC is committed to supporting patients *after* the completion of their care. To ensure the highest quality of life for cancer survivors, MSKCC established a cancer survivorship program, a comprehensive service for survivors of adult-onset cancers, which includes follow-up care clinics, research, education and training. The first such program in the nation, MSKCC’s Survivorship Program has become a model of cancer support programs for cancer centers around the country. In addition, MSKCC’s Department of Pediatrics runs a Long-Term Follow-Up Program that helps children and families navigate and manage the chronic medical conditions often experienced by pediatric cancer patients.

The Hospital also has developed cancer prevention and screening programs. The purpose of these screening services is to 1) detect disease in its earliest, most curable stages and 2) identify for more intensive monitoring those individuals who, for genetic or environmental reasons, are at increased risk of developing cancer.

The **Barbara White Fishman Women’s Outpatient Center (“Women’s Outpatient Center”)** provides screening for women at increased risk for cervical, ovarian and endometrial cancer. The Women’s Outpatient Center also conducts programs for hormone replacement, osteoporosis prevention, and psychological and nutritional counseling.

The **John and Maxine Bendheim and Robert Bendheim Prostate Cancer Diagnostic Services (“PDS”)** is part of the Urology program at the Sidney Kimmel Center for Prostate and Urologic Cancers. The PDS provides prostate cancer screening services for adult men at high risk for developing the disease. Services provided include digital rectal exams, blood tests for prostate specific antigen, and ultrasound-guided biopsies of the prostate.

The **Breast Examination Center of Harlem (“BECH”)** offers screening services for breast and cervical cancers at no out-of-pocket expense to patients in the community. BECH offers breast physical exams, mammography, instruction in breast self-exams, pelvic exams, Pap smears, education on colorectal cancer screening, and smoking cessation counseling.

The **Ralph Lauren Center for Cancer Care and Prevention (“RLC”)** is a community-based center located in Harlem, for the prevention, diagnosis and treatment of cancer through models of patient care, research, education and

outreach designed to address the unique needs of the community. RLC provides care to approximately 4,000 people annually.

MSKCC also sponsors numerous programs and initiatives to empower community residents to achieve optimal health and advocate for their needs. To address behavioral risk factors for cancer such as obesity and smoking, MSKCC engages with thousands of individuals annually through Immigrant Health and Cancer Disparities Service as well as a Tobacco Treatment Program.

Growth and Expansion

The shift in the delivery of cancer care to the outpatient setting over the past fifteen years required that the Hospital look beyond the immediate campus for space and convenient access for its patients. In response to this change, MSKCC opened and expanded a number of diagnostic and treatment centers in New York City. Major milestones are listed here:

- 1992** The Evelyn H. Lauder Breast Center and its companion Iris Cantor Diagnostic Center open at 205 East 64th Street
- 1999** The Laurance S. Rockefeller Outpatient Pavilion opens at 160 East 53rd Street
- 2002** The Sidney Kimmel Center for Prostate and Urologic Cancers opens at 353 East 68th Street
- 2003** The Ralph Lauren Center opens at 1919 Madison Avenue
- 2009** The Breast and Imaging Center opens at 300 East 66th Street along with the relocated Evelyn H. Lauder Breast Center
- 2010** The Center for Rehabilitation opens at 515 Madison Avenue
- 2010** The Brooklyn Infusion Center opens at 557 Atlantic Avenue
- 2014** The 60th Street Outpatient Center opens at 16 East 60th Street
- 2015** The Josie Robertson Surgery Center opens at 1133 York Avenue, helping to increase conversion of inpatient stays to ambulatory surgery through its specialized approach
- 2017** The Center for Laboratory Medicine opens at 327 East 64th Street, consolidating all MSKCC laboratory medicine programs

A major project slated to open in early 2020 is the **David H. Koch Center for Cancer Care**, a 750,000-gross-square-foot ambulatory care center at 74th Street along the FDR Drive. This state-of-the-art facility will accommodate the latest treatments for patients with hematologic cancers, such as leukemia and lymphoma, head and neck cancers, and thoracic cancers, as well as radiation therapy, early-stage clinical trials, and several other programs. This will also include the transition to performing lifesaving bone marrow transplants on an outpatient basis and the increased use of interventional radiology, the minimally invasive, image-guided therapy that destroys cancer without the need for an incision. The facility will support two of MSKCC's strategic objectives. First, it provides enough additional space to accommodate new patient access, including the addition of 16 inpatient beds. This will allow MSKCC to continue to maintain a leadership role in the treatment and cure of cancer. Second, it will permit MSKCC to create an intensive outpatient environment that supports transfer of care from an inpatient to an ambulatory care setting, thereby allowing MSKCC to increase efficiency as care is moved to lower cost facilities.

MSKCC continues to expand its services throughout the tri-state area with its network of regional locations. These include outpatient facilities in Hauppauge, New York; Commack, New York; Nassau County, New York; Basking Ridge, New Jersey; Monmouth, New Jersey; Bergen County, New Jersey; and Westchester, New York. Patients will be able to receive much of their treatment — including chemotherapy, radiation, and immunotherapy — at these facilities. The Hospital also has affiliations with several international medical centers in Europe, South America, and Asia, which provide training for their staff and referrals to the Hospital.

Beyond New York City and the surrounding areas, the MSK Cancer Alliance is an initiative designed to collaboratively guide community providers toward state-of-the-art cancer care. In 2014, Hartford HealthCare Cancer Institute in Connecticut became the first member of the MSK Cancer Alliance. Lehigh Valley Health Network, a multisite healthcare system in eastern Pennsylvania, became the second member in March 2016, and the Miami Cancer Institute, part of Baptist Health South Florida, joined the MSK Cancer Alliance in January 2017. Since announcing the MSK Cancer Alliance in 2014, MSKCC has seen MSK Cancer Alliance members adopt pioneering surgical and radiation techniques at an accelerated pace compared with other community providers. Alliance members have access to MSKCC clinical trials as well as MSK-IMPACT, a genetic sequencing tool that looks for genomic abnormalities and can open up new avenues of care through precision medicine.

In 2017, MSKCC and Norwalk Hospital launched MSK Physicians at Norwalk Hospital, a new cancer care collaboration that integrates MSKCC medical and radiation oncologists and care practices with the existing cancer program at the C. Anthony and Jean Whittingham Cancer Center at Norwalk Hospital. For the first time, MSKCC doctors began leading cancer services within another hospital's cancer program outside of New York State. This is a unique model of collaboration through which Norwalk Hospital's current team of oncologists, nurses, surgeons, and pathologists practice alongside MSKCC doctors.

MSKCC is also collaborating with two other New York City-based medical institutions on the operation of a new facility for proton therapy in Harlem, which opened in June 2019. Proton therapy is an advanced form of radiation therapy designed to kill cancer cells using charged particles called protons rather than x-rays. Proton therapy reduces the risk of treatment-related side effects due to radiation damage to normal tissues. It may also allow the use of a higher radiation dose to the tumor, maximizing the chance of destroying it. MSKCC is a financial and clinical partner in this collaboration and is not subject to obligations exceeding its financial commitment. MSKCC's commitment to purchase is now complete.

In 2017, MSKCC joined forces with Hackensack Meridian Health in a new partnership to begin changing the face of cancer care in New Jersey. Currently, MSKCC and Hackensack Meridian treat one in five New Jersey residents who are diagnosed with cancer. Combined, the two organizations annually will serve the most patients with cancer in the region, and many of their shared programs will be among the largest in the country. One of the main goals of the partnership is to bring both MSKCC's and Hackensack Meridian's portfolios of hundreds of clinical trials to more patients, increasing the ability to find new treatments for cancer faster.

MSKCC maintains a leading market position in its primary service area, the New York metropolitan area. In addition, MSKCC draws patients from other areas of the United States as well as from overseas. MSKCC's brand recognition is very strong, as evidenced by a demand for MSKCC's clinical services that exceeds MSKCC's current capacities. Approximately 32 percent of the Hospital's patients come from New York City, 32 percent come from other New York State areas, 23 percent come from New Jersey, 12 percent come from other parts of the country, and 1 percent from foreign countries. The Hospital, according to its analysis, had a 15.5% market share of the cancer patients in New York City. In addition, the Hospital has higher five-year survival rates for cancer patients as compared to other institutions. Management attributes this to the quality of its physicians and its high volume of patients and the fact that, within their specialties, each doctor treats significantly more patients than most other physicians practicing at other hospitals.

As of June 30, 2019 the Hospital (which includes all the clinical entities of MSKCC) accounted for approximately 84 percent of the total operating revenues and 39 percent of the total assets of MSKCC.

The Research Enterprise

MSKCC is one of the nation's leading centers for biomedical research, bringing together scientists and clinicians to solve critical problems in cancer biology and human health. The patient care given at MSKCC provides benefits from innovative programs in basic, translational, and clinical research. Between 1980 and 2018, the US Food and Drug Administration approved ten drugs developed in MSKCC laboratories for marketing.

The Institute, established in 1945, is the primary laboratory research arm of the Center. The Institute is dedicated to understanding the biology of cancer through nine major research programs: Molecular Biology, Cell Biology, Immunology, Cancer Biology and Genetics, Developmental Biology, Structural Biology, Computational and Systems Biology, Molecular Pharmacology, and Chemical Biology. The Institute's research staff includes more than 120 laboratory investigators, 325 research fellows, and 275 graduate students (both PhD and MD/PhD candidates). SKI boasts many National Academy of Sciences members and Howard Hughes Medical Institute investigators. Located in the research corridor of Manhattan's

Upper East Side, the Institute enjoys a close collaboration with neighbors Cornell University, Weill Cornell Medical College, and The Rockefeller University.

The Institute maintains an extensive research program, including the Human Oncology and Pathogenesis Program, which bridges basic and clinical science to transform cancer care and address major scientific challenges in the era of precision medicine. Many scientists lead research laboratories within the Institute, including physician-scientists who apply insights from the clinic to their laboratory work. MSKCC investigators conduct research ranging from analyzing genetic changes in patient tumor samples to developing new imaging techniques to studying the best ways to optimize radiation therapy delivery. In addition, the Institute actively initiates and participates in clinical trials to identify more-effective cancer therapies. In 2019, MSKCC physicians lead more than 1,000 clinical research protocols for pediatric and adult cancers.

One of the greatest research strengths of MSKCC is the close collaboration among clinical and basic science researchers. MSKCC has more than 24 collaborative research centers that bring together laboratory investigators and clinicians from different disciplines to focus on strategically important areas of cancer science, including programs dedicated to the study of nanotechnology, immunotherapy, and experimental therapeutics. The proximity of research laboratories to patient care facilities further strengthens the integration of basic science with clinical research, helping to speed the translation of basic science discoveries into clinical applications and, conversely, facilitate the swift application of knowledge gained in the clinic back to the laboratory.

Over the last several years, MSKCC's research enterprise has received prominent recognition for its achievements in advancing the way we understand and treat cancer. For example, Nature Publishing Group once again ranked MSKCC first among all cancer centers in the world for the high-quality research output in 2016. Also in 2016, MSKCC hosted a roundtable conversation with Vice President Joe Biden that brought together leaders from a variety of areas of cancer research and treatment. Mr. Biden's Cancer Moonshot Initiative helped galvanize Congress to pass the 21st Century Cures Act, which increased funding for the National Institutes of Health and provided significant benefit to MSKCC.

Here are just a few recent accomplishments in areas of research MSKCC is most intensively pursuing:

Precision Medicine: MSKCC conducts genetic testing of patient tumors in order to provide more personalized treatment. Since 2014, MSKCC has used MSK-IMPACT[®], a powerful diagnostic test, in order to determine if tumors carry clinically useful mutations so patients can be matched with therapies or clinical trials that will benefit them. The study published in *Nature Medicine* in March 2017 found that 37% of patients had at least one actionable mutation, enabling MSKCC physicians to recommend a therapy targeted to their precise genetic abnormality. By November 2017, MSK-IMPACT was looking for alterations in 468 genes and had sequenced tumors from 20,000 patients. The US Food and Drug Administration announced authorization of MSK-IMPACT on November 15, 2017. The experts at the FDA considered MSK-IMPACT to be a best-in-class genomic test and chose to partner with MSKCC to help determine how these kinds of tests are evaluated.

Additionally, MSKCC is collaborating with Cota Inc., a healthcare data and analytics company, bridging precision medicine to population health. As part of the collaboration, MSKCC will provide Cota with anonymized clinical data. Through its unique classification system, Cota will construct optimized clinical and genomic datasets from the MSKCC records, and the resulting datasets will help MSKCC improve patient care and advance its world-leading research efforts. These datasets will also further enable Cota to expand its real-world evidence database with the intention of improving clinical outcomes, reducing total cost of care in the field of oncology and gleaning actionable insights to advance cancer treatment discoveries and health outcomes. MSKCC and Cota will also form a technology collaboration focused on advanced analytics to enable more consistent disease classification within oncology, which could help drive further insights for both researchers and physicians.

Immunotherapy: This exciting field of discovery represents a substantial opportunity to advance and personalize cancer treatment, and MSKCC scientists are generating unprecedented insights. For example, MSKCC researchers pioneered an exciting form of immunotherapy called chimeric antigen receptor ("CAR") T cell therapy. In this approach, immune cells are removed from a patient, armed with new proteins that allow them to recognize cancer, and given back to the patient in large numbers. These cells persist in the body, becoming "living drugs." In 2017, the FDA granted the first approvals for CAR T cell therapy to treat leukemia and non-Hodgkin lymphoma. MSKCC researchers and clinicians also have played a leading role in developing and testing checkpoint inhibitors, which work by releasing a natural brake on the immune system so that immune cells recognize and attack tumors. Additionally, MSKCC researchers helped lead several clinical trials showing that checkpoint inhibitors can be effective against melanoma and

lung cancer, and these drugs are being tested at MSKCC against sarcoma, lymphoma, and several other cancers. MSKCC's immunotherapy leadership was further solidified in 2016 when it became one of the six founding members of the newly created Parker Institute for Cancer Immunotherapy ("*PICI*"), established by tech entrepreneur Sean Parker. *PICI* will be geared toward accelerating breakthrough immunotherapy treatments for patients.

Nanotechnology: MSKCC researchers have developed several promising nanotechnology applications for imaging or drug delivery. One approach uses nanoparticles made from a seaweed extract that have a natural affinity for tumor blood vessels. These nanoparticles could be filled with drugs to selectively kill tumors. Another is a kind of "fitness tracker" for disease in which a small, wearable device could send light into the tiny implantable sensors made up of carbon nanotubes and analyze the signals that come back.

Basket Studies: MSKCC researchers pioneered the concept of a basket study, which harnesses the power of precision medicine by assigning treatments to patients based on the genetic alterations driving their cancers rather than where their tumors originated in the body. Since August 2015, when MSKCC experts published initial results of the first basket study, histology-agnostic clinical trials have emerged as one important means of systematically testing a targeted therapy across a variety of tumor types. In 2017, the FDA approved the drug vemurafenib for the treatment of patients with *BRAF V600*-mutant Erdheim-Chester disease ("*ECD*"). This is the first approval of a targeted therapy based on a basket study and the first-ever drug approved for *ECD*, a rare blood disorder.

Liquid Biopsy: MSKCC investigators are developing a less invasive way to analyze tumor cells or tumor cell DNA that has entered the bloodstream simply by drawing blood samples from patients. Studies led by MSKCC researchers show liquid biopsies can reveal essential information about how a cancer may be growing or shrinking or how well a drug is working.

Hereditary Cancer Genes: MSKCC's Robert and Kate Niehaus Center for Inherited Cancer Genomics, established in 2015, is using the latest in gene sequencing technologies to discover the inherited causes of cancer. The ultimate goal is to develop new approaches for prevention as well as earlier detection and treatment of cancer.

Artificial Intelligence in Pathology: MSKCC researchers are using a type of artificial intelligence called machine learning to train supercomputers to recognize cancer on digitized microscope slides. In 2019, the initiative reached a milestone with the publication of a study analyzing more than 44,000 digitized glass slide images from more than 15,000 people with cancer. The results show that this advanced machine-learning approach identifies nearly 100% of the cancer-containing biopsies. Speeding the process of analyzing samples could enable pathologists to focus their attention on the most relevant slides.

Other significant research collaborations include:

- MSKCC researchers have collaborated with the American Association for Cancer Research to create Project GENIE (Genomics Evidence Neoplasia Information Exchange), an initiative that pulls together genomic data and clinical information from patients treated at MSKCC and seven other leading cancer research institutions. The Project GENIE database already includes information on 59 major cancer types. This unique effort enables investigators from around the world to ask and answer questions about the link between genes, treatments, and outcomes.

The founding of Juno Therapeutics, a biotechnology company, among whose co-founders were three prominent MSKCC immunology researchers. Juno Therapeutics is pioneering efforts to speed the development of CAR T cell therapies for cancer based on groundbreaking discoveries by scientists at MSKCC, Fred Hutchinson Cancer Center, and the Seattle Children's Research Institute.

A collaboration between MSKCC and Quest Diagnostics to utilize MSKCC's clinical and research insights into gene mutations associated with solid tumors. The goal is to use molecular laboratory testing to improve physicians' ability to treat patients with breast, prostate, colon, lung, and a variety of other solid tumor cancers by giving them a better understanding of the genomic underpinnings of their patients' illnesses. Quest Diagnostics is a leading provider of diagnostic information services for patients and physicians.

The establishment of the Tri-Institutional Therapeutics Discovery Institute ("*Tri-I TDI*"). A unique partnership between MSKCC, Weill Cornell Medical College, and The Rockefeller University, the *Tri-I TDI* has entered into an initial partnership with Takeda Pharmaceuticals International, Japan's largest pharmaceutical company, to assist investigators at

the three institutions in developing small-molecule therapeutic agents and molecular probes for the treatment and diagnosis of cancer and other human diseases.

The majority of MSKCC research takes place in the Zuckerman Research Center, named in recognition of a \$100 million gift from Memorial Sloan Kettering Board member Mortimer B. Zuckerman. This 23-story building is uniquely designed to provide researchers with an inspiring, interactive, and efficient environment in which they can collaborate. ZRC strengthens the connections among structural biologists, cell biologists, chemists, computer scientists and clinicians, all of whom have joined forces to capitalize on new and promising opportunities in cancer research. In addition, it is a “green building,” employing energy-saving technologies and strategies.

MSK Insurance U.S., Inc.

MSKI is the primary insurance company for certain insurable risks of MSKCC. The primary insurance policies provided by MSKI to MSKCC are health care professional liability, warranty coverage for healthcare equipment, terrorism, assumed coverage for workers’ compensation, general liability and certain employee benefits such as long-term disability and life insurance. MSKI relies on ceded reinsurance to limit its insurance risks.

S.K.I. Realty, Inc.

Realty was organized primarily to develop and manage staff housing.

Allocation of Revenues, Assets, Cash and Investments

A summary of MSKCC’s allocation of operating revenue, total assets and unrestricted cash and investments as of June 30, 2019 is as follows:

	<u>% of Operating Revenue</u>	<u>% of Total Assets</u>	<u>% of Unrestricted Cash and Investments</u>
Center	1%	37%	71%
Hospital	84%	39%	4%
Institute	13%	17%	20%
Realty	1%	3%	0%
MSKI	1%	4%	5%

Academic Environment

Education is a vital part of MSKCC’s mission. MSKCC training programs prepare the next generation of physicians, scientists, and other healthcare professionals for leadership roles in life sciences and medicine, especially as related to cancer. Educational collaborations with The Rockefeller University, Cornell University, and Weill Cornell Medical College offer PhD programs in chemical biology, computational biology and medicine, and the medical sciences. MSKCC also partners with Weill Cornell Medical College and The Rockefeller University to offer an MD/PhD program for aspiring physician-scientists.

In 2004, MSKCC established a PhD program in cancer biology through the GSK. This novel program, which offers a PhD degree in cancer biology and enrolled its first class in 2006, trains gifted basic laboratory scientists to work in research areas directly relevant to cancer and other human diseases. GSK now boasts nearly 70 graduates.

MSKCC also offers postgraduate clinical fellowships to train physicians who seek special expertise in a particular type of cancer, as well as postgraduate research fellowships that provide physicians and scientists with advanced laboratory research training. With faculty appointments at the Weill Cornell Medical College, MSKCC clinical staff members train residents and medical students as well.

MSKCC is committed to improving the quality of care for cancer patients through the professional development of nurses. MSKCC provides an excellent environment in which nurses can learn from professionals who are highly specialized in cancer care and nursing education. MSKCC values their efforts to achieve advanced degrees and national certifications in their specialty practices, keep pace with technological and scientific advances in oncology nursing, and play leadership roles in the ongoing development of the profession.

In addition, MSKCC offers a variety of educational and training programs for high school and college students who aspire to careers in medicine and science.

In 2018, MSKCC trained

- 1,714 residents and clinical fellows
- 575 postdoctoral research fellows, research scholars, and research associates
- 288 PhD and MD/PhD candidates
- 512 nursing students
- 524 medical students

Strategic Direction

The management of MSKCC believes that there is a substantial opportunity to expand its clinical activities. During the next ten-year period, government projections of population changes and the age-adjusted cancer incidence rate indicates that there will be significant growth in new cancer cases. MSKCC leadership recognizes that it needs to plan now for expanded capacity in order to meet the projected growth rate and longer-term treatments for cancer patients. MSKCC provides the highest quality of care as demonstrated by its clinical outcomes and patient satisfaction levels and is uniquely suited to continue to provide this level of service and transition care towards less expensive services.

In order to meet this need, management has identified several goals that include:

- continuing to provide the highest quality treatment, research, and training programs,
- hiring, training, and retaining the highest quality professional and support staff,
- demonstrating MSKCC’s “Value Proposition,”
- continuing to “Bend the Cost Curve” by redesigning the patient care process to improve outcomes and deliver care in a lower cost setting, including ambulatory care activities previously performed in inpatient settings,
- responding to increasing demand for services by providing outpatient services closer to patients’ homes and in a manner that is less disruptive to patients at lower cost to MSKCC,
- establishing strategic partnerships with other regional providers,
- maintaining financial strength and the ability to implement innovative programs, and
- leveraging digital tools to develop new products and services and reach new markets that were previously inaccessible to MSKCC.

MSKCC is executing on its digital strategy to reinforce its position at the forefront of cancer research, care, and education. By unifying the robust data resources of its clinical and research enterprises MSKCC is able to accelerate its ability to discover and advance care. Through the creation of new cross functional teams and collaborations MSKCC is building tools that will transform how MSKCC works and extend MSKCC’s ability to learn from patients and inform cancer care beyond its physical footprint.

MSK Direct protects MSKCC’s pipeline of commercially insured patients from exclusionary tactics including provider consolidation and narrow networks by partnering directly with employers and unions to deliver solutions to their cancer-related challenges and to ensure direct access to care at MSKCC. The program is currently available to 3.2 million people through 78 employers and labor unions.

Capital Spending

During the three-year period ended December 31, 2019, MSKCC spent approximately \$[____] billion for property, plant and equipment in order to maintain and improve the quality of facilities and information systems necessary to support and expand clinical, research and educational programs. Capital spend was funded through a combination of debt proceeds, philanthropy, and internal resources.

MSKCC is in the final stage of its Clinical Expansion program, which, when complete, will expand access to MSKCC and increase patient capacity both in Manhattan and the surrounding regional network. The original Clinical Expansion program needed to be flexible and has been modified and expanded. These changes are the result of increased patient demand, highly successful launch of several outpatient sites, changing technology and patient treatments, and other financial opportunities. MSKCC estimates that all planned facilities will be open early in 2020. In addition to the Clinical Expansion, MSKCC incurs routine capital expenditures, which have averaged approximately \$220.3 million over the past three years.

Governance

The Center, the Institute, and the Hospital are separately incorporated, consistent with their corporate charters. Each corporation is governed by a Board of Managers. With few exceptions the Managers of the Center, the Institute, and the Hospital are identical. Each Board of Managers is to consist of not more than 30 members. The current membership is 29 for the Center and 29 each for the Hospital and the Institute. The Board of Managers of the Center is selected by the Board of Overseers, a body of not more than 60 people whose essential function is to elect the members of the Center's Board of Managers. Nomination for Overseers and Managers for the Center, the Institute, and the Hospital is reserved to the Joint Nominating Committee consisting of selected Managers of all three corporations. Overseers elect their replacements from among those nominated by the Joint Nominating and Governance Committee. The Boards of Managers of the Institute and the Hospital elect their successors from among those nominated by the Joint Nominating Committee. Approximately one-third of the members of the Board of Overseers are elected each year for a three-year term. The Boards of Managers are elected each year and meet periodically during the year. The current members of the Boards of Managers and their principal occupations are:

Richard I. Beattie, Esq. ^{(3) (9)}	Senior Chairman, Simpson Thacher and Bartlett, LLP
Ian Cook ⁽³⁾	Executive Chairman, Colgate-Palmolive Company
Stanley F. Druckenmiller	Chairman and CEO, Duquesne Family Office, LLC
Anthony B. Evnin, Ph.D.	Partner, Venrock
Roger W. Ferguson, Jr.	President and CEO, TIAA
Henry A. Fernandez ⁽³⁾	Chairman and CEO, MSCI Inc.
William E. Ford	CEO, General Atlantic, LLC
Richard N. Foster	Managing Partner, Investment & Advisory Services, LLC
Stephen Friedman	Chairman, Stone Point Capital, LLC
Ellen V. Futter	President, American Museum of Natural History
Louis V. Gerstner, Jr. ^{(3) (9)}	Retired Chairman and CEO, IBM Corporation
Jonathan N. Grayer ⁽³⁾	Chairman and CEO, Weld North LLC
Benjamin W. Heineman, Jr.	Belfer Center for Science & International Affairs, Harvard University – John F. Kennedy School of Government
Marie-Josée Kravis ^{(2) (3) (5) (8)}	Senior Fellow, Hudson Institute, Inc.
Jamie C. Nicholls ^{(1) (3) (5) (8)}	Former Chairman of the Board, Cold Spring Harbor Laboratory, Former General Partner, Forstmann Little & Co.
James G. Niven ⁽⁹⁾	Former Chairman, Sotheby's, The Americas
Bruce C. Ratner	Chairman, Forest City New York
Clifton S. Robbins ^{(3) (9)}	CEO, Blue Harbour Group, L.P.
Alexander Robertson	President and COO, Tiger Management LLC
James D. Robinson III	Founding General Partner, RRE Ventures, LLC
Virginia M. Rometty	Chair, President, and CEO IBM Corporation
Stephen C. Sherrill ⁽¹⁰⁾	Managing Director, Bruckmann, Rosser, Sherrill & Co., Inc.
Peter J. Solomon	Chairman, Peter J. Solomon Company, L.P.

John R. Strangfeld ⁽³⁾	Former Chairman and CEO, Prudential Financial, Inc.
Scott M. Stuart ^{(3) (4) (6) (9)}	Co-Founder, Managing Partner, Sageview Capital, L.P.
Craig B. Thompson, M.D. ⁽³⁾	President and CEO, Memorial Sloan Kettering Cancer Center
Douglas A. Warner III ^{(3) (7) (9)}	Former Chairman of the Board, J.P. Morgan Chase & Co.*
Peter A. Weinberg ⁽³⁾	Founding Partner, Perella Weinberg Partners

- (1) Chairman of the Board, Memorial Hospital
- (2) Chairman of the Board, Sloan Kettering Institute
- (3) Member of the Executive Committee
- (4) Chairman of the Executive Committee
- (5) Vice Chairman of the Executive Committee
- (6) Chairman of the Board, Center Corporation
- (7) Honorary Chairman of the Board, Center Corporation
- (8) Vice Chairman of the Board, Center Corporation
- (9) Member of the Board of Directors, S.K.I. Realty, Inc.
- (10) Chairman, MSK Insurance U.S., Inc.

The Boards of Managers of the Center, the Institute, and the Hospital have established joint committees. The committees of the Boards of Managers include the Executive Committee, the Joint Audit and Compliance Committee, the Joint Conflict of Interest Committee, the Joint Human Resources Committee, the Joint Finance and Funding Committee, the Joint Investment Committee, the Joint Nominating and Governance Committee, and the Technology Transfer Committee.

Realty is governed by a Board of Directors consisting of six people (see footnote 9 above).

MSKCC, in the course of its business, engages in transactions and does business with firms with which Board members may be affiliated. Such business arrangements are made on an arms-length basis and, in the opinion of the management of MSKCC, on terms not less favorable to MSKCC than those that could be obtained through arms-length transactions with unaffiliated third parties.

Management

MSKCC is managed by the officers of MSKCC, who are elected at each annual meeting of the Board of Managers and who hold office until the next annual meeting of the Board of Managers, or until their respective successors have been elected. The officers have general and active management responsibilities for operations, see that the policies and resolutions approved or adopted by the Board of Managers are carried out, and are charged with and are responsible for all executive, administrative, and financial matters. The current officers of MSKCC are:

Scott M. Stuart <i>Chairman of the Board, Memorial Sloan Kettering</i>	Douglas A. Warner III <i>Honorary Chairman, Memorial Sloan Kettering</i>
Marie-Josée Kravis <i>Vice Chair of the Board & Chair, Sloan Kettering Institute</i>	Louis V. Gerstner, Jr. <i>Honorary Chair, Sloan Kettering Institute</i>
Jamie C. Nicholls <i>Vice Chair of the Board & Chair, Memorial Hospital</i>	Richard I. Beattie, Esq. <i>Honorary Chair, Memorial Hospital</i>
Kathryn Martin <i>Chief Operating Officer</i>	Clifton S. Robbins <i>Treasurer</i>
Joan Massagué, Ph.D. <i>Director, Sloan Kettering Institute</i>	Craig B. Thompson, M.D. <i>President & Chief Executive Officer</i>

Frederick Groves
*Executive Vice President &
Chief Hospital Operating Officer*

Lisa DeAngelis, M.D.
*Physician-in-Chief & Chief Medical Officer,
Memorial Hospital*

Kerry C. Bessey
*Senior Vice President, Human Resources &
Chief Human Resources Officer*

Michael P. Harrington
*Executive Vice President &
Chief Financial Officer*

Jason Klein
*Senior Vice President &
Chief Investment Officer*

Jorge Lopez, Jr.
*Executive Vice President &
General Counsel*

Patricia C. Skarulis
*Senior Vice President, Information Systems &
Chief Information Officer*

Eric Cottingham, Ph.D.
*Senior Vice President,
Research and Technology Management*

Debra Berns
Senior Vice President & Chief Risk Officer

Edward J. Mahoney
*Senior Vice President,
Facilities Management and Construction*

Mark Svenningson
Senior Vice President, Finance

Kenneth Manotti
*Senior Vice President,
Development*

Carolyn B. Levine, Esq.
*Deputy General Counsel &
Corporate Secretary*

The principal full-time executive officers of MSKCC and its related entities are Craig B. Thompson, M.D.; Kathryn Martin; Lisa DeAngelis, M.D.; Joan Massagué, Ph.D; and Michael P. Harrington.

Craig B. Thompson, M.D. (age 66) became the President and the Chief Executive Officer of MSKCC on November 2, 2010. He came to MSKCC from the University of Pennsylvania, where he had served since 2006 as Director of the Abramson Cancer Center and Associate Vice President for Cancer Services of the University of Pennsylvania Health System. Dr. Thompson joined the University of Pennsylvania in 1999 as a Professor of Medicine, Scientific Director of the Leonard and Madlyn Abramson Family Cancer Research Institute, and the first Chairman of the Department of Cancer Biology. Dr. Thompson is a board-certified internist and medical oncologist with extensive research experience in cancer, immunology, and translational medicine. His current research focuses on the role that metabolic changes play in the origin and progression of cancer. He holds a number of patents related to immunotherapy and apoptosis, and his work has contributed to the development of innovative treatments for autoimmune diseases and leukemia. Dr. Thompson is a member of the National Academy of Medicine, the National Academy of Sciences, the American Academy of Arts and Sciences, and the Medical Advisory Board of the Howard Hughes Medical Institute. He has published 428 peer-reviewed manuscripts and more than 100 reviews. Dr. Thompson has received many prestigious awards, including the Drexel Prize in Cancer Biology, the American College of Physicians Award for Medical Science, and the Stanley N. Cohen Biomedical Research Award.

Kathryn Martin (age 64) joined MSKCC in 1999 as Executive Vice President and Hospital Administrator. She oversaw the development of the clinical expansion plan, the MSK Cancer Alliance, and the opening of several new facilities, including the Breast and Imaging Center, MSK Commack, MSK Basking Ridge, and MSK West Harrison. In January 2015 she was appointed Chief Operating Officer. In that role, she assumed responsibility for several MSKCC functions, including Human Resources, Information Services, Facilities Management, Compliance, Revenue Management, Legal Affairs, and Research and Technology Management, while continuing to oversee Memorial Hospital operations and Strategy and Innovation. Before joining MSKCC, Mrs. Martin served in a variety of senior leadership posts at the NewYork-Presbyterian Hospital, the New York Hospital Cornell Medical Center, and the New York City Health and Hospitals Corporation. She currently serves on the Greater New York Hospital Association Board of Governors, the American Hospital Association Regional Policy Board 2, and the United Healthcare Executive Advisory Council.

Lisa DeAngelis, M.D. (age 64) is Physician-in-Chief and Chief Medical Officer at MSKCC where she oversees all clinical services, research, medical education, and multi-center collaborations for Memorial Hospital. Dr. DeAngelis has chaired the Department of Neurology at MSKCC since 1997, and her research focuses on primary brain tumors and the neurological complications of cancer. A leading figure in developing the current standard regimen to treat primary CNS lymphoma, Dr. DeAngelis is well known for work on the neurologic complications of cancer therapy, including cognitive impairment and stroke. She is the author of more than 300 peer-reviewed manuscripts and 130 book chapters and has also written or edited eight books. Dr. DeAngelis is an elected member of the National Academy of Medicine, a fellow of the American Neurological Association and the American Academy of Neurology, which in 2018 awarded her the organization's highest honors, the Wartenberg lecture and the Lifetime Achievement Award.

Joan Massagué, Ph.D. (age 66) assumed the role of Director of the Institute in 2013. He joined MSKCC in 1989 as Chair of SKI's Cell Biology Program and in 2003 was named inaugural Chair of the Cancer Biology and Genetics Program. With a research career spanning more than 40 years, Dr. Massagué is a world leader on investigating the mechanisms by which growth factors, signaling pathways, and gene expression programs regulate normal cell proliferation as well as cancer metastasis. The research advances that he has produced are described in over 300 publications in scholarly scientific journals and ranks one of the most highly cited investigators in biomedical sciences. Dr. Massagué is a member of the National Academy of Medicine and the National Academy of Sciences, and has been the recipient of many awards and honors including the King Juan Carlos I Research Award, the Prince of Asturias Award in Science and Technology, the Vilcek Prize for Biomedical Research, the Pasarow Award for Cancer Research and Pezcoller Foundation-AACR International Award for Cancer Research and Fellow, AACR Academy. He has also been invested as Doctor Honoris Causa, the highest honorary academic degree, at the University Ramon Llull in Barcelona, Spain.

Michael P. Harrington (age 50) joined MSKCC in June 2019 and is the Executive Vice President Finance and Chief Financial Officer. Mr. Harrington has more than 25 years of financial and leadership experience with health systems. He spent the last 12 years at the Cleveland Clinic as the Associate Chief Financial Officer for the health system.

Manhattan locations

1. Main Campus
2. Sidney Kimmel Center for Prostate and Urologic Cancers
3. Evelyn H. Lauder Breast Center and MSKCC Imaging Center
4. Bendheim Integrative Medicine Center
5. Employee Health Services
6. 64th Street Outpatient Center
7. Epidemiology and Biostatistics
8. 301 E 55th St. Imaging Center
9. Rockefeller Outpatient Pavilion
10. Counseling Center, Psychiatry
11. Sillerman Center for Rehabilitation
12. Breast Examination Center of Harlem
13. 60th St. Outpatient Center
14. Josie Robertson Surgical Center
15. 64th St. Laboratory Building
16. Koch Center at 74th St. ⁽¹⁾



⁽¹⁾ Expected to open in early 2020.

MSK Suburban Locations



Manhattan Campus

MSKCC's Manhattan campus (approximately 2.86 million square feet) occupies the entire square block from 67th to 68th Streets between York and First Avenues in Manhattan, as well as several buildings in the immediate vicinity. This property is divided among inpatient operations, ambulatory services, and research facilities.

The inpatient operations consist of medical/surgical units, a pediatrics unit, and adult and pediatric intensive care units. The adult ICU is comprised of 20 patient beds and two treatment rooms; the pediatric ICU has 5 beds. All 20 of the adult ICU beds are enclosed isolation rooms including two negative pressure rooms. This design reduces the risk of nosocomial spread of infection and affords greater patient privacy.

In addition to the inpatient care units of the Hospital, the Manhattan campus also houses several other clinical activities including outpatient chemotherapy infusion services, and the Urgent Care Center, where patients undergoing outpatient cancer treatment can come for immediate attention 24 hours a day. The Enid A. Haupt, Bobst and Howard Pavilions house doctors' clinical practice space and academic offices, support facilities, diagnostic and treatment suites equipped with the most advanced medical technology and the Radiation Oncology Center. Radiation services include General Radiology, Fluoroscopy, Ultrasound, CT, MRI, Mammography, Interventional Radiology, and Nuclear Medicine. Radiation Oncology services include three-dimensional tumor imaging and planning, intensity-modulated radiation therapy, hypofractionated and adaptive therapies, brachytherapy, and stereotactic radiotherapy. The Manhattan campus also contains laboratory facilities, including a blood donor room.

In 2006, a five-story addition to the main campus was completed. The addition houses three distinct programs: Pediatrics, described below, Pathology, and Perioperative Services, which includes 21 state-of-the-art operating rooms, pre-operative patient processing and a post-anesthesia care unit and adjacent support spaces. The increased space allowed for expansion and modernization of the Pathology labs, offices, and support services to accommodate growing demand as a result of increased surgical volume and new outpatient visits. The space is designed to facilitate and improve workflow processes, levels of staffing, and the introduction of new equipment and technologies. The larger operating rooms ensure an optimally safe and aseptic environment and one of the rooms will soon house the Brain Suite Integration System, an intraoperative neurosurgical imaging suite, which fully integrates relevant surgical and diagnostic tools, including intraoperative MRI, magnification, and navigation equipment.

The Claire Tow Pediatric Pavilion contains a 33-bed inpatient unit, the ambulatory care unit, the Pediatric Ambulatory Care Center, and a five-bed Pediatric Intensive Care Unit. The Pediatric Ambulatory Care Center provides over 90 percent of the care for young patients, including prolonged chemotherapy treatments, minor procedures and blood transfusions, eliminating the need for overnight hospitalizations. More than 24,000 pediatric outpatient visits are handled at this facility. The Claire Tow Pediatric Pavilion also includes a New York City Department of Education-certified Hospital School, with four full-time teachers, grades K-12.

The second floor and a portion of the third floor of the main hospital building were reconstructed to house the Center for Image-Guided Intervention and an expanded operating and endoscopy unit. This is a multidisciplinary facility where image-guided treatments and interventions, (including minimally invasive surgery, interventional radiologic procedures, and interventional endoscopy procedures) are consolidated into a single program. The program has resulted in the emergence of innovative approaches to diagnosis and treatment, reductions in operating room time, shorter hospital stays, minimization of risks and complications, improvement in patient outcomes, decreases in costs, and facilitation of the translation of advanced technologies to the community setting.

Ambulatory Facilities Operating in New York City

The Laurance S. Rockefeller Outpatient Pavilion is located at 160 East 53rd Street and delivers outpatient cancer care including state-of-the-art diagnostic imaging, chemotherapy, immunotherapy, retail and specialty pharmacy services, early drug development, pre-admission testing, cardiology, pulmonary, and laboratory services. Outpatient practice, diagnostic, and treatment programs include medical oncology for gastrointestinal, gynecologic, thoracic, neurologic, sarcoma and melanoma cancers. Diagnostic imaging services offered at this site include CT, MRI, ultrasound, and bone densitometry. Programs in patient education, women's health, Integrative Medicine, survivorship, and social work are also available. Multidisciplinary Disease Management Teams work to advance the goals of the disease-management system, facilitating both high-quality as well as cost-effective cancer care. The Bobst International Center is located at 53rd Street for the convenience of MSKCC's international patients and their caregivers. A separate and privately-owned hotel located on the building's upper floors is available to accommodate patients who need to stay in New York City overnight or longer.

Memorial Sloan Kettering Breast and Imaging Center located at 300 East 66th Street houses the Evelyn H. Lauder Breast Center, offering patients the most advanced outpatient services for the diagnosis and treatment of breast cancer, such as medical and surgical oncology, and chemotherapy. In addition, the 16-story building is home to an imaging center that provides leading-edge diagnostic and treatment planning services for many types of cancer. Diagnostic imaging services available at this site include mammography, bone densitometry, x-ray, ultrasound, stereotactic biopsy, CT, PET/CT, and MRI. The center also offers support services to patients and their families, including survivorship programs, social work, nutrition and dietary counseling, Integrative Medicine, and genetic counseling. The facility was built to offer state-of-the-art care and to pioneer new and more-effective ways to diagnose, treat, and prevent breast and other cancers.

The Bendheim Integrative Medicine Center located at 1429 First Avenue is an outpatient facility offering complementary therapies to manage patients' symptoms and to improve quality of life for both the patients and their families. A full range of services is available at this location, including many types of massage, meditation, acupuncture, guided imagery and visualization, yoga, a variety of private and group fitness classes, and more. Integrative medicine services are also available to the public regardless of their hospital affiliation.

The Counseling Center located at 641 Lexington Avenue, 7th floor is an outpatient facility offering psychiatric and psychological services to adult and pediatric cancer patients and their families. The services offered there include: diagnostic assessment and treatment of psychiatric complications of cancer and cancer treatment, neuropsychological testing and cognitive remediation, crisis intervention, medical management of psychiatric drug therapies, individual, family, couples, caregivers and group psychotherapy for patients with cancer and allied diseases, tobacco cessation interventions and cognitive behavioral therapy.

The Sidney Kimmel Center for Prostate and Urologic Cancers located at 353 East 68th Street offers comprehensive, multidisciplinary care of genitourinary cancers under one roof, including medical oncology, chemotherapy, developmental therapeutics, surgical consults and minor procedures like cystoscopy and ultrasound guided prostate biopsies. This approach is convenient for patients seeking diagnosis and treatment for cancers of the prostate, testes, kidney and bladder, and it also fosters valuable research collaborations that are advancing the standard of care for these cancers. Programs in patient education, rehabilitation, Social Work, and survivorship support the comprehensive care of patients.

The Brooklyn Infusion Center is located at 557-1 Atlantic Avenue. The site provides chemotherapy, infusion therapy, injections, disconnects, vaccines, hydration, and laboratory specimen collection to current patients of Memorial Sloan Kettering in a convenient and comfortable setting in downtown Brooklyn. The facility is easily accessible by train, bus, and car, and features private treatment bays with accommodations for friends, family members, and caregivers. In addition to its role as a treatment center for Solid Tumor, Neurology, Lymphoma, Myeloma, Leukemia, BMT, and Hematology services, the Brooklyn Infusion Center serves as a community resource and neighborhood partner, providing cancer education and wellness promotion.

The MSK Center for Rehabilitation located at 515 Madison Avenue has greatly expanded MSKCC's capacity to help patients with cancer regain physical function and a sense of well-being. Within walking distance of the Rockefeller Outpatient Pavilion, the facility provides outpatient physical medicine services to all MSKCC patients who experience musculoskeletal/neurological impairments, and/or pain management issues. Treatment plans focus on enhancing the quality of life of cancer survivors by reducing or eliminating common symptoms such as weakness, functional deficits, pain, fatigue, and depression, through education, exercise, and other evidence-based therapeutic modalities. Specialists include physiatrists (physicians who manage neuromuscular, musculoskeletal, and cardiopulmonary disorders) as well as physical therapists, occupational therapists, and lymphedema therapists.

The Ralph Lauren Center for Cancer Care and Prevention located at 1919 Madison Avenue provides high quality cancer screening and treatment services to the medically underserved. In addition to providing prevention and treatment services for colon, prostate, cervical, and breast cancers, RLC offers its patients personalized attention and community outreach services as well as pain management and palliative care. RLC also provides prevention education and health information to the Harlem community and beyond.

The 60th Street Outpatient Center located at 16 East 60th Street opened in September 2014. The facility offers care from MSKCC experts in cytopathology, dermatology (including Mohs surgery), general internal medicine, geriatrics, head and neck surgery, interventional and general radiology, ophthalmic oncology, orthopedics, plastic and reconstructive surgery, uro-sexual medicine, and presurgical testing. Imaging services on site include x-ray, ultrasound, and Panorex. The location also provides space for two innovative new clinics: a Melanoma High-Risk Surveillance Clinic for patients with

a personal or family history of melanoma; and a multidisciplinary Advanced Skin Cancer Program for patients with nonmelanoma skin cancers who may require specialized follow-up care.

The 64th Street Outpatient Center located at 205 E. 64th Street offers endocrine, lymphoma, myeloma, head and neck, dermatology, urology, neurosurgery, leukemia, and BMT services in an outpatient setting. Clinical services include chemotherapy, immunotherapy, and minor procedures like biopsies and endoscopies. Patients also have access to support services on site, like social work, patient education, survivorship, and clinical dietetics.

The Josie Robertson Surgery Center located at 1133 York Avenue opened in December 2015. This 179,000 square-foot building has 12 operating rooms to provide technologically sophisticated surgical care on an outpatient basis for breast, dental, gastric mixed tumor, gynecology, head and neck, plastic and reconstructive, and urology surgery. Forty-six universal rooms are designed for pre-anesthesia, post-anesthesia, extended recovery, central sterile processing, pharmacy, pathology, radiology, and select point of care lab tests. Diagnostic imaging services at this location include portable x-ray and ultrasound imaging. The facility expanded MSKCC's robotic, minimally invasive, and general surgery capacities, and advanced MSKCC's objective to transition patients from inpatient to ambulatory care.

Memorial Sloan Kettering Laboratory Medicine Building located at 327 East 64th Street opened in October 2017. This approximately 90,000 square-foot facility houses a new state-of-the-art, highly flexible clinical laboratory building that consolidates all complex and specialized testing, including hematology, chemistries, microbiology, and flow cytometry. The building also includes a blood bank, cell therapy, and tumor procurement services. The uniting of these activities in one location reduces the duplication of staff and equipment and increase efficiency.

MSKCC Regional Sites

MSKCC's network of regional programs brings MSKCC's high-quality cancer care to communities outside New York City at sites that it leases or owns. MSKCC's physicians provide patient care at the regional facilities and offer the same quality standards found at MSKCC's Manhattan facilities.

Memorial Sloan Kettering Skin Cancer Center Hauppauge in Long Island, New York, contains state-of-the-art technology for the treatment of dermatologic cancers, including Mohs Surgery, and head and neck services.

Memorial Sloan Kettering Commack in Commack, Long Island, offers a full range of services at this 94,000-gross-square-foot facility, including cancer diagnosis, chemotherapy, medical and surgical oncology, neuro-oncologic care, radiation therapy, medical, surgical and radiation therapy consultations, and diagnostic screening. Imaging capabilities include CT, MRI, PET-CT scanner, digital x-ray, mammography, ultrasound, bone densitometry, and interventional radiology. Support services offered at this location include social work, physical rehabilitation, clinical dietetics, and genetic counseling. This facility has been recently expanded to accommodate projected growth in patient volume.

Memorial Sloan Kettering Basking Ridge is located in Basking Ridge, New Jersey. Phase I of this complex is an 85,000-square-foot facility and is designed to accommodate a doubling in its square footage. A full range of services is offered at the facility, including cancer diagnosis, medical and surgical oncology, chemotherapy, immunotherapy, radiation therapy, medical, surgical, and radiation therapy consultations, and diagnostic screening. The full range of dermatologic oncology services, including Mohs surgery, is also available at Basking Ridge. Imaging technology includes CT scanner, PET-CT, MRI, digital x-ray, mammography, and ultrasound. Patients can also receive rehabilitation services, genetic counseling, clinical dietetics, social work, and survivorship programs at this location. This facility has recently been expanded to accommodate projected growth in patient volume and provide new services.

Memorial Sloan Kettering Westchester located in West Harrison, New York, opened in October 2014. The complex is a 114,000-square-foot facility offering a broad range of ambulatory diagnostic and treatment services for cancer. This location includes medical and surgical oncology, chemotherapy, immunotherapy, neuro-oncologic care, radiation therapy, medical, surgical, and radiation therapy consultations, dermatologic oncology services including Mohs surgery, and interventional radiology. Patients also have access to genetics counseling, pain management, clinical dietetics, physical rehabilitation, and individual and group psychosocial counseling. The facility also offers a full array of diagnostic imaging services including CT scanner, PET-CT, MRI, digital x-ray, mammography, bone densitometry, and ultrasound.

Memorial Sloan Kettering Monmouth located in Middletown, Monmouth County, New Jersey, was opened in December 2016. The nearly 289,000 total gross-square-foot complex contains a 120,000-gross-square foot ambulatory care

and ambulatory surgery facility offering a broad range of diagnostic and treatment services for cancer, including medical and surgical oncology, low-risk ambulatory surgery, chemotherapy, radiation therapy, medical, surgical, and radiation therapy consultations, and a full array of diagnostic imaging services. Radiology services include x-ray, CT, PET/CT, MRI, ultrasound, DEXA, and mammography. In addition to treatment and diagnostic services, this location also offers pain management, rehabilitation, genetics counseling, clinical dietetics, individual and group psychosocial counseling, and Integrative Medicine. MSK Monmouth also contains a 50,000-gross-square-foot data center and additional administrative space.

Memorial Sloan Kettering Bergen located in Montvale, New Jersey is a two-story 110,000-square-foot outpatient center opened in July 2018. Located near the Garden State Parkway and minutes from the New York State border, the site handles visits from cancer patients living in northern New Jersey as well as New York's Rockland and Orange counties. The facility houses outpatient services for medical and surgical oncology, medical, surgical, and radiation therapy consultations, neurology, neurosurgery, radiation therapy, and radiology. Radiology services include general radiology, mammography, ultrasound, MRI, CT, DEXA and PET imaging. For patients who experience treatment side effects such as pain or problems with coordination and/or balance, a gym with specialized equipment, staffed by specially trained physical and occupational therapists. The site also offers nutritional support, Social Work, genetic counseling, and Integrative Medicine.

Memorial Sloan Kettering Nassau located in Uniondale, Long Island, New York, is a two -story 114,000 square-foot outpatient facility opened in April 2019. Nearly 22% of current MSKCC patients reside in Nassau, Suffolk, and eastern Queens counties. MSK Nassau will serve as Long Island's most comprehensive cancer care program and provide a local option to the area residents. The facility offers services similar to the other regional sites including medical, surgical, radiation, and neuro oncology, medical, surgical, and radiation therapy consultations, immunotherapy, chemotherapy, and radiology imaging services, including mammography, ultrasound, x-ray, MRI, CT, and PET. Patients also have access to genetic counseling, pain management, social work, psychiatric counseling, clinical dietetics, and rehabilitation.

Utilization

Below is a summary of key utilization metrics for MSKCC.

	Key Patient Statistics and Other Data		
	Year Ended December 31,		
	2017	2018	2019
Beds in Service	473	498	
Admissions	23,506	24,243	
Average Length of Stay	6.9	7.1	
Occupancy Rate ⁽¹⁾	94.3%	95.2%	%
Patient Days	161,661	171,798	
Surgical Cases	25,330	27,919	
Inpatient	9,786	10,016	
Outpatient	15,544	17,903	
Total Outpatient Visits	722,329	776,546	
Manhattan	526,006	541,146	
Regional Network	196,323	235,400	
Chemotherapy treatments	247,496	266,503	
Manhattan	137,515	140,343	
Regional Network	109,981	126,160	
Radiology	468,125	493,595	
Manhattan	322,472	317,140	
Regional Network	145,653	176,455	
Radiology Oncology	137,579	146,293	
Manhattan	60,187	59,436	
Regional Network	77,392	86,857	
Full Time Equivalent Employees	16,434	17,893	

(1) Based on adjusted bed count. MSKCC has 514 licensed beds for all periods shown above.

Financial Information

The following Combined Statements of Activities Without Donor Restrictions of MSKCC for each of the three years ended December 31, are derived from the audited combined financial statements. The information should be read in conjunction with the audited combined financial statements for the years ended December 31, 2019 and 2018 together with the Report of Independent Auditors, which is included in “APPENDIX B – COMBINED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018, AND FOR THE YEARS THEN ENDED, WITH INDEPENDENT AUDITORS’ REPORT” hereto.

Memorial Sloan Kettering Cancer Center and Affiliated Corporations Combined Statements of Activities Without Donor Restrictions (Dollars in Thousands)

	Year Ended December 31,		
	2017	2018	2019
Operating Revenues			
Hospital Care and Services Revenue	\$ 3,536,976	\$ 3,973,778	\$
Grants and Contracts	296,493	334,536	
Contributions	191,843	168,226	
Net Assets Released from Restrictions	86,800	122,701	
Royalty and other income	159,458	159,140	
Investment Return Allocated to Operations	137,750	151,473	
Total Operating Revenues	<u>4,409,320</u>	<u>4,909,854</u>	
Operating Expenses			
Compensation & Fringe Benefits	2,335,132	2,587,336	
Purchased Supplies & Services	1,501,935	1,756,174	
Depreciation & Amortization	287,145	300,239	
Interest	45,343	47,045	
Total Operating Expenses	<u>4,169,555</u>	<u>4,690,794</u>	
Income from Operations	<u>239,765</u>	<u>219,060</u>	
Non-Operating Income (Expense)			
Net Assets Released from Restrictions – Capital	15,000	25,000	
Investment Return Net of Allocation to Operations and amounts recorded in net assets with donor restrictions	219,440	(112,061)	
Pension settlement costs	(33,480)	(40,414)	
Other non-operating costs	(53,581)	(34,927)	
Total Non-Operating Income (Expense)	<u>147,379</u>	<u>(162,402)</u>	
Change in postretirement benefit obligation to be recognized in future periods	<u>(120,481)</u>	<u>114,966</u>	
Increase in undesignated net assets	<u>266,663</u>	<u>171,624</u>	
Board-Designated			
Board-designated philanthropy	-	114,132	
Board-designated investment return	3,004	30,626	
Board-designated other additions	15,000	82,295	
Total Board-Designated Income	<u>18,004</u>	<u>227,053</u>	
Increase in net assets without donor restrictions	<u>\$ 284,667</u>	<u>\$ 398,677</u>	<u>\$</u>

Management’s Discussion and Analysis of Combined Statements of Activities Without Donor Restrictions

For the Three-Year Period (2016 – 2018)

Operating Revenues: During the period 2016 to 2018, total operating revenues experienced a compound annual growth rate (CAGR) of 7.5%, led by patient care revenue. Hospital care and services revenue for the three year period increased by over \$900 million and averaged 9.0% CAGR driven by strong demand for patient services and increased market share. Additionally, MSKCC has expanded its capacity through its current major capital expansion. Recent outpatient site openings include Monmouth, NJ which opened in 2016 and MSK Bergen, located in Montvale, NJ, which opened in 2018. This is in line with the Hospital’s overall strategy to shift patient care to an outpatient setting.

On average, approximately 63.5% of the Hospital’s annual net hospital care and services revenue is from managed care organizations with which the Hospital has contracts. The Hospital continues to negotiate with those companies with which it does not currently have contracts and bills the patients directly.

MSKCC – Payor Mix Summary

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Medicare	25.6%	27.1%	%
Medicaid	3.1	1.7	
Managed Care (Non-Contracted), Commercial & Self Pay	7.8	6.1	
Managed Care (Contracted)	63.5	65.1	
Total	100%	100%	%

MSKCC is exempt from the Medicare inpatient Prospective Payment System (“PPS”) under what is known as the “cancer hospital exemption.” Payment from Medicare is made on a cost-based system subject to an annual rate of increase limit. Under this method, a Medicare operating cost per discharge is established based on a cancer hospital’s historic costs. This cost per discharge excludes approved direct medical education costs and capital-related costs, which are currently reimbursed on a per-resident amount for Graduate Medical Education and on an actual basis for capital-related costs. MSKCC also has a special payment status under the Medicare outpatient PPS. See “PART 7 – BONDHOLDERS’ RISKS – Medicare and Medicaid” for further discussion.

Grants and Contracts revenue has increased from 2016 to 2018 at a CAGR of 9.06%. In addition to Federal funding, the Institute has developed new sources of research revenue, such as industrial sponsored research, philanthropic grants, and private agency grants. Royalty revenues declined from 2016 to 2018 due to a royalty contract that expired in the second quarter of 2017.

MSKCC has a policy of supporting operations and routine capital spending with philanthropy and a portion of investment returns. On average, philanthropy included in operations has been \$272.5 million each year for the three year period 2016 to 2018.

Operating Expenses: Salaries, fringe and purchased supplies expense growth was driven by an increase in staffing and supplies necessary to support increased patient volumes, new clinical facilities, and growth in clinical and bench research. Additionally, pharmaceutical expenses increased due largely to volume growth, costs for newly approved drugs and market price increases.

Non-Operating Income (Expense): Non-operating revenues are subject to significant year-to-year variation depending, in large measure, on the performance of the markets in which the funds are invested.

MSKCC relies on fund raising and investment performance to bolster operating income and capital needs. As a result, a material long-term reduction in contributions or in investment performance could adversely affect the financial condition of MSKCC.

In October 2017 and June 2018, MSKCC entered into a contract and sold approximately \$100 million and \$214.1 million, respectively, of its accumulated benefit obligation to an insurance company via an annuity buy-out resulting in settlement costs of approximately \$33.5 million in 2017 and \$40.4 million in 2018.

MSKCC generated \$227.1 million of Board Designated Unrestricted Income in 2018. In prior years, this type of non-recurring revenue was generally included in Operating Revenue.

For the Two-Year Period (2018 and 2017)

For the years ended December 31, 2018 and 2017, MSKCC had Income from Operations of approximately \$219.1 million and \$239.8 million, respectively. MSKCC also had net non-operating income (expense) of (\$47.4) million, as compared to \$26.9 million for the years ended December 31, 2018 and 2017, respectively. MSKCC's balance sheet strengthened during the two-year period and net assets increased \$322.3 million. At December 31, 2018, MSKCC's net assets were \$6.4 billion compared with total liabilities of \$4.2 billion.

Operating Revenues in 2018 increased by 11.4% from the prior year. Patient revenues increased by \$436.8 million or 12.3% driven by strong demand for patient services and increased market share. Additionally, MSKCC has expanded its capacity through its current major capital expansion. Recent outpatient site openings include MSK Bergen, located in Montvale, NJ, which opened in 2018. Grants and Contracts revenue increased 12.8% and is due to an increased volume of industrial sponsored research, philanthropic grants and private agency grants.

Operating Expenses increased by 12.5% in 2018 compared to 2017. Salaries, fringe and purchased supplies expense growth was driven by an increase in staffing and supplies necessary to support increased patient volumes, new clinical facilities, and growth in clinical and bench research.

Non-Operating Income (Expense) 2018 reflected negative investment returns of (\$112.1) million due to unfavorable financial market conditions in 2018 down from \$219.4 million in gains in 2017. Additionally, MSKCC incurred post-retirement benefit obligation changes to be recognized in future periods of \$115.0 million and (\$120.5) million for the years ended December 31, 2018 and 2017, respectively. The change year over year was due to changes in the discount rate used to value pension liabilities.

MSKCC generated \$227.1 million of Board Designated Unrestricted Income in 2018. In prior years, this type of non-recurring revenue was generally included in Operating Revenue.

MSKCC's broadly diversified investment portfolio was approximately \$5.0 billion at December 31, 2018. See "Investment Management" herein.

For the Six-Month Periods Ended June 30, 2019 and 2018

For the six-month periods ended June 30, 2019 and 2018, MSKCC had Income from Operations of approximately \$161.7 million and \$155.4 million, respectively. MSKCC also had net Non-Operating Income of \$240.9 million, as compared to (\$13.1) million of Non-Operating Expense for the periods ended June 30, 2019 and 2018, respectively.

Operating Revenues increased by 11.1% for the six-month period ended June 30, 2019 compared to the corresponding period in 2018. The increases can mainly be attributed to increases in Patient Care Revenue, and Grants and Contracts Revenue. Patient Care Revenues were up 12.9% driven by strong demand for patient services, increased market share, and increased capacity. Recent outpatient site openings include MSK Bergen, located in Montvale, NJ, which opened in 2018 and Nassau, NY which opened in 2019. The increase in Grants and Contracts Revenue is due to an increased volume of industrial sponsored research, philanthropic grants and private agency grants.

Operating Expenses increased by 11.6% for the six-month period ended June 30, 2019 compared to the corresponding period in 2018. Salaries, fringe and purchased supplies expense growth was driven by an increase in staffing and supplies necessary to support increased patient volumes, new clinical facilities, growth in clinical and bench research, and increased depreciation expense due to capitalization of completed building projects and purchased equipment.

Non-Operating Income increased in 2019 compared to 2018, primarily attributable to \$256.8 million in investment returns due to favorable financial market conditions.

Budgeting and Financial Control

MSKCC operates under a Board-mandated budget guideline that provides support for operational and routine capital needs. The objective of the guideline is to procure a stabilized source of support and to preserve the purchasing power of MSKCC's investment portfolio. A detailed long-range planning process is updated annually.

The annual budget is prepared at the departmental level after overall budget objectives are prepared by management. Each departmental budget is reviewed by the appropriate Divisional Vice President or Director. Divisional Budgets are then reviewed and approved by Executive Management. Combined Divisional Budgets are then reviewed by the Joint Finance and Funding Committee, and ultimately by the Board of Managers for final approval.

Monthly financial statements are prepared comparing budget and actual performance. These financial statements are reviewed by management and with the Joint Finance and Funding Committee at each meeting. Significant departmental variances are reviewed with responsible supervisory personnel and corrective action is taken where appropriate.

Liquidity Information

The following table sets forth MSKCC's days cash and investments on hand for the years ended December 31, 2016, 2017, and 2018 and at the period ended June 30, 2019. MSKCC's portfolio strategy has been defensive in recent periods, with an emphasis on larger-capitalization equities and shorter-duration fixed income. Approximately 52% of MSKCC's investment portfolio could be converted into cash within ninety days. In addition, MSKCC currently maintains a \$200.0 million committed undrawn revolving line of credit that can be utilized to meet liquidity needs.

(\$ in Thousands)	MSKCC – Days Unrestricted Cash and Investments on Hand		
	December 31,		
	2017	2018	2019
Unrestricted Cash and Investments	\$4,515,008	\$4,044,256	\$
Total Operating Expenses	4,169,555	4,690,794	
Less Depreciation and Amortization	<u>287,145</u>	<u>300,239</u>	
Adjusted Total Operating Expenses	3,882,410	4,390,555	
Days Unrestricted Cash and Investments on Hand	424	336	

*Annualized

Investment Management

Investment policy is determined by the Investment Committee of the Board of Managers, a group of seasoned investment professionals that provide strategic oversight to the MSKCC investment office. The MSKCC investments office consists of 8 full time investment professionals, 4 investment operations and reporting professionals, and 2 administrative professionals. MSKCC has a diversified investment program which includes conventional and alternative investments.

MSKCC currently utilizes the services of an independent custodian for substantially all conventional equity and fixed income investment portfolios. The services of multiple domestic and foreign investment advisors are utilized for equity, fixed income and cash equivalent investments.

MSKCC receives detailed reports of investment activities and security positions which are reviewed by MSKCC's investment office on a periodic basis. The Investment Committee of the Board of Managers meets quarterly to review investment performance and to evaluate investment policy options, such as the allocation of funds among asset classes or investment advisors. The Investment Committee has the authority to approve asset allocation changes as well as investment advisors.

MSKCC invests in a series of alternative investments that include equity hedge funds, distressed securities, event arbitrage, private equity, real assets, and venture capital. These investments are valued at market value or fair value (for non-publicly traded securities). The value of MSKCC's investments may be negatively affected by adverse events in the financial markets. MSKCC's investment asset allocation (excluding employee benefit funds) was as follows:

	<u>June 30, 2019</u>	<u>December 31, 2019</u>
Cash and Fixed Income	9%	
US Equity	14%	
International Equity	16%	
Hedge Funds	31%	
Real Assets	8%	
Private Equity & Venture Capital	22%	

The value of the combined investments in securities for MSKCC by type of fund is presented as follows:

Combined Investments in Securities
(at Market Value, includes Cash)
(in Thousands of Dollars)

	<u>December 31,</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assets Whose Use is Limited	\$ 351,197	\$ 289,439	\$
Donor Permanently Restricted*	653,541	674,476	
Unrestricted	<u>4,515,008</u>	<u>4,044,256</u>	
Total	<u>\$5,519,746</u>	<u>\$5,008,171</u>	

*Represents permanently restricted funds that have been received under arrangements stipulated by the donor that prohibit spending the original gift.

Outstanding Indebtedness

The following schedules show (i) the outstanding principal amount of long-term debt at June 30, 2019 and (ii) the outstanding principal amount of long-term debt of MSKCC and ratios of debt to capitalization and cash-to-debt:

Debt principal as of June 30, 2019
(\$ in thousands)
(unaudited)

	<u>Actual</u>	<u>Pro Forma</u>
2019 Series 1 Bonds	\$ -	\$ 282,210 ⁽¹⁾
2017-1 Series Tax-Exempt Bonds	290,420	290,420
Series 2016-1 Tax-Exempt Bonds	100,583	100,583
NJEDA Series 2016-2 Tax-Exempt Bonds	105,125	105,125
Series 2015A Taxable Bonds	550,000	550,000
Dormitory Authority of the State of New York 2012 Series 1 Bonds	262,265	49,045 ⁽²⁾
Series 2012A Taxable Bonds	400,000	400,000
Series 2011A Taxable Bonds	400,000	400,000
Dormitory Authority of the State of New York 2012 Bonds	80,380	4,355 ⁽²⁾
Dormitory Authority of the State of New York 2010 Bonds	34,000	34,000
Dormitory Authority of the State of New York 1998 Bonds	122,900	122,900
Unamortized Bond Premium	40,900	86,240 ⁽³⁾
Total Long-Term Debt	<u>2,386,573</u>	<u>2,424,668</u>

(1) Estimated, subject to change.

(2) In September 2019, the Center defeased a portion of tax-exempt Series 2012 and 2012 Series 1 Bonds.

(3) Includes estimated unamortized bond premium on the proposed Series 2020 DASNY Bonds. Preliminary and subject to change.

It is MSKCC's practice to keep in place at least \$200.0 million in available lines of credit, of which zero has been drawn as of June 30, 2019. Currently, MSKCC has no interest rate swap transactions outstanding. All of MSKCC's outstanding debt is fixed rate.

MSKCC – Capitalization Ratio Summary			
December 31,			
	2017	2018	2019
<i>(\$ in Thousands)</i>			
Total Long-Term Debt	2,789,048	2,401,371	
Net Assets Without Donor Restrictions	4,630,974	5,029,651	
Debt to Capitalization (%)	37.59%	32.32%	%
Unrestricted Cash and Investments	4,515,008	4,044,256	
Unrestricted Cash to Debt (%)	161.88%	168.41%	%

- (1) Reflects the defeasance of the Series 2012 and 2012 Series 1 Tax Exempt Bonds that the Center defeased in September 2019. Also reflects the issuance of the proposed Series 2020 DASNY Bonds [and Series 2020 Taxable Bonds] and receipt of the bond proceeds thereof.

Fund Raising and Development

MSKCC has a robust fundraising program that combines a classic relationship-building approach with a multichannel marketing effort. Fundraising generates significant resources to support MSKCC's research, training, and clinical needs. MSKCC's Development Department includes a full-time professional staff of more than 200; it also relies on volunteers and members of its Board of Managers and the Board of Overseers to maximize fundraising. The Development Department is strategically organized to solicit contributions from individuals and families (through direct mail and personal requests in all fifty states and many countries worldwide), trusts, corporations, and foundations. It also operates several national peer-to-peer fundraising events, including Cycle for Survival. MSKCC ranked fifth among all hospitals and medical centers nationally in the Chronicle of Philanthropy's America's Favorite Charities 2018.

A summary of the combined fundraising history for MSKCC by donor type is presented on the following page:

**Memorial Sloan Kettering Cancer Center
Combined Philanthropic History
(in Thousands of Dollars)**

	Year Ended December 31,		
	2017	2018	2019
<u>Cash and Donated Securities</u>			
Individuals	\$196,258	\$195,807	\$
Corporations	21,583	31,377	
Foundations	64,402	70,187	
Bequests	48,100	131,395	
Total	\$330,343	\$428,766	\$
<u>GAAP Basis Philanthropy</u>			
Net Assets Without Donor Restrictions	\$293,643	\$430,059	\$
Time Restricted, net of release	8,187	(20,059) ^(a)	(a)
Purpose Restricted, net of release	7,000	6,492	
Endowments	37,800	25,687	
Total	\$318,384	\$383,341	
Fundraising Cost	\$65,076	\$70,521	\$
Total	20.4%	18.4%	%

^(a) Includes payments against existing pledges greater than the amount of recording new pledges.

^(b) Includes satisfaction of restrictions on funds greater than the amount of recording new purpose restricted funds

The GAAP basis philanthropic history for each of the three years ended December 31 is presented in the audited combined financial statements for each of those years. The cash basis philanthropic history is representative of the moneys available for use by MSKCC. The GAAP and cash bases differ primarily for two reasons: the annual change in the value of trusts and estates until they are ultimately settled and payments on pledges (the cash basis includes payments on pledges whereas the GAAP basis reflects the discounted value of pledges when made).

Pension Plans

MSKCC supports a defined contribution 403(b) plan in which all MSKCC employees are eligible to make voluntary employee contributions (salary deferrals), subject to IRS limits. The 403(b) plan provides eligible staff members with retirement income through individual deferred annuity contracts purchased in each participant's name. MSKCC makes base contributions to eligible employees, which will depend on the employee's age (determined as of the preceding December 31). Additionally, MSKCC matches contributions for voluntary employee contributions made by eligible employees, with such match made on a dollar for dollar basis up to 3% of eligible pay. Employer contributions are subject to a vesting schedule and become fully vested after three years of service.

Additionally, MSKCC offers a defined benefit plan ("*DB Plan*") which was for full time employees not covered by the 403(b) plan. The benefits are based on years of service, the employee's average compensation during the highest five of the last ten years of employment and a pension formula. The DB Plan was amended and limited to participants hired before December 16, 2012 who have met or will meet the participation requirements.

A valuation was performed and recorded for December 31, 2018 and will be performed for the year ended December 31, 2019 and will be included in the audited financial statements when issued.

Post-retirement Health Plans

MSKCC offers its retirees and their spouses hospital and basic medical coverage which supplements any available Medicare coverage. Employees hired after 2006 are required to pay 100% of the coverage cost. Effective January 1, 2016, MSKCC provides each Medicare-eligible retiree and spouse with a defined contribution amount that can be used to purchase individual Medicare supplemental coverage. This defined contribution replaces MSKCC's hospital and basic medical coverage for all Medicare-eligible participants who retire subsequent to December 31, 2006.

A valuation was performed and recorded for December 31, 2018 and will be performed for the year ended December 31, 2019 and will be included in the audited financial statements when issued.

Insurance

MSKCC carries policies covering property damage and loss, and liability for directors, officers and employees in amounts that MSKCC believes to be appropriate for institutions of its size and character.

Malpractice liability insurance and other lines of commercial insurance are provided by a captive insurance company, MSKI. The captive insurance company fully reserves for risks retained and reinsures excess exposures with several highly-rated reinsurance companies. See Note 8 to the combined financial statements of Memorial Sloan Kettering Cancer Center and Affiliated Corporations attached as "APPENDIX B – COMBINED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018, AND FOR THE YEARS THEN ENDED, WITH INDEPENDENT AUDITORS' REPORT" hereto.

Litigation

MSKCC has no litigation or proceedings pending or, to its knowledge, threatened against any of the corporations, which, in the opinion of management, would materially adversely affect MSKCC's results of operations or financial condition.

PART 7 – BONDHOLDERS' RISKS

[Section to be revised.]

MSKCC is subject to risks relating not only to the provision of health care and research related services, but also to charitable giving and its investment portfolio performance. MSKCC's non-operating revenues are highly dependent on

charitable giving and the performance of the investment portfolio. Significant changes in these factors could adversely affect MSKCC's revenues and its ability to conduct its operations in its current configuration. In addition, MSKCC is subject to many changing developments in the health care environment which could adversely affect its financial performance, including, without limitation, changes in federal and state laws and regulations relating to reimbursement; changes in contracting with private insurance companies and managed care companies; cost overruns in its capital expenditures program; funding reductions in existing grant programs; and increased costs of inpatient and outpatient care, physician fees and costs of graduate medical education. The discussion of risks to holders of the Series 2020 DASNY Bonds contained in this section is not intended to be exhaustive, but rather to summarize certain matters that could adversely affect payment of the Series 2020 DASNY Bonds, in addition to other risks described throughout this Official Statement. In addition to matters discussed elsewhere herein, the following factors may have a material effect on the operations of MSKCC to the extent that cannot be determined at this time.

General

The financial information contained in "PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER" reflects the combined revenues and expenses and assets and liabilities of the Center, the Hospital, the Institute, MSKI and Realty. As described above, only the Center is obligated under the Loan Agreement and the Institute and Realty are jointly and severally liable under the Guaranties. The Hospital will not be obligated to make any payments with respect to the Series 2020 DASNY Bonds, although the ability of the Hospital to incur debt or to permit liens on its property is limited under the Inducement Agreement and the Hospital is required to pledge certain collateral to secure the Center's obligations under the Loan Agreement under certain circumstances described herein. While the Center, the Institute, the Hospital and Realty are four separate corporations, the four entities are managed as an enterprise and the revenues and assets of each supports the operation of the enterprise as a whole. Patient Care Revenue is primarily revenues of the Hospital, while Grants and Contracts, Royalty Income and Other Income are primarily revenues of the Institute. Residential property used to house faculty, staff and students is owned by Realty and therefore related income and expense is attributable to Realty. (See "PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – "Introduction" – "The Center," – "The Clinical Enterprise," – "The Research Enterprise," – "MSK Insurance U.S., Inc." and – "S.K.I. Realty," and – "Academic Environment" herein.)

A significant amount of MSKCC's non-operating revenues is derived from contributions, investment income and gains on investments. The level of contributions and bequests varies depending on economic conditions, timing of major gifts, and other factors. Adverse economic conditions and/or changes in the tax code related to deductibility of charitable contributions could adversely affect the level of contributions and bequests received by MSKCC. The majority of the liquid assets of MSKCC are invested in marketable securities, the value of and returns on which are largely dependent on the performance of the financial markets in which such funds are invested. A downturn in the economy or the financial markets could adversely affect the magnitude of investment income and the value of investments. A portion of the investment portfolio is in alternative investments, which may not be readily marketable. A decrease in the value of investments and investment income could adversely affect the financial condition of MSKCC.

The receipt of future revenues by MSKCC is subject to, among other factors, federal and state laws, regulations and policies affecting the health care industry and the policies and practices of managed care providers, private insurers and other third-party payors, and private purchasers of health care services. The ultimate impact on MSKCC of recent changes in law and policy, health reform and other future changes in federal, state, and private payor policies cannot be determined at this time. Loss of established managed care contracts by MSKCC; the growth of narrow networks, which may not include MSKCC, as a cost containment strategy; reductions in hospital payments through "site neutral" policies (i.e., payer initiatives that seek to pay hospitals at physician office rates, regardless of the cost of care or complexity of the patient) and other reimbursement reductions; and the expansion of value-based payment arrangements that create incentives to keep patients within the same system for both primary and specialty care could also adversely affect the future revenues of MSKCC.

Although management believes that MSKCC's quality, highly skilled professional staff and strong financial resources place it in a position to respond to changes in the evolving health care market, there is no assurance that MSKCC will be successful. In addition, management cannot necessarily anticipate all events and circumstances that could occur. These unforeseen events and circumstances could cause material variations in future financial results.

Approximately 7% of MSKCC's operating revenues in fiscal year 2018 resulted from grants and contracts. MSKCC is a direct and pass-through recipient of National Institutes of Health ("NIH") funding, which represented approximately 4% of operating revenues. NIH falls under the auspices of the United States Department of Health and Human Services ("HHS"). MSKCC is also the recipient of other grants and contracts from the NIH and other agencies of the U.S.

Government. Grants and contracts support basic, translational and clinical research. MSKCC makes no assurance that it will continue to receive funding at current levels. The Trump Administration proposed significant cuts to overall NIH funding in its FY 2018 budget proposal and floated changes to the award formula that would have significantly reduced support for facilities and administrative costs. While Congress has rejected both of these proposed cuts and instead supported increased NIH funding, the near-term prospects for significant increases in U.S. Government grants and contracts are doubtful. If these near-term prospects do not improve over the longer term and MSKCC does not increase its share of awards, or obtain other funds to support these activities, the operating losses associated with the research activities could increase materially.

Future economic conditions, which may include an inability to control expenses in periods of inflation, and other factors may adversely affect revenues and expenses and, consequently, MSKCC's ability to make payments under the Series 2020 DASNY Bonds. Such factors include: demand for health care services; the capability of the management of MSKCC; the receipt of grants and contributions; the ability to rebuild a declining stream of intellectual property revenues, referring physicians' and self-referred patients' confidence in MSKCC; increased use of health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs") with discounted payment schedules; payor mix changes; exclusions from narrowing insurer networks; economic and demographic developments in the United States and in the service areas in which facilities of MSKCC are located; competition from other health care institutions, including the growth of entities formed to facilitate value-based payment; changes in rates, costs, third-party payments and governmental regulations concerning payment; and consequences of the implementation of the Affordable Care Act (the "ACA") and the Medicare and CHIP Reauthorization Act.

General Economic Factors and Credit Market Disruptions

General. The United States economy is unpredictable. Previous disruptions of the credit and financial markets, including the ongoing coronavirus (COVID-19) pandemic, have led to volatility in the securities markets, significant losses in investment portfolios, increased business failures and consumer and business bankruptcies and economic recession. In response to the 2008 recession, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*") was enacted in 2010. The Dodd-Frank Act included broad changes to the existing financial regulatory structure, including the creation of new federal agencies to identify and respond to the financial stability of the United States. On June 5, 2018, President Trump signed into law the Economic Growth, Regulatory Relief and Consumer Protection Act, which relaxes restrictions on large parts of the banking industry. The effects of the new law are unclear.

In the past, the economic climate has adversely affected the health care sector generally. Patient service revenues and inpatient volumes have not increased as historic trends would otherwise indicate. When unemployment rates were increasing nationally, increases in self-pay admissions, increased levels of bad debt and uncompensated care, reduced demand for elective procedures, and reduced availability and affordability of health insurance resulted. The economic climate has also increased stresses on state budgets, potentially resulting in reductions in Medicaid payment rates or Medicaid eligibility standards and delays in payment of amounts due under Medicaid and other state or local payment programs. Any similar economic recession in the future could have similar or worse effects.

Market and Potential Operational Disruptions Relating to Coronavirus. The ongoing coronavirus (COVID-19) pandemic has been altering the behavior of businesses and people in a manner that is having negative effects on global and local economies. Further, stock markets in the U.S. and globally have recently seen significant volatility attributed to coronavirus (COVID-19) concerns. The continued spread of coronavirus (COVID-19) or any other similar outbreaks in the future may materially adversely impact global, national, state and local economies and, accordingly, may materially adversely impact the financial condition of MSKCC.

Further, the ongoing coronavirus (COVID-19) pandemic, and any other future healthcare pandemic or related crisis, could result in a spike in demand for health care services or otherwise impair operations or the generation of revenues from the facilities operated by MSKCC. The treatment of a highly contagious disease at a facility operated by MSKCC could also result in a temporary shutdown or diversion of patients. In addition, unaffected individuals may decide to defer elective procedures or otherwise avoid medical treatment, resulting in reduced patient volumes and operating revenues at the MSKCC's outpatient facilities. Management is not able to predict the potential impact of such a disruption on the financial condition of MSKCC.

Construction and Project Risk

Construction is planned on several clinical buildings which are part of MSKCC's strategic plan, and MSKCC is currently engaged in other projects outlined herein under "PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER" herein. Any of the foregoing projects may become subject to uncontrollable delays, which may be caused by various factors beyond MSKCC's control, including, without limitation, adverse weather events, strikes or unavailability of materials. Such factors may not only delay the completion of projects, but can in some cases result in increased costs, budget overruns or even prevent completion.

Increased Enforcement Affecting Academic Research

The federal government has increased enforcement of laws and regulations governing the conduct of clinical trials at hospitals. Federal agencies which monitor federally funded research have grown and/or strengthened and the NIH has significantly increased the number of facility inspections performed by such agencies. The Food and Drug Administration ("FDA") has authority over clinical trials of investigational drugs. In addition, FDA asserts authority over laboratory developed tests ("*LDTs*"), although the agency currently exercises enforcement discretion over most LDTs. The Office of Inspector General ("*OIG*") of HHS, in past "Work Plans" has included several enforcement initiatives related to reimbursement for experimental drugs and devices (including kickback concerns) and has issued compliance program guidance directed at recipients of extramural research awards from the NIH and other agencies of the United States Public Health Service. MSKCC receives payments from grants administered by such agencies and is subject to complex regulation regarding clinical trials funded by governmental agencies and private sponsors (e.g., billing rules). For violations of applicable rules and regulations, MSKCC could have to pay substantial fines or penalties, or even suspend or terminate research programs or certain employees' involvement in certain programs. In the case of Medicare patients participating in a clinical trial, MSKCC could be subject to sanctions and repayment obligations as a result of billing errors.

Legislative, Regulatory, and Contractual Matters Affecting Revenue

The health care industry is heavily regulated by the federal and state governments. A substantial portion of revenue of health care providers is derived from governmental sources such as Medicare, Medicaid, and research funding from NIH. Governmental revenue sources are subject to statutory and regulatory changes, administrative rulings, policy interpretations, determinations by the Medicare Program, and funding limitations, all of which may materially increase or decrease the rates of payment and cash flow to hospitals. There have been frequent and significant changes to the methods and standards used by the government to reimburse and regulate the operation of hospitals, and MSKCC anticipates that substantial additional changes will occur in the future. There is no guarantee that payments made under such programs will remain at levels comparable to the present levels or that they will be sufficient to cover all existing costs. The Trump Administration has proposed a number of policies significantly reducing payments to providers and is anticipated to continue to do so in the future.

Legislation is periodically introduced in Congress and in the New York legislature that could result in limitations on MSKCC's revenue, third-party payments, and costs or charges, or that could result in increased competition or an increase in the level of indigent care required to be provided by MSKCC. From time to time, legislative proposals are made at the federal and state level to engage in broader reform of the health care industry, including proposals to promote competition in the health care industry; to contain health care costs; to provide greater access to care; and to impose additional requirements and restrictions on health care insurers, providers, and other health care entities. Most significantly, the implementation of the ACA and MACRA have led to a number of significant changes for patients and providers, as described in more detail later in this section. Government and private payers are currently focused on ways to reduce the cost of drugs, which could also result in reduced payments to providers, reduced investment in innovation, and reduced revenue from future intellectual property. In addition to direct changes in reimbursement, changes to the procedures, products, or patients that are covered by insurance plans could impact reimbursement.

Managed Care and Other Private Initiatives

Managed care programs, which include various payment methodologies and utilization controls through the use of primary care physicians, are increasingly being offered by traditional insurance companies and managed care organizations in the State. Payment methodologies include per diem rates, per discharge rates, discounts from established charges, fee schedules, "site neutral" payments, bundled rates and capitation payments. Enrollment in managed care programs has increased, and managed care programs are expected to have a greater influence on the manner in which health care services are delivered and paid for in the future. Managed care programs are expected to reduce significantly the utilization of health

care services generally, and inpatient services in particular. The financial condition of MSKCC may be adversely affected by these trends.

Medicare and Medicaid

Medicare is the federal health insurance system under which physicians, hospitals and other health care providers are reimbursed for services provided to eligible elderly and disabled individuals. Medicare is administered by the Centers for Medicare & Medicaid Services (“CMS”), which delegates to the states the process for certifying hospitals to which CMS will make payment. In order to achieve and maintain Medicare certification, hospitals must meet CMS’s “Conditions of Participation” on an ongoing basis through surveys performed by the state in which the provider is located and/or The Joint Commission, a national accreditation organization for hospitals and other health care entities. The requirements for Medicare certification are subject to change and, therefore, it may be necessary for hospitals to effect changes from time to time in their facilities, equipment, personnel, billing, policies and services. Such changes that may be required could significantly impact reimbursement rates or costs that could have a material adverse impact on MSKCC’s financial performance.

Hospitals generally are paid for inpatient and outpatient services provided to Medicare beneficiaries under a prospective payment system (“IPPS” for inpatient services and “OPPS” for outpatient services). Under IPPS or OPPS (collectively “PPS”), a fixed payment is made to hospitals based on the average cost of care incurred in providing various kinds of services.

Such systems are based on the law of averages (i.e., hospitals typically treat a wide array of conditions and diseases, where payments for some services offset payments for other services). Additionally, prospective payment systems typically have a significant lag time before new services and treatments are able to be integrated into payment rates. Because PPS payments assume that hospitals provide a wide array of services, institutions such as MSKCC, which focus exclusively on cancer, are not adequately compensated for their Medicare costs under this system. Recognizing this, Congress has on several occasions protected MSKCC and ten other institutions specializing in cancer care (collectively, the “Cancer Centers”) from the shortfalls that would arise from the application of PPS to a single-specialty institution.

The Cancer Centers are exempt from inpatient IPPS and are instead paid under a system that was established under the Tax Equity and Fiscal Responsibility Act (“TEFRA”) of 1982. Under the TEFRA system, the Cancer Centers are paid on the basis of costs incurred in a historic base year, trended forward for inflation and subject to cost limits. In addition, Cancer Centers are protected under OPPS. First, under the Balanced Budget Refinement Act (“BBRA”) of 1999, a floor was set on the Cancer Centers’ outpatient payments so that each Cancer Center’s reimbursement for outpatient services did not fall below a pre-determined percentage of its reasonable costs. This payment floor is the ratio of the Cancer Center’s payments for its cost reporting period ending in 1996 to its reasonable costs in that period. Second, in 2010, the ACA required CMS to conduct a study comparing Cancer Center outpatient costs to the costs incurred by all PPS hospitals. To the extent that CMS found that the costs incurred by Cancer Centers exceeded the costs incurred by PPS hospitals, CMS was to recommend an adjustment to reflect those higher costs. After conducting the study, CMS determined that outpatient payments to the Cancer Centers should be increased so that the payment-to-cost ratio (“PCR”) of each Cancer Center equaled the average PCR of all PPS hospitals in the country. As part of the study, CMS was given the authority to annually reset the rate to better achieve parity for the Cancer Centers with PPS hospitals. The PCR floor on Medicare outpatient payments to the Cancer Centers is 88% in 2019, and is expected to be 89% in 2020.

The unique health care delivery model of the Cancer Centers has also resulted in their exemption from recent changes to Medicare payment for services delivered at new, off-campus hospital outpatient provider departments (“HOPDs”). There are a significant number of medical procedures that can be furnished either in the physician office or HOPD setting, but these services are paid under separate payment systems depending upon the location in which the services are delivered. Given the more onerous regulatory requirements and additional services that must be available in HOPD settings, reimbursement rates are generally higher in the HOPD setting than the physician office setting. Over time, this payment differential drove the acquisition of physician practices by some hospitals, which often designated the physician offices as HOPD settings in order to bill at the higher rate. To put an end to this practice, Congress included a provision in the Bipartisan Budget Act of 2015 that excluded services provided at any new, off-campus HOPD (i.e., HOPDs that started billing after November 2, 2015) from the OPPS and directed the HHS Secretary to designate another payment system, such as the Physician Fee Schedule (which has a lower payment rate). As a result of the way the law was drafted, it also eliminated the outpatient payment protection of the Cancer Centers for services provided at any new, off-campus HOPD. If implemented, this provision would have had a disproportionately negative impact on the Cancer Centers, given the relatively high percentage of cancer care that is delivered in the hospital outpatient setting and the sophisticated nature of

the facilities that would have been impacted. When alerted to the impact on the Cancer Centers, Congress acted to exempt the Cancer Centers from the new payment methodology with the passage of the 21st Century Cures Act in 2016. The exclusion of the Cancer Centers from the lower payment for services at new, off-campus HOPDs was offset by a one percentage point reduction in the PCR that would have otherwise applied to the Cancer Centers' outpatient payment adjustment. As a result of these provisions, the Cancer Centers have been excluded to date from CMS efforts to further reduce reimbursement for services provided at off-campus HOPDs, as well as efforts to limit the expansion of services at off-campus HOPDs exempt from these statutory changes.

While MSKCC does not anticipate changes to these payment protections, both Medicare inpatient and outpatient payments are always subject to future revision by Congress and CMS. Congress and the Administration routinely seek ways to achieve savings in certain programs to pay for other high priority programs. As such, there is no guarantee that statutory or regulatory changes that would eliminate or greatly reduce the protections currently in place will not be enacted.

Unlike on the hospital side, MSKCC does not receive any Cancer Center adjustments to Medicare payments for physician and other professional services. The 2015 repeal of the Medicare Sustainable Growth Rate (“SGR”) formula for updating payments under the Medicare Physician Fee Schedule (“PFS”) has created moderate uncertainty with respect to future payment levels for professional services. In the Medicare and CHIP Reauthorization Act (“MACRA”) of 2015, Congress repealed the SGR and replaced it with a two-track system for reimbursement under the PFS that is designed to slow spending growth by speeding the transition to value-based payment. Under this system, physicians and other eligible clinicians, such as nurse practitioners and physician assistants, will either qualify to participate under the advanced alternative payment model (“APM”) track in recognition of their receipt of a certain percentage of payments under qualifying value-based payment arrangements, or they will continue to receive fee-for-service (“FFS”) reimbursement that will be adjusted by as much as plus or minus nine percent by the year 2022 based on performance on quality, resource use, and other metrics.

In either track, physicians and other eligible clinicians have some level of payment at risk under MACRA. In the advanced APM track, qualifying value-based payment models require a minimum financial risk by definition. In the FFS track, adjustments to payment made based on performance metrics are budget neutral, meaning that the “losers pay the winners.” While CMS has estimated that specialty and large-group providers, e.g., MSKCC, will fare relatively well under MACRA, it is nevertheless difficult to predict the exact level of payments to a particular provider or provider group under the Medicare PFS going forward. More broadly, MACRA creates new reputational risk for providers, whose performance on certain quality and resource use metrics will be publicly reported. In addition, MACRA’s incentives to participate in risk-sharing, value-based payment arrangements may increase the number of health systems and provider groups that will have a disincentive to refer patients to external specialty providers.

There are many other factors that may also impact Medicare payments. Sequestration—automatic across the board cuts to federal programs instituted as a result of “pay-as-you-go” (or “pay-go”) requirements in legislation passed by Congress and established by the Budget Control Act of 2011, and modified by subsequent budget legislation,—currently reduces Medicare payments by two percent during the years 2014 through 2021. Subsequent legislation enacted by Congress extended these reductions through 2027. While Congress has the option to exempt a particular bill or bills from the “pay-go” requirements by passing legislation to that effect, it is not guaranteed that sufficient members of Congress would support such a bill. Consequently, the passage of legislation that would increase the deficit could trigger significant, additional sequestration cuts resulting in lower Medicare payment rates.

Audits performed by CMS can change the amount of Medicare reimbursement MSKCC receives and/or may be required to refund; likewise, state audits of Medicaid reimbursement could also change future receipts and/or repayments.

Medicaid, like Medicare, is a government program to provide health care services to individuals below a certain income or assets threshold that is paid for in part by the federal government and in part by the state. Medicaid is administered at the state level. While a higher percentage of MSKCC patients are insured by Medicare than Medicaid, both programs have the potential to financially impact MSKCC. One trend seen in both programs is that they are encouraging and facilitating the development of managed care products (“Medicare Advantage” for Medicare and “Medicaid managed care programs” for the Medicaid program) and encouraging Medicare beneficiaries to enroll in these programs. Enrollment in a Medicare managed care product is voluntary and enrollees may disenroll and reenroll in the traditional Medicare fee-for-service system at specified times. Commercial insurers and HMOs typically offer managed care products for the Medicare population. In order to control Medicaid expenditures, the State requires most Medicaid patients to join Medicaid managed care programs. Experience in other states has shown that inpatient utilization is reduced for Medicaid recipients who are

enrolled in such programs. MSKCC has not entered into contracts with many of the Medicaid managed care programs in New York.

Medicare enrollees in managed care products have their health care managed and paid for by the applicable insurer, HMO or PPO (the “managed care plan”). The managed care plan is reimbursed by the Medicare program with a monthly per-beneficiary amount for each Medicare enrollee. The managed care plan is at financial risk for cost overruns that exceed the per-beneficiary amounts paid to it by Medicare. Consequently, the managed care plan and its participating hospitals, physicians and other providers seek to reduce utilization and otherwise control the costs of providing care to Medicare beneficiaries. These financial considerations may contribute to reduced per patient revenues for MSKCC Medicare patients. Enrollment in Medicare managed care plans has increased in recent years, and is expected to increase in the future. The Trump administration has pursued efforts to allow Medicare managed care plans to implement more stringent prior authorization requirements on expensive treatments; these changes could increase the impact of the expansion of Medicare managed care plans. It is uncertain what, if any, impact this may have on Medicare payments from these payors to MSKCC. In general, Medicare Advantage plans have lower rates than traditional Medicare.

Future actions by the federal and state governments are expected to continue the trend toward more restrictive limits on reimbursement for hospital services. The management of MSKCC cannot assess or predict the ultimate effect of any such legislation or regulation, if enacted or adopted, on its operations.

National Health Care Reform

The ACA was enacted in March of 2010 and included substantial changes to the United States health care system. The law included provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers, including reductions to hospital payments, and the legal obligations of health insurers, providers, employers and consumers. Scheduled implementation of these provisions was staggered over the decade following enactment. Many of these changes took effect for the first time in 2014. The full impact of the ACA and its consequences for the health care industry continue to unfold. Regulatory and policy adjustments, judicial interpretations, and actions by Congress have all changed the course of implementation, and they remain possible avenues for further changes in course. The Trump Administration has made repeated attempts to repeal and replace the law, generally calling for a repeal of the individual mandate and a substantial reduction in federal spending, primarily achieved by terminating or substantially decreasing the expanded eligibility for Medicaid coverage by states provided for in the ACA. If successful, hospitals and providers serving large Medicaid populations will be deeply impacted by the cuts. These efforts to repeal the ACA have been narrowly defeated thus far. However, a significant number of lawmakers remain strongly committed to repealing the ACA, and new attempts at repealing and replacing it are possible.

Despite the legislative defeat of Repeal and Replace efforts to date, Republicans have pursued other avenues to repealing and/or weakening the ACA. For one, a number of states, supported by the Department of Justice under President Trump, have renewed legal challenges to the constitutionality of the ACA. These efforts have been successful in lower courts; although the impact of the decision may be limited to those states, the suit could invalidate the ACA. *See Texas v. United States*, No. 4:18-cf-00167-O, Memorandum Opin. and Order (N.D. Tex. Dec. 14, 2018), *appeal docketed*, No. 19-10011 (5th Cir. argued July 9, 2019). Additionally, the Trump Administration has taken a number of regulatory steps to weaken the ACA’s market reforms, namely issuing rules to allow a broader availability of Association Health Plans and Short-term limited-duration plans, both of which may draw healthier individuals to less robust coverage and result in an insurance “death spiral” that drives down enrollment gains under the ACA and thwart access to high quality providers. As a result of these ongoing efforts, there remains great uncertainty regarding the long-term viability of the ACA, and the inability of health care providers to develop strategic and tactical plans presents a real business risk.

To date, the changes in the health care industry brought about by the ACA have had both positive and negative effects, directly and indirectly, on the nation’s hospitals and other health care providers, including MSKCC. Positive changes have accrued due to expanded coverage and enhanced consumer protections on coverage, but providers have also experienced increased downward pressure on payments and the growth of narrow networks.

As of 2014, all individuals were required to have health insurance. Although this mandate has been loosely enforced, the uninsured rate has dropped substantially since implementation. To promote enrollment, the ACA provides that subsidies be made available to individuals making between 133 and 400 percent of the federal poverty level (“FPL”) for the purchase of a qualified health plan (“QHP”), and it mandated the payment of cost-sharing reductions (“CSRs”) to health plans to reduce out-of-pocket costs for certain categories of individuals. The State elected to implement a state-based exchange. The State also chose to launch a “Basic Health Program” as authorized by Section 1331 of the Affordable Care Act to cover

low-income individuals (making between 133 and 200 percent of the FPL) who would otherwise be eligible for subsidies to purchase a QHP through the marketplace.

As noted above, a number of legal challenges were brought against these key provisions, including challenges to the individual mandate, the provision of tax subsidies, and the authority of the executive branch to make CSR payments to health plans. The courts have ruled to uphold both the individual mandate and the tax subsidy provisions of the ACA. However, the challenge to the authority of the executive branch to make the CSR payments has not been definitively resolved, and President Trump announced an end to the payments in late 2017. In most states, health plans offering QHPs on the health insurance exchanges factored the end of CSR payments into their 2018 rates, resulting in what appears to be relatively minimal disruption to the individual and small group marketplaces. The impact on New York and Minnesota, which both elected to implement the Basic Health Program option could be far more disruptive. New York's Basic Health Program, known as the Essential Plan, which covers more than half a million individuals, is funded in part by directing the dollars that would otherwise have been made to those individuals in the form of tax subsidies and CSR payments to New York State. As a result of the end of CSR payments under President Trump, the State's Essential Plan stood to lose more than \$800 million in CSR payments in 2018. Following litigation, CMS walked back reductions for 2018, but has proposed smaller reductions (estimated to be \$300 million) in 2020. Should these reductions take place, major health care reforms at the State level, including new fees or cuts to provider payments, could be targeted as a result.

In addition to provisions designed to expand coverage, the ACA established a new "floor" on coverage and introduced new consumer protections that apply to QHPs—and in some cases, to all health plans. One of the most significant changes under the health law is that no insurer may discriminate on the basis of health status and must therefore enroll individuals who apply for coverage with preexisting conditions. Other insurance reforms include annual and lifetime cost-sharing limits. Plans must also provide essential health benefits, i.e., ACA-defined categories of services, to all enrollees. These provisions have helped to ensure more individuals have adequate coverage and have reduced the ranks of the uninsured, as well as the under-insured.

However, the proliferation of insurance reforms has increasingly led insurers to look for other ways to control costs. Without an ability to exclude the sickest patients, raise cost-sharing amounts, and modify premiums based on health status, one of the few tools left to insurers is to create narrow networks of providers with lower negotiated rates. Under the ACA, services received from out-of-network providers are not subject to annual and lifetime cost-sharing limits. Insurers are also concerned about the effect of adverse selection if specialty providers, particularly such providers with national reputations for high-quality care, are included in their networks, which may result in large numbers of severely or chronically ill patients being attracted to these plans. Actions taken by plans to exclude specialty providers from their networks in order to avoid a higher number of enrollments by medically complex patients, known as adverse selection, can have a negative impact on hospitals such as MSKCC. Unfortunately, policymakers have struggled to define requirements for network adequacy that satisfy all stakeholders. Some efforts to enhance risk adjustment mechanisms to address these issues have been proposed, but federal action to require the inclusion of additional provider types by health plans is unlikely as the Trump Administration has moved to enhance – rather than limit – flexibility for health plans. Future legislative or regulatory action in this area could positively or negatively impact patients' ability to access specialty providers such as MSKCC.

The ACA also contemplated new payment models, which may impact federal Medicare reimbursement, such as bundling and patient-centered medical homes. Many of these models are being proposed or tested by the federal Centers for Medicare and Medicaid Innovation ("*CMMI*") and some specifically focus on cancer services. Bundled payments may impact reimbursement by, for instance, including drug costs in a global payment for an episode of care (rather than separately reimbursing for drugs) so that providers are disadvantaged if they use newer, potentially more expensive products. *CMMI* seeks to align private payers with such initiatives. To date, these initiatives have had minimal impact in terms of application to the Cancer Centers, but future developments could have a significant impact on provider payments and could be applied to Cancer Centers.

The ACA contains amendments to existing criminal, civil and administrative anti-fraud statutes and increases funding for enforcement and efforts to recoup prior federal health care payments to providers. Under the ACA, a broad range of providers, suppliers and physicians are required to adopt compliance and ethics programs. While the government has already increased its enforcement efforts, failure to implement certain core compliance program features provide new opportunities for regulatory and enforcement scrutiny, as well as potential liability if an organization fails to prevent or identify improper federal health care program claims and payments.

Finally, the ACA enhanced the requirements for nonprofit charitable hospitals, including the requirement to conduct a community needs assessment every three years and to establish more robust financial assistance policies. These provisions

arose from persistent critiques of non-profit hospitals spending on charitable care. Additional scrutiny of non-profit hospitals or proposals relating to further conditions placed on tax-exempt status are possible, including potential challenges to exemptions from state and local real estate taxes.

As mentioned above, the ACA is highly politicized. Continued initiatives to repeal it in whole or in part, to delay elements of implementation or funding, and to offer amendments or supplements to modify its provisions continue to be proposed. While the provisions of the various proposals to repeal and replace the ACA have varied wildly in terms of their content, reductions in federal Medicaid funding to states with higher than average expenditures have been a recurring feature of these bills. Based upon all of the above, it is more difficult for management of MSKCC to project future performance than it has been in the past.

Several provisions of the ACA are of particular note as they relate to MSKCC. Among those is a provision for Cancer Centers to publicly report on quality measures, which began in 2014. In addition, the ACA called for implementation of a value-based purchasing pilot for Cancer Centers, which was to begin no later than January 1, 2016. This value-based purchasing pilot has not been implemented. Under a value-based purchasing pilot, it is possible that MSKCC's performance on the selected quality measures could result in lower Medicare reimbursement. MSKCC is currently working with other Cancer Centers to develop measures that will demonstrate the true value of high-quality cancer care more accurately than the measures that currently exist (for example, by focusing on outcomes for patients such as survival and functional status). CMS may incorporate such measures into the federal requirements.

Future Federal Legislation

Future legislation, regulation, or other actions by the federal government are expected to continue the trend toward more restrictive limitations on reimbursement for health care services. Legislation is periodically introduced in Congress which could result in limitations on health care revenues, reimbursement, and costs or charges. At present, no determination can be made concerning whether, or in what form, such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon MSKCC's forecasted financial performance cannot be determined at this time.

Any future changes to the Medicare and Medicaid programs could result in substantial reductions in the amounts of Medicare and Medicaid payments to health care providers in the future which could substantially reduce the revenues available to MSKCC, and any reduction in the levels of payment in these government payment programs could substantially adversely affect MSKCC's financial condition and ability to fulfill its obligations with respect to the Series 2020 DASNY Bonds.

From time to time, Congress considers the issue of organizations exempt from federal income taxation, such as MSKCC. As noted earlier, such studies may result in additional requirements that MSKCC must meet in order to maintain its tax-exempt status. One proposal that has been made is that tax-exempt organizations that are hospitals be required to provide a certain level of indigent care. Congress can at any time impose additional requirements on tax-exempt organizations. Should Congress impose any new requirements on tax-exempt organizations, such as MSKCC, including any requirements relating to indigent care, it is not certain that (i) MSKCC would be able to meet such requirements, or (ii) if it should meet such requirements, it would not suffer adverse economic consequences in doing so. See “—Internal Revenue Code Limitations” below.

Reimbursement of Hospital Capital Costs

Under TEFRA, MSKCC's capital costs apportioned to Medicare inpatient usage (including depreciation and interest) are treated as pass through costs and are fully reimbursed by the Medicare program. Outpatient capital costs are apportioned to the Medicare programs and are paid at the PCR in effect for a given period. There can be no assurance that future capital-related payments will be sufficient to cover the actual capital-related costs of MSKCC applicable to Medicare patient stays and visits or will provide flexibility for MSKCC to meet changing capital needs.

Reimbursement of Graduate Medical Education Costs

MSKCC receives a fixed payment amount from Medicare for Graduate Medical Education costs related to the direct costs of interns, residents and fellows and applicable teaching costs from MSKCC's faculty. The amount was determined based on an audit of base period costs dating back to the 1980's, adjusted for inflation via annual consumer price index (“CPI”) adjustments from CMS. The fixed payment includes a cap on the number of trainees as well as a cap on the

reimbursement rate per trainee. There is no assurance that payments for Graduate Medical Education activities will continue at the current rate and/or that actual costs will not be significantly more than reimbursement. Similarly, MSKCC receives payment for Graduate Medical Education through the State's Health Care Reform Act funding mechanism, whose continuation and amount also cannot be assured.

Department of Health Regulations

MSKCC is subject to the laws and regulations of the State. Compliance with such laws and regulations, including but not limited to, the State Department of Health regulations may require substantial expenditures for administrative or other costs. MSKCC's ability to add services or beds and to modify existing services materially is also subject to Department of Health review and approval. Approvals can be highly discretionary, may involve substantial delay, and may require substantial changes in the proposed request. Accordingly, MSKCC's ability to make changes to its service offerings and respond to changes in the environment may be limited.

Other Governmental Regulation

MSKCC is subject to regulatory actions and policy changes by various federal, state, and local government agencies and other entities delegated authority by government agencies including, among others, the National Labor Relations Board; applicable professional review organizations; The Joint Commission; the various federal, state and local agencies created by the National Health Planning and Resources Development Act; the Occupational Safety Health Act; the act creating the Environmental Protection Agency; and the Internal Revenue Service. Such entities may enact legislation or impose requirements that present significant new burdens on the operations of MSKCC. There can be no assurance that such entities will not make policy changes that have adverse effects on the ability of MSKCC to generate revenues or utilize its facilities. Like many other medical centers throughout the nation, MSKCC is frequently subject to audits and other investigations relating to various segments of its operations. Although MSKCC endeavors to comply with all applicable laws and regulations and has an active and robust compliance program, MSKCC's ability to comply in all instances is uncertain and non-compliance could subject MSKCC to fines, penalties, and litigation, among other possible sanctions.

Cyber security

MSKCC relies on computer and other digital technology to conduct its customary operations. At an ever increasing rate, a number of entities and individuals have sought to gain unauthorized access to digital systems of large organizations for the purposes of misappropriating assets or information or causing operational disruption. Such attempts include highly sophisticated efforts to electronically circumvent network security as well as more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access. MSKCC maintains a network security system designed to stop "cyber-attacks" by third parties and unauthorized individuals, and minimize its impact on operations; however, no assurances can be given that such system will be completely successful.

Competition

The health care industry is changing rapidly, triggered by reforms of the acute care hospital reimbursement system, and by vertical and horizontal integration of health care (and non-healthcare) entrants who are interested in diversifying their businesses, controlling patient access, and adding shareholder value. The growing national strength of managed care plans, fueled by mergers and acquisitions and diversification are creating new relationships between insurers and providers. The growth of the managed care industry is being driven in part by increasing pressures from employers and other purchasers who are seeking to reduce their health care premium costs. In New York, integrated delivery systems are developing in order to provide adequate geographical coverage for major purchasers of health care and to provide a system through which potential cost savings may become available. The rise of accountable care organizations and medical home models are creating more barriers for patients seeking care at tertiary providers, like MSKCC, by making it more expensive for patients to obtain care outside of their network. New entrants, like Amazon, are making major investments to penetrate and disrupt existing pharmaceutical distribution channels, triggering other competitors to rethink their business strategy. Mergers such as Aetna and CVS or the involvement of Walgreen's in the oncology space are case in point. The effect of the changing competitive landscape is not known at this point. However, there is no assurance that these new alliances will enable MSKCC to continue to grow market share and/or not disrupt its operations.

MSKCC faces and will continue to face competition from other hospitals and integrated delivery systems. According to the State Department of Health, the number of inpatient beds in the State as a whole exceeds the demand for such beds. In addition, alternative modes of health care delivery offering lower priced services to the same population – such as

ambulatory surgery centers, private laboratories, private radiology services, skilled and specialized nursing facilities, and home care – compete with MSKCC.

Management believes that sustained growth in patient volume, together with firm cost controls and continued superior outcomes, will be increasingly important as the health care environment becomes more competitive. There are many limitations on the ability of a hospital to increase volume and control costs, and there can be no assurance that volume increases or expense reductions needed to maintain the financial stability of MSKCC will occur.

As described previously, MSKCC, along with other Cancer Centers, has begun submitting quality reporting data to CMS. Data on the first measures (adjuvant chemotherapy and combination chemotherapy) was posted on CMS's website, Hospital Compare, for the first time at the end of 2014. Additional measures have continued to be added through annual rulemaking, and new publicly reported measures will continue to be developed for use by the public in making choices in health care. It is unclear what the impact of such public reporting will be on public perception of MSKCC and MSKCC's competitiveness in the market.

MSKCC also competes for trained staff. Historically, MSKCC has been successful in recruiting and retaining skilled professional staff. However, MSKCC's ability to continue to recruit and retain skilled staff will be dependent on their availability, changing economic dynamics, and other events which may be beyond the control of MSKCC. In recent years, the health care industry has suffered from a general scarcity of physician specialists and sub-specialists, physician assistants and nurse practitioners, nurses, therapists, pharmacists and other trained health care technicians. The number of people entering such professions has decreased relative to historical levels, and this trend may continue, thereby increasing the possibility of a specific shortage at MSKCC. The retirement of current MSKCC physicians could intensify the effects of any such shortage, and may adversely impact recruitment efforts and/or MSKCC's revenues. Although to date MSKCC has been successful in retaining and recruiting faculty and staff needed to grow market share and has implemented several strategies to do so, there remains a possibility that, during the next several years, it may experience a shortage of key faculty and staff in nursing, pharmacy, and medicine that could impact its ability to execute on its growth projection.

Growing Importance of New Drugs, Drug Therapy and Specialty Drugs

New cancer therapies such as immunotherapy and targeted therapies are radically changing the clinical management of patients, and traditional reimbursement mechanisms for drugs may be inadequate to cover hospitals' costs to acquire and deliver these novel, high-cost therapies. Unlike other forms of chemotherapy, these new therapies utilize the patient's own immune system to search and destroy the cancer cells. In 2017, two new CAR T-cell therapy drugs received FDA approval for use in patients with late stage cancers who have exhausted other treatment options. The drug therapies have great promise, but are extraordinarily expensive resulting in exponential increases in pharmaceutical costs. While pharmaceuticals for the treatment of cancer have historically been modestly reimbursed, the new therapies challenge traditional reimbursement structures and make it more difficult to deliver without special arrangements.

The new classes of drugs entering the markets are routinely delivered through specialty pharmacy distribution channels that make it difficult to negotiate payment terms. Given the significant cost associated with the new therapies, insurers including government payers, are seeking ways to better manage the utilization of these expensive therapies. In particular, MSKCC's reimbursement for inpatient care provided to Medicare patients fails to take into account significant and expensive new treatments, such as CAR T-cell therapy. At present, Medicare pays only a fraction of the cost of CAR T-cell therapy costs. Although the Medicare statute requires CMS to account for such distortions in cost, and MSKCC has worked proactively to ensure CMS addresses this issue, it is possible that Medicare will not address these costs in a timely manner. On the whole, there is no assurance that MSKCC will achieve appropriate reimbursements for these expensive therapies and as a result, such economics could have an adverse impact on operating margins and its ability to service the debt.

Employment and Labor Issues

As a large employer, MSKCC is exposed to a wide variety of risks in connection with its employees, including, but not limited to, contract disputes, recruitment issues, discrimination claims, personal tort actions, work related injuries, exposure to hazardous materials, benefit plan issues and other risks that may arise out of MSKCC's employer/employee relations or those between physicians, patients and employees. These risks may not be possible to discover or prevent, and may not be covered by insurance. At this time, management is not aware of any organized labor union activity at MSKCC.

MSKCC depends on a large international post-doc and graduate student pool to support the research laboratories at MSK. In recent months, the Trump Administration has made it more challenging to obtain visas to enable foreign students

to work in the US. If there were policy changes impacting the ability to bring foreign post-docs to MSKCC, research operations could be disrupted, making it more expensive and difficult to recruit research technicians to assist with the important work done in the research laboratories at MSKCC.

Considerations Relating to Additional Debt

Management projects significant capital spending over the next two years (see “PART 6 – MEMORIAL SLOAN KETTERING CANCER CENTER – Capital Spending” herein). MSKCC’s long-term capital spending projects include items which will not be financed with the proceeds of the Series 2020 DASNY Bonds. Some or all of MSKCC’s future capital expenditures may be financed with the issuance of new bonds.

The Loan Agreement does not restrict MSKCC’s ability to incur additional indebtedness. Such indebtedness if incurred would increase MSKCC’s debt service and repayment requirements and may adversely affect debt service coverage on the Series 2020 DASNY Bonds. It is also possible that changes in the financial markets, including changes in interest rates or developments in the municipal bond market, could significantly increase the cost to MSKCC of issuing new debt. Some or all of the new debt that may be issued will be on a parity or equal basis to the Series 2020 DASNY Bonds, thereby potentially resulting in a dilution of the security for the Series 2020 DASNY Bonds.

It is MSKCC’s practice to keep in place at least \$200 million in available lines of credit and MSKCC currently has committed lines of credit for \$200 million with several commercial banks. MSKCC has not historically borrowed against these lines of credit, and while it is not anticipated that this capacity will be routinely used, the lines may be utilized to provide a source of funds in lieu of liquidating investments to pay for certain expenditures.

Affiliation, Merger, Acquisition and Divestiture

As part of its ongoing planning and property management functions, MSKCC reviews the use, compatibility and financial viability of many of its operations and, from time to time, may pursue changes in the use of, or disposition of, its facilities. Likewise, MSKCC may receive offers from or conduct discussions with third parties about the potential acquisition of operations or properties that may become part of MSKCC in the future, or about the potential sale of some of MSKCC’s operations and properties. Discussions with respect to affiliation, merger, acquisition, disposition, or change of use, including those that may affect MSKCC, are held on an intermittent, and usually confidential, basis. As a result, it is possible that the assets currently owned by MSKCC may change from time to time, subject to the provisions in the financing documents that apply to merger, sale, disposition or purchase of assets.

In 2016, MSKCC and Hackensack Meridian Health announced a partnership to collaborate in opportunities in New Jersey to mutually grow each provider’s collective market share. While the partnership is in the formation stage and no joint facilities have yet been opened, it is possible that other healthcare providers that have had informal collaborative relationships with MSKCC may view this expansion as a competitive threat and jeopardize such collaborative service relationships. MSKCC management believes the collaboration with Hackensack Meridian Health makes good sense for existing and future MSKCC patients, by enabling greater access to care closer to home in New Jersey.

Private Third-Party Reimbursement

A significant portion of the patient service revenue of the Hospital is received from private entities, such as insurance companies that provide third-party reimbursement for patient care on the basis of negotiated payments or make payments based on MSKCC’s charges. Renegotiations of such negotiated payments and changes in such reimbursement systems and methods may reduce this category of revenue or prevent MSKCC from receiving adequate reimbursement for its costs.

High Cost Deductible Plans

Given the overall rise in health insurance costs, employers have had to incentivize employees enrolled in employer sponsored medical plans to be cognizant of utilization of medical services. In recent years, many employers have redesigned medical benefit packages and in many cases, have incorporated high deductibles aimed to reduce unnecessary utilization. The effect of these redesigned plans has greatly increased the employee/patients coinsurance and deductibles and as a result, the level of charity care and bad debt has increased. As these plans proliferate, hospitals will inevitably see an increase in uncompensated and charity care.

Accreditation

MSKCC is subject to periodic review by The Joint Commission and various federal, state, local and voluntary agencies. MSKCC last received full accreditation from The Joint Commission for the Hospital effective June 2019. MSKCC last received full accreditation for its laboratory effective June 2019. The Gerstner Graduate School of Biomedical Sciences is accredited by the New York State Board of Regents. No assurance can be given as to the effect on future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards.

Patient Privacy

The Health Insurance Portability and Accountability Act (“*HIPAA*”) and the regulations promulgated thereunder extensively regulate the use and disclosure of patient identifiable health information by “covered entities.” Hospitals are included in the definition of “covered entities” under HIPAA and are required to implement administrative, physical and technical safeguards to protect the privacy and security of such information. Information relating to diagnoses and treatments of cancer patients may be viewed as especially sensitive under the HIPAA regulations. Violations of the HIPAA regulations may result in civil and criminal penalties.

The Health Information Technology for Economic and Clinical Health (“*HITECH*”) Act (enacted as part of the American Recovery and Reinvestment Act of 2009) and an implementing Omnibus Rule issued in 2013 significantly expanded privacy protections under HIPAA and strengthened the law in a number of ways to facilitate enforcement. Changes included: increasing the civil monetary penalties for violations; and providing for collected monetary penalties to fund additional enforcement efforts. In addition, the law extended the application of certain provisions of the privacy and security regulations to business associates (entities that handle identifiable health information on behalf of covered entities) and subjects business associates to civil and criminal penalties for violation of the regulations.

Covered entities are also required to report data breaches of protected health information to affected individuals without unreasonable delay but not to exceed 60 days after discovery of the breach by a covered entity or its agents. Notification must also be made to HHS and, in certain situations involving large breaches, to the media. HHS is required to publish on its website a list of all covered entities that report a breach involving more than 500 individuals. State law and regulations may also contain privacy protections, and in some cases may be more stringent than the federal law.

MSKCC currently has a robust HIPAA compliance program, which MSKCC believes fully complies with the federal and New York State laws governing the privacy and security of patient identifiable information. MSKCC continues to implement and revise its HIPAA policies and procedures to monitor and ensure MSKCC’s compliance with these laws and regulations. Given HIPAA’s complexity, however, and the possibility that the regulations may be subject to changing and perhaps conflicting interpretations, MSKCC’s ability to comply with the HIPAA regulations in all instances is uncertain.

Federal Anti-Kickback Statute

A section of the Social Security Act known as the Anti-Kickback Statute (the “*Anti-Kickback Statute*”) makes it a felony to knowingly and willfully offer, pay, solicit or receive remuneration in return for referring or recommending services or items payable under a federal health care program, including Medicare and Medicaid. Convictions under the Anti-Kickback Statute can lead to criminal penalties, including fines of up to \$25,000 and five years imprisonment, substantial civil monetary penalties, and mandatory exclusion from Medicare, Medicaid, and other federal health care programs. Violations of the Anti-Kickback Statute may also serve as a basis for liability under the federal False Claims Act. The scope of prohibited activity under the Anti-Kickback Statute is broad and potentially could implicate many economic arrangements involving hospitals, physicians and other health care providers. In addition, federal case law and the OIG have interpreted the language of the Anti-Kickback Statute very broadly to cover any arrangement where even one purpose of the remuneration is to induce referrals.

Because the language of the Anti-Kickback Statute is so broad, Congress enacted, and the OIG implemented in regulations, safe harbors that describe certain arrangements that are deemed not to pose a significant risk of fraud and abuse, and are therefore conclusively protected from prosecution under the Anti-Kickback Statute. These safe harbors, as described in the regulations, are narrow and do not cover a wide range of economic relations that many health industry participants consider to be legitimate business arrangements permitted under the Anti-Kickback Statute.

Significantly, failure to satisfy the conditions of a safe harbor does not necessarily result in a violation of the Anti-Kickback Statute. Arrangements that do not satisfy all elements of a safe harbor are only potentially subject to scrutiny under the Anti-Kickback Statute if there is the requisite intent to induce referrals. Activities that fall outside of the safe harbors potentially include a wide range of activities frequently engaged in between and among hospitals, physicians, and other third parties. Activities that potentially implicate the Anti-Kickback Statute include hospital-physician joint ventures; purchases of physician practices; physician recruitment activities; various forms of hospital assistance to individual physicians and medical practices or physician contracting entities; physician referral services; hospital-physician personal services and management contracts; and space or equipment rentals between hospitals and physicians. MSKCC conducts activities of these general types or similar activities.

MSKCC believes that its current practices comply with the Anti-Kickback Statute. However, because of the breadth of the Anti-Kickback Statute and the government's interpretation of the statute, the foregoing activities pose varying degrees of risk. Much of that risk cannot be assessed with certainty in light of the narrowness of the safe harbors and the relatively limited body of case law interpreting the Anti-Kickback Statute. Thus, there can be no assurance that MSKCC will not be found to have violated the Anti-Kickback Statute, nor, if so, that any sanction imposed would not have a material adverse effect on the operations or the financial condition of MSKCC.

Civil Monetary Penalties Law

The federal Civil Monetary Penalty Act ("*CMPA*") provides for administrative sanctions against health care providers for a broad range of billing and other abuses. A health care provider is liable under the *CMPA* if it knowingly presents, or causes to be presented, improper claims for reimbursement under Medicare, Medicaid, and other federal health care programs. A hospital that participates in arrangements known as "gainsharing" by paying a physician to limit or reduce services to Medicare fee-for-service beneficiaries also would be subject to *CMPA* penalties. Further, a health care provider that furnishes benefits to Medicare or Medicaid beneficiaries that the provider knows or should know are likely to induce the beneficiaries to choose the provider for their care would be subject to *CMPA* penalties. The *CMPA* authorizes imposition of a civil monetary penalty and treble damages.

Health care providers may be found liable under the *CMPA* even when they did not have actual knowledge of the impropriety of their action. Knowingly undertaking the action is sufficient. Ignorance of the Medicare regulations is no defense. The imposition of civil monetary penalties on a health care provider could have a material adverse impact on the provider's financial condition. The *ACA* also amended the *CMPA* laws to establish various new grounds for exclusion and civil monetary penalties, as well as increased penalty thresholds for existing civil monetary penalties.

False Claims Act

The federal civil False Claims Act prohibits anyone from submitting or causing to be submitted an intentionally or recklessly false or incorrect claim for payment from a federal program, including federal health care programs such as Medicare and Medicaid. A violation of the False Claims Act can result in civil penalties of \$10,957 to \$21,916 for each claim filed, plus three times the actual damages found to have been sustained by the government. With thousands of claims submitted by hospitals like MSKCC each year, potential liabilities for violations of the False Claims Act can be enormous. Other federal and state laws also prohibit false, reckless or fraudulent billing to non-governmental third-party payors for medical services, and can impose civil and/or criminal penalties for such activities.

In certain instances, private individuals, known as "relators" or "whistleblowers," may bring suit under the *qui tam* provisions of the False Claims Act and may be eligible for incentive payments for providing information that leads to recoveries or sanctions. MSKCC, through its compliance program, routinely monitors institutional billing practices to promote compliance with applicable law. Nonetheless, if determined adversely to MSKCC, a False Claims Act enforcement or *qui tam* action could have a material adverse effect on the operations or the financial condition of MSKCC.

On May 20, 2009, the Fraud Enforcement and Recovery Act of 2009 ("*FERA*") was signed into law. It included significant amendments to the False Claims Act. Among other items, *FERA* expanded the scope of potential False Claims Act liability, increased the Attorney General's power to delegate authority to investigate a False Claims Act case prior to intervening in a False Claims Act action, and increased protections for whistleblower plaintiffs beyond employees. The *ACA* also amended the False Claims Act by expanding the numbers of activities that are subject to enforcement as violations of the False Claims Act, including, among other actions, failure to report and return to a federal health care program a known overpayment within 60 days of having identified the overpayment or, for cost-reporting entities, the date (if later) on which a hospital cost report is due.

Stark Law

The Federal Ethics in Patient Referrals Act (known as the “*Stark Law*”) prohibits a physician (or an immediate family member of such physician) with a financial relationship with an entity from referring a Medicare or Medicaid patient to such entity for the furnishing of designated health services, and it prohibits such entity from presenting or causing to be presented a claim for payment under the Medicare or Medicaid program for designated health services furnished pursuant to a prohibited referral, unless one or more of a number of specified exceptions apply. Sanctions for violating the Stark Law include exclusion from the Medicare program, civil penalties of up to \$24,253 per claim submitted in violation of the law and \$161,692 for entering into a scheme to circumvent the Stark Law. Like the Anti-Kickback Statute, violations of the Stark Law may also serve as a basis for liability under the federal False Claims Act. The designated health services subject to these prohibitions are clinical laboratory services; physical and occupational therapy services; radiology (including magnetic resonance imaging, computerized tomography and ultrasound) services; radiation therapy services; durable medical equipment, parenteral and enteral nutrients (including equipment and supplies); orthotic and prosthetic devices; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services. Under the Stark Law, physician is defined to include a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the state in which he or she performs that function or action. The definition also includes a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, and a chiropractor.

For purposes of the Stark Law, a financial relationship can be direct or indirect and is defined as either an ownership or investment interest in the entity or a compensation arrangement between the physician (or immediate family member) and the entity. An ownership or investment interest may be through equity, debt, or other means and includes an interest in an entity that holds an ownership or investment interest in an entity providing the designated health services.

The Stark Law provisions provide certain exceptions to these restrictions. If the physician has a financial relationship with an entity that provides one of the designated health services, the Stark Law prohibitions will apply unless one or more of the specified exceptions are available. Unlike the Anti-Kickback Statute safe harbors discussed above (where the failure to meet a safe harbor does not necessarily mean the referral is prohibited), failure to satisfy an exception to the Stark Law provisions means (i) that the referral itself is prohibited, and (ii) the entity receiving the referral is prohibited from seeking payment for such service. The Stark Law is only violated if (i) a financial relationship exists, (ii) a referral for designated services is made, and (iii) no relevant exception is available. To the extent a relationship is found to exist, an applicable exception under the Stark Law is necessary in order for the entity receiving the referral to accept such referral (for a designated service) and to bill for the designated service generated by such referral.

The exceptions under the Stark Law provisions can be broken down into three categories, based upon the nature of the financial relationship between the referring provider and the referral entity. The three categories of exception include: (i) exceptions related to ownership arrangements; (ii) exceptions related to compensation arrangements; and (iii) exceptions related to both compensation and ownership arrangements.

If a financial relationship (which would include, for example, an employment or other professional services relationship) between a physician and the hospital cannot fit within one or more exceptions, the hospital would not be permitted to accept referrals for designated health services from the physician. As with the Anti-Kickback Statute provisions discussed above, failure to comply with the Stark Law can potentially result in substantial liability in connection with business relationships between the hospital and physicians. In addition to being required to refund Medicare or Medicaid overpayments resulting from prohibited referrals, an entity found to have violated the Stark Law could be held liable for civil and criminal penalties and possible exclusion from the Medicare and Medicaid programs. Also, billing Medicare or Medicaid for designated health services provided as a result of prohibited referrals could result in a violation of the federal False Claims Act, which itself would potentially entail additional substantial penalties and possible exclusion from federal health care programs. Acting through CMS, the Secretary of HHS has issued final regulations implementing the requirements of the Stark Law. These regulations may be subject to varying interpretations, the government’s interpretation for enforcement purposes is constantly evolving, and case law interpreting the Stark Law and its regulations may be limited. Thus, there can be no assurance that a third party reviewing the existing activities of MSKCC would find such activities to be in full compliance with the Stark Law provisions, the State Provisions, and related regulations. If determined adversely to MSKCC, a Stark Law enforcement action or a False Claims Act action based on the Stark Law could have a materially adverse effect on the operations or the financial condition of MSKCC.

State Fraud and Abuse Laws

In addition to the federal Anti-Kickback Statute, New York state law also prohibits kickbacks and other types of exchanges of remuneration for referrals of Medicaid patients and provides criminal and civil penalties for licensed facilities and individuals who make or receive such payments for referrals of patients for health care services. Entities and individuals found to have violated this provision are subject to loss of licensure, fines and/or imprisonment.

The New York Health Care Practitioner Referral Law, like the federal Stark Law, prohibits practitioners from referring a patient to a health care provider for clinical laboratory services, x-ray imaging services, radiation therapy services, physical therapy, or pharmacy services if the referring practitioner (or an immediate family member) has a financial interest in the health care provider. Unlike the Stark Law, the State law applies to referrals of all patients (irrespective of payor).

New York also has a state false claims act that closely tracks the federal civil False Claims Act. It imposes penalties and fines on individuals and entities that file false or fraudulent claims for payment from any state or local government, including health care programs such as Medicaid. Like the federal law, the state false claims act also permits individuals to initiate actions on behalf of the government in *qui tam* actions.

Internal Revenue Code Limitations

The Code contains restrictions on the issuance of tax-exempt bonds for the purpose of financing and refinancing different types of health care facilities for not-for-profit organizations, including facilities generating taxable income. During consideration of the Tax Cuts and Jobs Act of 2017, Congress considered, but ultimately did not include in the legislation, an elimination of the tax exemption for interest paid on bonds issued by not-for-profit health care facilities. Consequently, future amendments to the Code could adversely affect MSKCC's ability to finance its future capital needs and could have other adverse effects on MSKCC, which cannot be predicted at this time. The Code continues to subject unrelated business income of nonprofit organizations to taxation.

As a tax-exempt organization, MSKCC is limited with respect to the use of practice income guarantees, reduced rent on medical office space, below market rate interest loans, joint venture programs, and other means of recruiting and retaining physicians. The Internal Revenue Service ("*IRS*") scrutinizes a broad variety of contractual relationships commonly entered into by hospitals and affiliated entities and has issued detailed hospital audit guidelines suggesting that field agents scrutinize numerous activities of hospitals in an effort to determine whether any action should be taken with respect to limitations on, or revocation of, their tax-exempt status or assessment of additional tax. The IRS also conducts intensive audits of select health care providers to determine whether the activities of these providers are consistent with their continued tax-exempt status. The IRS has indicated that, in certain circumstances, violation of the fraud and abuse statutes could constitute grounds for revocation of a hospital's tax-exempt status. MSKCC may enter into arrangements with physicians that are of the kind that the IRS has indicated that it will examine in connection with audits of tax-exempt hospitals.

Section 501(c)(3) of the Code specifically conditions the continued exemption of all Section 501(c)(3) organizations upon the requirement, among others, that no part of the net earnings of the organization inure to the benefit of any private individual. While management believes that MSKCC's arrangements with private persons and entities are generally consistent with guidance by IRS and do not constitute private inurement, there can be no assurance concerning the outcome of an audit or other investigation given the lack of clear authority interpreting the range of activities undertaken by MSKCC.

Intermediate sanctions legislation enacted in 1996 imposes excise taxes in cases where an exempt organization is found to have engaged in an "excess benefit transaction" with a "disqualified person," defined generally to include directors and senior management. The tax is imposed both on the disqualified person receiving such excess benefit and on any officer, director, trustee or other person having similar powers or responsibilities who participated in the transaction willfully or without reasonable cause, knowing it will involve "excess benefit," but it is not imposed on the exempt organization. However, U.S. Treasury Regulations discuss the possibility of an organization engaged in "excess benefit transactions" having its tax-exempt status revoked upon a consideration of all facts and circumstances. "Excess benefit transactions" include transactions in which a disqualified person receives unreasonable compensation for services or receives other economic benefit from the organization that either exceeds fair market value or, to the extent provided in regulations yet to be promulgated, is determined in whole or in part by the revenues of one or more activities of such organization. The legislative history sets forth Congress' intent that compensation of disqualified persons shall be presumed to be reasonable if certain procedures are followed.

The imposition of excise tax, or the loss of exempt status, based upon a finding that an exempt organization engaged in an “excess benefit transaction” could result in negative publicity and other consequences that could have a material adverse effect on the operations, property, or assets of the organization or on the market for its debt obligations.

In addition, enactment of the ACA has led to greater IRS scrutiny of the community benefits provided by non-profit hospitals, which are required in order for such hospitals to maintain 501(c)(3) tax-exempt status. Due to a lack of uniformity in definitions of community benefit used by reporting hospitals, the IRS has created four new, standardized requirements necessary to maintain tax-exempt status, which include: conducting and implementing a community health needs assessment; adopting, implementing, and publicizing financial assistance policies; limiting the charges for emergency or necessary care; and refraining from engaging in extraordinary collection activities before making a reasonable effort to determine whether an individual is eligible for financial assistance. In February of 2019, the Senate Finance Committee request additional information from the IRS regarding its oversight of tax-exempt hospitals and compliance with the new requirements imposed by the ACA. The resulting IRS reviews and reports to Congress on community benefit activities may increase the likelihood that Congress will require such hospitals to provide a minimum level of charity care in order to retain their tax-exempt status.

Antitrust

Enforcement of the antitrust laws against health care providers is becoming more common. Antitrust liability may arise in a wide variety of circumstances including medical staff privilege disputes; payor contracting; physician relations; joint ventures; merger, affiliation and acquisition activities; and certain pricing and salary setting activities. Actions can be brought by federal and state enforcement agencies seeking criminal and civil penalties and, in some instances, by private litigants seeking damages for harm from allegedly anticompetitive behavior. Common areas of antitrust risk include joint action among providers with respect to payor contracting, medical staff credentialing, and issues relating to conduct of providers with large market share. Antitrust claims can involve substantial damages, depending on the facts and circumstances of each case, and damages for violations of the federal Sherman Act and many state laws are subject to automatic trebling. With respect to payor contracting, MSKCC may, from time to time, be involved in joint contracting activity with hospitals or other providers. The degree to which these or similar joint contracting activities may expose a participant to antitrust risk from governmental or private sources are dependent on a myriad of factors, which may change from time to time. If any provider with which MSKCC is or becomes affiliated is determined to have violated the antitrust laws MSKCC may face risk as a joint actor.

Some judicial decisions have permitted physicians who are subject to disciplinary or other adverse actions by a hospital at which they practice, including denial or revocation of medical staff privileges, to seek treble damages from the hospital under the federal antitrust laws. The Federal Health Care Quality Improvement Act of 1986 provides immunity from liability for discipline of physicians by hospitals under certain circumstances, but courts have differed over the nature and scope of this immunity. In addition, hospitals occasionally indemnify medical staff members who incur costs as defendants in lawsuits involving medical staff privilege decisions. Some court decisions have also permitted recovery by competitors claiming harm from a hospital’s use of its businesses. Antitrust liability in any of these contexts can be substantial, depending upon the facts and circumstances involved. There can be no assurances that a third party reviewing actions of MSKCC would find such activities in full compliance with antitrust laws.

State Budget and Medicaid Reform

The FY 2020 New York State budget, enacted in April of 2019, is expected to continue to present challenges for hospitals and other health care providers, particularly for those more highly dependent on Medicaid revenue than MSKCC. Specifically, while the final budget did not include a set of across the board Medicaid and other health care spending cuts proposed in the Executive’s revised budget proposal, authority was included within the budget for the Executive to implement similar savings, authorizing the New York State Division of Budget to unilaterally implement up to \$190 million in each of the next two years for “across the board” Medicaid reductions. The possible implications of this new authority are noteworthy in light of recent Office of the State Comptroller reports, which indicate state funded Medicaid expenditures are outpacing projected spending by \$665M in Q1, compounded by the State’s decision to postpone \$1.7B in Medicaid payments from the last State fiscal year to this one. These downward fiscal pressures will ensure that the policy changes implemented as a result of the Medicaid Redesign Team (“MRT”) established by Executive Order in January 2011 to reduce Medicaid costs and improve patient care will continue and it is possible that a new Medicaid Redesign Team may be convened to identify additional cost reductions. The MRT’s previous cost-saving proposals, such as: programmatic reforms to Medicaid payments and program structures; the elimination of annual statutory inflation factors for hospitals, nursing homes and home health, and personal care providers; and a health care industry-led effort to generate additional savings

have continued, and additional reforms or other spending reductions are likely in the event that expenditures continue to outpace budgeted projections.

In addition to the MRT, the FY 2011-2012 budget instituted a two-year cap on Medicaid state share spending by DOH, known as the Medicaid Global Cap. The Medicaid Global Cap is based on a ten-year rolling average of increases in the Medical CPI. When the cap is exceeded, reductions are triggered. Since its inception, the cap has been repeatedly renewed. DOH's Medicaid spending has been below this cap every year since its creation, and it is anticipated that the global cap will be extended when it requires its next statutory renewal in the FY 2022 state budget. The FY 2020 enacted budget extended the Medicaid Global Cap through March 2020, and, as renewed, the cap amount is \$19.4 billion. As noted above, the most recent analysis released by the Comptroller indicates that State spending through the first quarter of FY 2020 exceeded projected spending by \$665 million, stemming from unanticipated growth in the managed long-term care program, other long-term care spending, and certain non-institutional spending, including pharmacy costs. There are a number of challenges that will test the ability of the State to stay within the Medicaid Global Cap without making significant policy changes.

In April 2014, New York finalized terms and conditions with CMS for its Medicaid waiver, allowing the state to reinvest over five years \$8 billion of the \$17.1 billion that recent changes to the Medicaid program saved the federal government. The reinvestment was allocated in the following ways: (1) Delivery System Reform Incentive Payments (“*DSRIP*”) (\$6.42 billion), which are incentive payments to public hospitals and safety-net providers for engaging in projects designed to achieve delivery system transformation; (2) Interim Access Assurance Fund (\$500 million) to provide temporary, time-limited funding to protect against degradation of current access to Medicaid safety net providers; and (3) Non-*DSRIP* Medicaid redesign activities (\$1.8 billion) to support health home development, behavioral health support services, and long-term care workforce. The goals of the largest component of the funding, the *DSRIP* program, are: (1) safety-net system transformation; (2) accountability for reducing avoidable hospital use and improvements in other health and public health measures; and (3) efforts to ensure sustainability of delivery system transformation through leveraging managed care payment reform. *DSRIP* funding is available to “Performing Provider Systems.” Performing Provider Systems are providers that form partnerships and collaborate in a *DSRIP* project plan. Performing Provider Systems include both major public and not-for-profit hospitals and safety-net providers with a designated lead provider for the group. MSKCC is not considered a safety net provider based on the definition developed by CMS and New York State. However, MSKCC is eligible to participate in a Performing Provider System with other providers who do qualify as safety net providers, but has not participated to date. Although state Medicaid waivers have come under scrutiny by the Trump Administration, the New York State Medicaid waiver authorizing *DSRIP* and the associated federal funding was renewed through March 31, 2021 in December of 2016.

The State's decision to establish a Basic Health Plan (“*BHP*”), known in New York as the Essential Plan (“*EP*”), as authorized by the ACA had become a source of significant additional fiscal pressure. Authorized by the FY 2014-2015 budget, DOH, with the approval of the Division of the Budget, established a *BHP* for: (1) individuals whose incomes are between 133% and 200% of the federal poverty level and (2) lawfully present immigrants whose incomes are under 133% of the federal poverty level, but who are not eligible for Medicaid due to immigration status. Over 790,000 New Yorkers were enrolled in the *EP* in 2019, including a significant number of individuals who previously would have been enrolled in state-only Medicaid, i.e., individuals not otherwise eligible to draw down matching federal Medicaid dollars. The Trump administration ceased payments of CSRs to states as a part of efforts to dismantle the ACA in 2017, and while these reductions were subsequently restored as a result of litigation by New York, the Federal Government continues to attempt to curtail expenditures to support these plans. The most recent proposed payment methodology from CMS projects a reduction of 3% in expenditures to underwrite these programs in 2019 and 2020.

The reductions in Medicaid Disproportionate Share Hospital (“*DSH*”) payments authorized by the ACA are also creating fiscal pressure on the State. While Congress has repeatedly delayed the implementation of these cuts, they were most recently postponed to October 1, 2020. If Congress does not act to reverse or further delay the cuts at that time, the State will incur a significant reduction in *DSH* payments. Under the current distribution methodology in the State, those cuts would be disproportionately concentrated on New York City Health and Hospitals providers. The asymmetry of this significant cut in *DSH* payments makes it likely that there will be changes to the distribution methodology that would redistribute the cuts across other providers. Even apart from the potential impact of these *DSH* reductions, advocacy groups have urged a redistribution of indigent care funding in New York, which, if adopted, would adversely impact MSKCC.

Finally, the Legislature is considering the adoption of a single payor plan for New York, which is embodied in a legislative proposal known as the “*New York Health Act*”. Versions of this legislation have repeatedly passed in the State Assembly and the newly Democratic State Senate is giving the legislation serious consideration. While the legislation may

not be passed or enacted in the immediate future, the possibility cannot be completely discounted. Implementation of the legislation in its current form would have far-reaching impacts on the healthcare payment and delivery systems of New York state, including but not limited to the elimination of private health insurance plans and a significant reduction in hospital reimbursement to facilities, like MSKCC, that receive substantial commercial insurance payments.

Environmental Matters

MSKCC's operations are subject to a wide variety of federal, state and local environmental laws, rules and regulations. These requirements govern, among other things, medical and toxic or hazardous waste management (including radiological materials), air and water quality control, notices to employees and the public and training requirements for employees. MSKCC is subject to potentially material liability for costs of investigating and remedying the releases of any such substances either on MSKCC's properties or that have migrated from MSKCC's properties or have been improperly disposed of off-site and the harm to person or property caused by such releases. At the present time, MSKCC management is not aware of any pending or threatened environmental claim, investigation or enforcement action, which, if determined adversely to MSKCC, would have material adverse consequences.

Provider-Specific Taxes

The Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991 established certain standards and limits on a state's ability to impose and use provider-specific taxes to fund the state's share of Medicaid expenditures. In general, states are allowed to impose broad-based, provider-specific taxes that are redistributive and are limited in their ability to hold providers harmless from the financial effect of such taxes. Accordingly, the State could expand the taxes imposed on certain kinds of health care providers, such as MSKCC, to help fund the State's share of Medicaid expenditures, and is limited in its ability to hold providers, such as MSKCC, harmless from the financial effect of such taxes.

Secondary Market

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

Matters Relating to Security Interests in Shared Collateral

The effectiveness of any security interest that may be granted, following a Funding Event, in the Shared Collateral of the Center, the Institute or Realty may be limited by a number of factors, including: (i) provisions prohibiting the direct payment of amounts due to health care providers from Medicare, Medicaid and certain other programs to persons other than such providers; (ii) present or future prohibitions against assignments contained in any applicable statutes or regulations; (iii) commingling of proceeds of Shared Collateral with other monies which are not subject to the security interests in Shared Collateral; (iv) statutory liens; (v) rights arising in favor of the United States or any agency thereof, (vi) federal bankruptcy laws which may affect the enforceability of the Loan Agreement, the Guaranties or the Inducement Agreement or the security interest in the Shared Collateral; (vii) rights of third parties converted to cash and not in the possession of the Trustee or DASNY and (viii) claims that might arise if appropriate financing or continuation statements are not filed or extended in accordance with the applicable Uniform Commercial Code in effect from time to time. If it were necessary to foreclose on a mortgage, the recovery may be limited since the mortgaged property may not be a general purpose building and therefore it may be difficult to find a buyer or lessee. In addition, operating the mortgaged property as a health care or research facility may require obtaining certain licenses and approvals, which may be difficult to obtain. In addition, there may be liens on the property senior or equal to those of the Bondholders.

Certain Matters Affecting the Enforceability of the Loan Agreement, the Guaranties and the Inducement Agreement

Counsel to MSKCC will deliver an opinion concurrently with the delivery of the Series 2020 DASNY Bonds that the Loan Agreement, the Guaranties and the Inducement Agreement are enforceable in accordance with their terms. Such opinion will be qualified, however, as to enforceability by limitations imposed by bankruptcy, insolvency, fraudulent conveyance, reorganization or other laws affecting the enforceability of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

The state of insolvency, fraudulent conveyance, fraudulent transfer and bankruptcy laws relating to the enforceability of guaranties or obligations issued by affiliates for the benefit of each other is somewhat unsettled.

There is no clear and controlling precedent in the law as to whether the giving of collateral or the making of payments by one corporation (i.e., the Hospital, Realty, or the Institute) on behalf of another (i.e., the Center) may be voided by the corporation or a trustee in bankruptcy in the event of a bankruptcy of such corporation or by other third-party creditors in an action brought pursuant to state fraudulent conveyance or fraudulent transfer statutes. Under the United States Bankruptcy Code the debtor or a trustee in bankruptcy and, under state fraudulent conveyance or fraudulent transfer statutes, a creditor of a related guarantor, may avoid a transfer of any obligation incurred by a related guarantor if, among other reasons, (i) the guarantor did not receive fair consideration or reasonably equivalent value in exchange for the guarantee and (ii) the guarantee renders the guarantor “insolvent,” as defined in the United States Bankruptcy Code or state fraudulent conveyance or fraudulent transfer statutes, or (iii) the guarantor is undercapitalized or intended to incur debts beyond its ability to pay as they mature. Application by courts of the tests of “insolvency,” “reasonably equivalent value” and “fair consideration” has resulted in a conflicting body of case law. It is possible that, in an action to enforce the guaranties against the Institute or Realty or the obligation to provide collateral pursuant to the Guaranties or the Loan Agreement or to force the Hospital to provide collateral pursuant to the Inducement Agreement, a court might not enforce such a provision in the event it is determined that sufficient consideration for such entity’s obligation was not received or that the incurrence of such obligation has rendered or will render such entity insolvent. It is also possible that under state or federal fraudulent conveyance or fraudulent transfer statutes the transfer of collateral to secure these guarantees could be voided.

Furthermore, should the filing of a bankruptcy case occur within 90 days after the transfer of collateral pursuant to the Guaranty and the Inducement Agreement, there is a risk that the debtor or a trustee in bankruptcy could seek to avoid the transfer of the collateral as a preference. The 90 day period would be extended to one year if the beneficiary of the transfer were an insider of the transfer.

Payment or the giving of security also may not be enforceable to the extent payments are requested to be made from any monies or assets which are donor restricted or which are subject to a direct, express or charitable trust which does not permit the use of such monies or assets for such payment or which are otherwise excluded from the definition of Gross Receipts. Due to the absence of clear legal precedent in this area, the extent to which the assets constitute monies or assets which are so restricted or subject to such trusts cannot now be determined. The amount of such assets could be substantial.

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 Addiction Services and Supports, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services (“BOCES”), State University of New York, the Workers’ Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY’s private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At December 31, 2019, DASNY had approximately \$56.1 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 appointment to the Board by the Speaker of the State Assembly is currently vacant.

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

The current members of DASNY are as follows:

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

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

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

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

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

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

WELLINGTON Z. CHEN, Queens.

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

JOAN M. SULLIVAN, Slingerlands.

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

GERARD ROMSKI, ESQ., Mount Kisco.

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

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

Shannon Tahoe assumed the role of Acting Commissioner of Education and Acting President of the University of the State of New York effective November 16, 2019. Since September 2006, Ms. Tahoe has served in various capacities within the Department, including Deputy Counsel and Assistant Counsel for Legislation. In October 2019, she was appointed Acting Counsel and Deputy Commissioner for Legal Affairs. This appointment will continue to remain in effect along with her appointment as Acting Commissioner of Education and Acting President of the University of the State of New York. Ms. Tahoe has provided legal advice and counsel on critical policy matters and key initiatives. She is familiar with all aspects of the work of the Department, having managed the day-to-day operations of the Office of Counsel as Deputy Counsel and now Acting Counsel. During her tenure, Ms. Tahoe has also assisted with the successful management of a broad array of critical Departmental functions and responsibilities. She holds a Juris Doctorate degree from Syracuse University and Bachelor of Science degree from the University of Rochester.

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

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

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

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

The principal staff of DASNY are as follows:

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

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

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

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

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

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

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

Claims and Litigation

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

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

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2019. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 9 – LEGALITY OF THE SERIES 2020 DASNY BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2020 DASNY 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 2020 DASNY 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

As provided in the Act, the Series 2020 DASNY Bonds are negotiable instruments subject to the provisions for registration and transfer contained in the Resolution and in the Series 2020 DASNY Bonds.

PART 11 – TAX MATTERS

[To be updated by Bond Counsel, including to reflect the 2020 Series 2 (Taxable) Series.]

In the opinion of Orrick, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Series 1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Orrick is of the further opinion that interest on the 2020 Series 1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Orrick is also of the opinion that interest on the 2020 Series 1 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York).

A complete copy of the proposed form of opinion of Orrick is set forth in “APPENDIX G – FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the 2020 Series 1 Bonds is less than the amount to be paid at maturity of such 2020 Series 1 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2020 Series 1 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the 2020 Series 1 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2020 Series 1 Bonds is the first price at which a substantial amount of such maturity of the 2020 Series 1 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2020 Series 1 Bonds accrues daily over the term to maturity of such 2020 Series 1 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2020 Series 1 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2020 Series 1 Bonds. Beneficial owners of the 2020 Series 1 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2020 Series 1 Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such 2020 Series 1 Bonds in the original offering to the public at the first price at which a substantial amount of such 2020 Series 1 Bonds is sold to the public.

2020 Series 1 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“*Premium Bonds*”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2020 Series 1 Bonds. DASNY and the Institutions (as defined below) have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2020 Series 1 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2020 Series 1 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2020 Series 1 Bonds. The opinion of Orrick assumes the accuracy of these representations and compliance with these covenants. Orrick has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Orrick’s attention after the date of issuance of the 2020 Series 1 Bonds may adversely affect the value of, or the tax status of interest on, the 2020 Series 1 Bonds. Accordingly, the opinion of Orrick is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Orrick has relied, among other things, on the opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to the Center, the Hospital, the Institute, Realty, and Louis V. Gerstner, Jr. Graduate School of Biomedical Sciences, Memorial Sloan Kettering Cancer Center (collectively, the “*Institutions*”), regarding the current qualification of the Institutions as organizations described in Section 501(c)(3) of the Code. Such opinion is subject to a number of qualifications, limitations and exceptions. Orrick has also relied upon representations of the Institutions concerning the Institutions’ “unrelated trade or business” activities as defined in Section 513(a) of the Code. Neither Orrick nor Counsel to the Institutions has given any opinion or assurance concerning Section 513(a) of the Code and neither Orrick nor Counsel to the Institutions can give or has given any opinion or assurance about the future activities of the Institutions, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service (the “*IRS*”). Failure of any of the Institutions to be organized and operated in accordance with the IRS’s requirements for the maintenance of their status as organizations described in Section 501(c)(3) of the Code, or to operate the facilities financed or refinanced by the 2020 Series 1 Bonds in a manner that is substantially related to the Institutions’ charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the 2020 Series 1 Bonds being included in federal gross income, possibly from the date of the original issuance of the 2020 Series 1 Bonds.

Although Orrick is of the opinion that interest on the 2020 Series 1 Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York and any political

subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Series 1 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Orrick expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2020 Series 1 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2020 Series 1 Bonds. Prospective purchasers of the 2020 Series 1 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Orrick is expected to express no opinion.

The opinion of Orrick is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Orrick's judgment as to the proper treatment of the 2020 Series 1 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Orrick cannot give and has not given any opinion or assurance about the future activities of DASNY or the Institutions or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. DASNY and the Institutions covenanted, however, to comply with the requirements of the Code.

Orrick's engagement with respect to the 2020 Series 1 Bonds ends with the issuance of the 2020 Series 1 Bonds, and, unless separately engaged, Orrick is not obligated to defend DASNY, the Institutions or the Beneficial Owners regarding the tax-exempt status of the 2020 Series 1 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than DASNY, the Institutions and their 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 2020 Series 1 Bonds is difficult, obtaining an independent review of IRS positions with which DASNY or an Institution legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2020 Series 1 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 2020 Series 1 Bonds, and may cause DASNY, the Institutions or the Beneficial Owners to incur significant expense.

PART 12 – STATE NOT LIABLE ON THE SERIES 2020 DASNY BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State will not be liable on them, and that such notes or bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the 2020 Series 1 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 – UNDERWRITING

Goldman Sachs & Co. LLC is acting as the underwriter (the "*Underwriter*") with respect to the Series 2020 DASNY Bonds. The Underwriter has agreed, subject to certain conditions, to (i) purchase the 2020 Series 1 Bonds from DASNY at an aggregate purchase price of \$_____ (which represents the par amount of the 2020 Series 1 Bonds, less the Underwriter's discount of \$_____, [plus/minus] a [net] [bond premium / original issue discount] of \$_____), and to make a public offering of the 2020 Series 1 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement; (ii) purchase the 2020 Series 2 Bonds from DASNY at an aggregate purchase price of \$_____ (which represents the par amount of the 2020 Series 2 Bonds, less the Underwriter's

discount of \$ _____, [plus/minus] a [net] [bond premium / original issue discount] of \$ _____); and (iii) make a public offering of the Series 2020 DASNY Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriter will be obligated to purchase all the Series 2020 DASNY Bonds if any are purchased.

The Series 2020 DASNY Bonds may be offered and sold to certain dealers at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and certain of its affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

PART 15 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2020 DASNY Bonds by DASNY are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York and Marous Law Group, P.C., New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2020 DASNY Bonds. The proposed forms of Co-Bond Counsel’s opinions are set forth in “APPENDIX G – FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL” hereto.

Certain legal matters will be passed upon for MSKCC by its special counsel, Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, and for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

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

PART 16 – CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”), the Center will enter into a written agreement (the “*Continuing Disclosure Agreement*”) for the benefit of the Holders of the Series 2020 DASNY Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent and the Trustee. The proposed form of the Continuing Disclosure Agreement is attached as “APPENDIX H – FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” hereto.

The Center has not failed in the past five years to comply in any material respect with any prior undertaking pursuant to the Rule 15c2-12.

PART 17 – RATINGS

Moody’s Investors Service (“*Moody’s*”) has assigned a rating of “[_____]” ([_____] outlook) to the long-term obligations of the Center, S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“*S&P*”) has assigned a rating of “[_____]” ([_____] outlook) to the long-term obligations of the Center and Fitch Ratings has assigned a rating of “[_____]” ([_____] outlook) to the long-term obligations of the Center. Such ratings reflect only

the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: S&P, 55 Water Street, New York, New York 10041; Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and Fitch Ratings, One State Street Plaza, New York, New York 10004. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2020 DASNY Bonds.

PART 18 – FINANCIAL ADVISOR

Melio & Company, LLC, Chicago, Illinois (“*Melio*”), was engaged by the Center to provide financial advisory services for the development and implementation of a capital financing plan for the Center. Melio has not been engaged by the Center to compile, create, or interpret any information in this Official Statement relating to the Center, including without limitation any of the Center's financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Center has not been independently verified by Melio and inclusion of such information is not, and should not be construed as, a representation by Melio as to its accuracy or completeness or otherwise. Melio is not a public accounting firm and has not been engaged by the Center to review or audit any information in this Official Statement in accordance with auditing standards generally accepted in the United States

PART 19 – MISCELLANEOUS

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

The agreements of DASNY with Holders of the Series 2020 DASNY Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2020 DASNY Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2020 DASNY 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 MSKCC was supplied by the Center.

The information set forth herein relating to DASNY under the heading “PART 8 – DASNY” has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the Center and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the Center or MSKCC nor does it directly or indirectly guarantee, endorse or warrant (i) the creditworthiness or credit standing of the Center or MSKCC, (ii) the sufficiency of the security for the Series 2020 DASNY Bonds or (iii) the value or investment quality of the Series 2020 DASNY Bonds.

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 to the accuracy or completeness of this information.

“APPENDIX A – DEFINITIONS,” “APPENDIX C-1 – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX C-2 – SUMMARY OF CERTAIN PROVISIONS OF THE SPRINGING AMENDMENTS TO THE LOAN AGREEMENT,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT AGREEMENT,” “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION,” “APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT” and “APPENDIX G – FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL” have been prepared by Orrick, Herrington & Sutcliffe LLP and Marous Law Group, P.C., Co-Bond Counsel.

“APPENDIX B – COMBINED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018 AND FOR THE YEARS THEN ENDED, WITH INDEPENDENT AUDITORS' REPORT” contains the combined financial

statements of MSKCC as of December 31, 2019 and 2018 and for the years then ended, which have been audited by Ernst & Young LLP, independent auditors, as stated in their report therein.

The Center has reviewed the parts of this Official Statement describing MSKCC, the Plan of Finance and Appendices B-1 and B-2. The Center shall certify as of the date of delivery of the Series 2020 DASNY Bonds that such parts of this Official Statement do not contain any untrue statement of a material fact and do not omit any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

In the Loan Agreement the Center has agreed to furnish, or cause to be furnished, among other things, to (1) DASNY, (2) each Repository and (3) the Trustee, no later than sixty (60) days subsequent to the last day of each of the first three quarters in each fiscal year, the following information: the interim, comparative cumulative combined financial statements of the Center and the Affiliates, including therein, without limitation, a balance sheet, a statement of changes in net assets and a statement of activities.

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: _____
Authorized Officer

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DEFINITIONS

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**COMBINED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018 AND FOR THE
YEARS THEN ENDED, WITH INDEPENDENT AUDITORS' REPORT**

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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**SUMMARY OF CERTAIN PROVISIONS OF SPRINGING AMENDMENTS TO THE LOAN
AGREEMENT**

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**SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTIES AND THE INDUCEMENT
RESOLUTION**

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

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FORMS OF APPROVING OPINIONS OF CO-BOND COUNSEL

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FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

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