

**DASNY**

DAC Bond

**\$67,870,000****DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
FORDHAM UNIVERSITY REVENUE BONDS****\$28,395,000****Series 2021A****\$39,475,000****Series 2021B (Federally Taxable)****Dated: Date of Delivery****Due: July 1, as shown on the inside cover**

**Payment and Security:** The Fordham University Revenue Bonds, Series 2021A (the "Series 2021A Bonds") and the Fordham University Revenue Bonds, Series 2021B (Federally Taxable) (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of the date of issuance of the Series 2021 Bonds, between Fordham University (the "University" or "Fordham") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the Series 2021 Bonds. The Series 2021 Bonds are to be issued under DASNY's Fordham University Revenue Bond Resolution, adopted March 26, 2008 (the "Resolution"), the Series Resolution authorizing the Series 2021A Bonds, adopted October 13, 2021 (the "Series 2021A Resolution") and the Series Resolution authorizing the Series 2021B Bonds, adopted October 13, 2021 (the "Series 2021B Resolution" and, together with the Series 2021A Resolution, the "Series 2021 Resolutions"), the Bond Series Certificate relating to the Series 2021A Bonds (the "Series 2021A Bond Series Certificate") and the Bond Series Certificate relating to the Series 2021B Bonds (the "Series 2021B Bond Series Certificate" and, together with the Series 2021A Bond Series Certificate, the "Series 2021 Bond Series Certificates"). The Resolution, the Series 2021 Resolutions and the Series 2021 Bond Series Certificates are collectively referred to herein as the "Resolutions."

The Loan Agreement is a general obligation of the University and requires the University to pay, in addition to the fees and expenses of DASNY and The Bank of New York Mellon, as trustee (the "Trustee"), amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2021 Bonds.

**The Series 2021 Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2021 Bonds. DASNY has no taxing power.**

**Description:** The Series 2021 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2021 Bonds will mature on the dates and bear interest at the rates shown on the inside cover. Interest (due July 1, 2022 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2021 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2021 Bonds, by wire transfer to the holder of such Series 2021 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal, Sinking Fund Installments, if any, or Redemption Price of the Series 2021 Bonds will be payable at the principal corporate trust office of the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2021 Bonds, by wire transfer to the holder of such Series 2021 Bonds as more fully described herein.

The Series 2021 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 2021 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price and Purchase Price of and interest on such Series 2021 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 2021 BONDS – Book-Entry Only System" herein.

**Redemption or Purchase:** *The Series 2021 Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

**Tax Matters:** In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., as Co-Bond Counsel, under existing law and assuming compliance with the tax covenants described herein and the accuracy of certain representations and certifications made by DASNY and the University described herein, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Co-Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes under the Code. Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., as Co-Bond Counsel, are further of the opinion that, under existing law, interest on the Series 2021 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 12 – TAX MATTERS" herein regarding certain other tax considerations.

*The Series 2021 Bonds are offered when, as, and if issued and received by Morgan Stanley & Co. LLC (the "Underwriter"). The offer of the Series 2021 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. DASNY expects to deliver the Series 2021 Bonds in definitive form in New York, New York, on or about November 17, 2021.*

**Morgan Stanley**

**\$67,870,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**FORDHAM UNIVERSITY REVENUE BONDS**

**\$28,395,000**  
**SERIES 2021A**

| <b><u>Due</u></b><br><b><u>July 1</u></b> | <b><u>Amount</u></b> | <b><u>Interest</u></b><br><b><u>Rate</u></b> | <b><u>Yield</u></b> | <b><u>CUSIP</u></b><br><b><u>Number</u></b> <sup>‡</sup> |
|---|----------------------|--|---------------------|--|
| 2023                                      | \$820,000            | 4.000%                                       | 0.310%              | 65000BFV5  |
| 2024                                      | 600,000              | 4.000  | 0.400               | 65000BFW3  |
| 2036                                      | 1,820,000            | 4.000  | 1.790 <sup>C</sup>  | 65000BFX1  |
| 2037                                      | 15,090,000           | 4.000  | 1.840 <sup>C</sup>  | 65000BFY9  |
| 2038                                      | 10,065,000           | 3.000  | 2.170 <sup>C</sup>  | 65000BFZ6  |

**\$39,475,000**  
**SERIES 2021B (FEDERALLY TAXABLE)**

\$39,475,000 2.973% Term Bond Due July 1, 2044, Price 100.000% CUSIP Number<sup>‡</sup> 65000BGA0

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<sup>‡</sup> CUSIP data herein are provided by CUSIP Global Services, which is managed by S&P Global Market Intelligence on behalf of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of owners of the Series 2021 Bonds only at the time of issuance of the Series 2021 Bonds and DASNY does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

<sup>C</sup> Priced at the stated yield to the first optional call date of July 1, 2031 at a redemption price of 100%.

*No dealer, broker, salesperson or other person has been authorized by the Dormitory Authority of the State of New York (“DASNY”), Fordham University (the “University”) or Morgan Stanley & Co. LLC (the “Underwriter”) to give any information or to make any representations with respect to the Series 2021 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the 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 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

*The information set forth herein relating to DASNY under the heading “PART 9 — DASNY” has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the University 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 University nor does it directly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2021 Bonds or (3) the value or investment quality of the Series 2021 Bonds.*

*The University has reviewed the parts of this Official Statement describing the University, Bondholders’ Risk, the principal and interest requirements, the project, the plan of refunding, the estimated sources and uses of funds and “APPENDIX B — 2021 AND 2020 FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY WITH INDEPENDENT AUDITORS’ REPORT THEREON.” As a condition to delivery of the Series 2021 Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2021 Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representation as to the accuracy or completeness of any other information included in this Official Statement.*

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

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

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

*IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.*

*References to website addresses presented herein are for informational 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 part of, this official statement for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.*

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## **Authorization of Issuance**

The Series 2021 Bonds will be issued under and pursuant to DASNY's Fordham University Revenue Bond Resolution, adopted March 26, 2008 (the "Resolution"), the Series Resolution authorizing the Series 2021A Bonds, adopted October 13, 2021 (the "Series 2021A Resolution"), the Series Resolution authorizing the Series 2021B Bonds, adopted October 13, 2021 (the "Series 2021B Resolution" and, together with the Series 2021A Resolution, the "Series 2021 Resolutions"), the Bond Series Certificate relating to the Series 2021A Bonds (the "Series 2021A Bond Series Certificate"), the Bond Series Certificate relating to the Series 2021B Bonds (the "Series 2021B Bond Series Certificate" and, together with the Series 2021A Bond Series Certificate, the "Series 2021 Bond Series Certificates") and the Act. The Resolution, the Series 2021 Resolutions and the Series 2021 Bond Series Certificates are collectively referred to herein as the "Resolutions."

In addition to the Series 2021 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "Bonds") to, among other things, pay Costs of one or more Projects, to pay Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University, and to refinance other indebtedness of the University. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2021 Bonds. See "PART 5 — THE PLAN OF REFUNDING" herein for a description of the potential issuance of the Series 2024 Forward Bonds (as defined herein) and the potential refunding of the Series 2014 Refunded Bonds (as defined herein).

## **DASNY**

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

## **The University**

The University is an independent, not-for-profit institution of higher education chartered by the Legislature of the State. The main campuses of the University are located in the Bronx, New York and Lincoln Center in mid-town Manhattan in The City of New York, New York. See "PART 7 — THE UNIVERSITY" herein and "APPENDIX B — 2021 AND 2020 FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto.

## **The Series 2021 Bonds**

The Series 2021 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2022 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 2021 BONDS — Description of the Series 2021 Bonds" herein.

## **Payment of the Series 2021 Bonds**

The Series 2021 Bonds are special obligations of DASNY payable solely from the Revenues which consist of certain payments to be made by the University under the Loan Agreement, dated as of the issuance date of the Series 2021 Bonds, between the University and DASNY (the "Loan Agreement"), which payments are pledged and assigned to The Bank of New York Mellon, as trustee (the "Trustee"). See "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS — Payment of the Series 2021 Bonds" herein.

**The Series 2021 Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2021 Bonds except for DASNY's responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2021 Resolutions and pledged therefor.**

### **Security for the Series 2021 Bonds**

The Series 2021 Bonds are secured by the pledge and assignment to the Trustee by DASNY of the payments to be made by the University under the Loan Agreement that constitute the Revenues and, except as otherwise provided in the Resolutions, of all funds and accounts established by the Resolutions in connection with the Series 2021 Bonds, other than the Arbitrage Rebate Fund.

The University's obligation to make the payments under the Loan Agreement that constitute the Revenues is a general unsecured obligation of the University and such payments are required to be made by the University out of any money legally available to it. See "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS — Security for the Series 2021 Bonds" herein.

### **Security for Certain Prior DASNY Bonds**

As security for certain prior DASNY bonds issued for the benefit of the University as set forth below (collectively, the "Prior Secured DASNY Bonds"), the University has granted to DASNY a security interest in certain pledged revenues consisting of tuition and fees charged by the University to students for academic instruction. The Series 2021 Bonds will not be secured by a pledge of any revenues of the University. In the Loan Agreement, the University covenants not to grant any pledge on tuition or fees in connection with the incurrence of any additional indebtedness without granting an equal pledge for the benefit of the Series 2021 Bonds. See "PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS — Security for Prior DASNY Bonds and Issuance of Additional Indebtedness" herein.

### **PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS**

*Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2021 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement and the Resolutions. Copies of the Loan Agreement and the Resolutions will be on file with DASNY and the Trustee. See also "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto for a more complete statement of the rights, duties and obligations of the parties thereto.*

### **Payment of the Series 2021 Bonds**

The Series 2021 Bonds will be special obligations of DASNY. The principal of and interest on the Series 2021 Bonds are payable solely from the Revenues. The Revenues include the payments required to be made by the University under the Loan Agreement on account of the principal and Sinking Fund Installments of and interest on the Outstanding Series 2021 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2021 Bonds.

The Loan Agreement is a general unsecured obligation of the University and obligates the University to make payments to satisfy the principal and Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2021 Bonds. Payments made by the University in respect of interest on the Series 2021 Bonds are to be made on the 10th day of each June and December immediately preceding the January 1 and July 1 on which interest is payable, in each case in an amount equal to the interest coming due on such January 1 and July 1. Payments by the University in respect of principal of the Series 2021 Bonds, whether at maturity or through mandatory Sinking Fund Installments, are to be made on the 10th day of each June immediately preceding the July 1 on which such principal becomes due. The Loan Agreement also obligates the University to make payments sufficient to pay the amount, if any, required to pay the Redemption Price or Purchase Price of Series 2021 Bonds called for redemption or contracted to be purchased. See "PART 3 — THE SERIES 2021 BONDS — Redemption and Purchase in Lieu of Redemption Provision" herein.

DASNY has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal of and interest on the Series 2021 Bonds.

### **Security for the Series 2021 Bonds**

The Series 2021 Bonds will be secured by the pledge and assignment by DASNY of the Revenues, the right to receive such Revenues and, except as otherwise provided in the Resolution, all of the funds and accounts established pursuant to the Resolutions, in connection with the Series 2021 Bonds, other than the Arbitrage Rebate Fund.

## **Events of Default and Acceleration**

The following are events of default under the Resolution with respect to the Series 2021 Bonds: (i) a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Series 2021 Bond; (ii) a default by DASNY in the payment of interest on any Series 2021 Bond; (iii) a default by DASNY in the due and punctual performance of any covenant or agreement contained in the Resolutions to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Series 2021A Bonds from gross income for purposes of federal income taxation; (iv) a default by DASNY in the due and punctual performance of any covenants, conditions, agreements or provisions contained in the Series 2021 Bonds or in the Resolutions which continues for 30 days after written notice thereof is given to DASNY by the Trustee (such notice to be given in the Trustee's discretion or at the written request of the Holders of not less than 25% in principal amount of Outstanding Bonds) or if such default is not capable of being cured within 30 days, if DASNY fails to commence within 30 days and diligently prosecute the cure thereof; or (v) DASNY shall have notified the Trustee that an "Event of Default," as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and payable (unless such declaration shall have been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Series 2021 Bonds, shall declare the principal of and interest on all the Outstanding Series 2021 Bonds to be due and payable. At any time after the principal of the Series 2021 Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than 25% in principal amount of Series 2021 Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the University within five days, and to the Holders within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2021 Bonds, the Trustee will be protected in withholding such notice thereof to the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2021 Bonds.

## **Security for Prior DASNY Bonds and Issuance of Additional Indebtedness**

In addition to the Series 2021 Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Series Resolution. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2021 Bonds. See "PART 5 — THE PLAN OF REFUNDING" herein for a description of the potential issuance of the Series 2024 Forward Bonds and the potential refunding of the Series 2014 Refunded Bonds.

As security for the Prior Secured DASNY Bonds (which Prior Secured DASNY Bonds include the DASNY Fordham University Insured Revenue Bonds, Series 2008A (the "Series 2008A Bonds"), the Series 2012 Bonds and the DASNY Fordham University Revenue Bonds, Series 2014 (the "Series 2014 Bonds")), the University has granted to DASNY a security interest in its pledged revenues, consisting of tuition and fees, which was assigned by DASNY to the applicable trustee. Except with respect to the Series 2014 Bonds which are secured by a gross pledge of the University's revenue from tuition and fees, the applicable grant of a security interest in such tuition and fees is in an amount equal to maximum annual debt service on the respective series of Prior Secured DASNY Bonds. At July 1, 2021, the aggregate maximum annual debt service for the Prior Secured DASNY Bonds (excluding the Series 2014 Bonds) was approximately \$13.1 million. With respect to the Series 2014 Bonds, which as of July 1, 2021, were outstanding in the amount of approximately \$63.9 million, the grant of a security interest is in tuition and

fees. In Fiscal Year 2021, the University reported approximately \$477.9 million in net tuition and fees revenues subject to these liens. A portion of the proceeds of the Series 2021B Bonds will refund the Series 2012 Refunded Bonds. In addition, the DASNY Fordham University Revenue Bonds, Series 2016A (the “Series 2016A Bonds”), the DASNY Fordham University Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) and the DASNY Fordham University Revenue Bonds, Series 2020 (the “Series 2020 Bonds”) and, collectively with Series 2016A Bonds, the Series 2017 Bonds and the Prior Secured DASNY Bonds, the “Prior DASNY Bonds”) were issued as general unsecured obligations of the University. A portion of the proceeds of the Series 2021A Bonds will refund the Series 2016 Refunded Bonds.

The Series 2021 Bonds will not be secured by a pledge of any revenues of the University. Pursuant to the Loan Agreement, however, the University has covenanted not to incur any lien, pledge, charge, encumbrance or security interest in tuition and fees in connection with the incurrence of any additional indebtedness without granting an equal lien, pledge, charge, encumbrance or security interest as security for the payment of all liabilities and the performance of all obligations of the University under the Loan Agreement.

#### **General**

**The Series 2021 Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2021 Bonds except for DASNY’s responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2021 Resolutions and pledged therefor.**

### **PART 3 — THE SERIES 2021 BONDS**

*Set forth below is a narrative description of certain provisions relating to the Series 2021 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolutions and the Loan Agreement, copies of which will be on file with DASNY and the Trustee. See also “APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT” and “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto for a more complete description of certain provisions of the Series 2021 Bonds.*

#### **General**

The Series 2021 Bonds will be issued pursuant to the Resolution and the Series 2021 Resolutions, as applicable. The Series 2021 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), pursuant to DTC’s Book-Entry Only System. Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2021 Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2021 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2021 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2021 Bonds, the Series 2021 Bonds will be exchangeable for fully registered Series 2021 Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “PART 3 — THE SERIES 2021 BONDS — Book-Entry Only System” herein and “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

#### **Description of the Series 2021 Bonds**

The Series 2021 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2022 and on each January 1 and July 1 thereafter) at the rates set forth on the inside cover page of this Official Statement. The Series 2021 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2021 Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2021 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the interest payment date. If the Series 2021 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2021 Bonds will be payable in lawful

money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent.

### **Redemption and Purchase in Lieu of Redemption Provisions**

The Series 2021 Bonds are subject to optional, mandatory and special redemption, and purchase in lieu of optional redemption as described below. For a more complete description of the redemption and other provisions relating to the Series 2021 Bonds, see “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

#### *Optional Redemption*

The Series 2021A Bonds maturing on or after July 1, 2036 are subject to redemption prior to maturity at the option of DASNY, upon the direction of the University, on any Business Day on or after July 1, 2031, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2021A Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

The Series 2021B Bonds are subject to redemption prior to maturity at the option of DASNY, upon the direction of the University, on any Business Day, in any order, in whole or in part at any time, at the Make-Whole Redemption Price described below.

The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the Series 2021B Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2021B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2021B Bonds are to be redeemed, discounted to the date on which such Series 2021B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 15 basis points, plus, in each case, accrued and unpaid interest on the Series 2021B Bonds to be redeemed on the redemption date.

The Trustee may retain, at the expense of the University, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee, DASNY and the University may conclusively rely on such accounting firm’s or financial advisor’s calculations in connection with, and determination of, the Make-Whole Redemption Price, and none of the Trustee, DASNY or the University will have any liability for their reliance.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2021B Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

#### *Mandatory Redemption*

The Series 2021B Bonds are subject to redemption, in part, on each July 1 of the years and in the principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, 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 Series 2021B Bonds specified for each of the years shown below:

#### **Series 2021B Term Bond**

| <b><u>Year</u></b> | <b><u>Amount</u></b> |
|--------------------|----------------------|
| 2038               | \$1,925,000          |
| 2039               | 9,270,000            |
| 2040               | 9,470,000            |
| 2041               | 9,650,000            |
| 2042               | 2,965,000            |
| 2043               | 3,050,000            |
| 2044 <sup>†</sup>  | 3,145,000            |

<sup>†</sup>Final Maturity

### *Purchase in Lieu of Optional Redemption*

The Series 2021 Bonds, are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University, with the prior written consent of DASNY, on any Business Day on which such Series 2021 Bonds are subject to optional redemption, in any order, in whole or in part, at a Purchase Price equal to the Redemption Price or Make-Whole Redemption Price, as applicable, as described above, plus, in each case, accrued interest to the date set for purchase (the “Purchase Date”).

### *Special Redemption*

The Series 2021 Bonds are subject to redemption prior to maturity at the option of DASNY in any order, in whole or in part on any interest payment date, at a Redemption Price equal to 100% of the principal amount of Series 2021 Bonds to be redeemed, plus accrued interest to the redemption date from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Series 2021 Project.

### *Selection of Bonds to be Redeemed or Purchased*

In the case of redemption or purchase in lieu of redemption of less than all of the Series 2021 Bonds of a Series, DASNY will select the maturities of such Series 2021 Bonds to be redeemed or purchased.

If less than all of the Series 2021A Bonds of a maturity are to be redeemed or purchased, the Series 2021A Bonds of such maturity to be redeemed or purchased will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

If less than all of the Series 2021B Bonds of a maturity are to be redeemed or purchased, the Series 2021B Bonds of such maturity to be redeemed or purchased will be redeemed pro rata within such maturities.

If the Series 2021B Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2021B Bonds, if less than all of the Series 2021B Bonds of a maturity are called for redemption, the particular Series 2021B Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with the DTC procedures.

It is intended that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, none of DASNY, the University or Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”) of the Series 2021B Bonds can provide any assurance that DTC, DTC’s direct and indirect participants or any other intermediary will allocate the redemption of the Series 2021B Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2021B Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2021B Bonds will be selected for redemption, in accordance with the DTC procedures, by lot.

If the Series 2021B Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Series 2021B Bonds will be allocated among the registered owners of the Series 2021B Bonds of such maturity, as nearly as practicable, taking into consideration the authorized denominations of the Series 2021B Bonds, on a pro rata basis.

### *Notice of Redemption*

The Trustee is to give notice of the redemption of the Series 2021 Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2021 Bonds to be redeemed, at their last known addresses appearing on the registration books of DASNY not more than 10 Business Days prior to the date such notice is given. Each notice of redemption, other than a notice of “Special Redemption” will state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient moneys to pay the Redemption Price of the Series 2021 Bonds to be redeemed. The failure of any owner of a Series 2021 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2021 Bond.

If on the redemption date, moneys for the redemption of the Series 2021 Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2021 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2021 Bonds will no longer be considered to be Outstanding.

### *Notice of Purchase in Lieu of Redemption and its Effect*

Notice of purchase of the Series 2021 Bonds will be given in the name of DASNY to the registered owners of the Series 2021 Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2021 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2021 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2021 Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2021 Bonds. Such Series 2021 Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The University's obligation to purchase a Series 2021 Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2021 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2021 Bonds to be purchased, the former registered owners of such Series 2021 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2021 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2021 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2021 Bonds of a Series and maturity are to be purchased, the Series 2021 Bonds of such Series and maturity to be purchased will be selected in the same manner as Series 2021 Bonds of a Series and maturity to be optionally redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2021 Bonds, see "APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. Also see "Book-Entry Only System" herein for a description of the notices of redemption to be given to Beneficial Owners of the Series 2021 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 2021 Bonds. The Series 2021 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 2021 Bond certificate will be issued for each maturity of each Series of the Series 2021 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual

purchaser of each Series 2021 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 2021 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 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 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 2021 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 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 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 2021 Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 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 2021 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 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Underwriter, the Trustee 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 2021 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2021 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2021 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Direct or Indirect Participant, and may desire to make arrangements with such Direct or Indirect Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY 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 2021 BONDS.

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2021 Bonds (other than under the caption "PART 12 – TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2021 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 2021 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 UNIVERSITY 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 2021 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 2021 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 2021 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2021 BONDS; OR (VI) ANY OTHER MATTER.

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## Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve-month period ending June 30 of the Bond Years shown for the payment of debt service on the currently outstanding indebtedness of the University after giving effect to (i) the refunding of the Series 2012 Refunded Bonds and the Series 2016 Refunded Bonds and (ii) the potential issuance of the Series 2024 Forward Bonds and refunding of the Series 2014 Refunded Bonds, the principal of and interest on the Series 2021 Bonds and the total debt service on all indebtedness of the University, including the Series 2021 Bonds.

| 12 Month<br>Period Ending<br>June 30, | <u>Series 2021A Bonds</u>     |                              | <u>Series 2021B Bonds</u>     |                              | Total Debt<br>Service on the<br>Series 2021 Bonds | Debt Service<br>on Other<br>Indebtedness <sup>(1)</sup> | Total Debt<br>Service |
|---------------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|---|---|-----------------------|
|                                       | <u>Principal<br/>Payments</u> | <u>Interest<br/>Payments</u> | <u>Principal<br/>Payments</u> | <u>Interest<br/>Payments</u> |   |   |                       |
| 2022                                  | --                            | \$644,093                    | --                            | \$730,235                    | \$1,374,328                                       | \$32,271,121  | \$33,645,449          |
| 2023                                  | \$820,000                     | 1,035,150                    | --                            | 1,173,592                    | 3,028,742   | 32,345,777  | 35,374,519            |
| 2024                                  | 600,000                       | 1,002,350                    | --                            | 1,173,592                    | 2,775,942   | 33,694,620  | 36,470,561            |
| 2025                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 35,568,988  | 37,720,930            |
| 2026                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 35,389,751  | 37,541,693            |
| 2027                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 35,404,157  | 37,556,099            |
| 2028                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 35,404,685  | 37,556,627            |
| 2029                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 27,084,555  | 29,236,497            |
| 2030                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 27,107,245  | 29,259,187            |
| 2031                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 27,537,979  | 29,689,921            |
| 2032                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 27,504,895  | 29,656,837            |
| 2033                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 25,132,750  | 27,284,692            |
| 2034                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 25,137,750  | 27,289,692            |
| 2035                                  | --                            | 978,350                      | --                            | 1,173,592                    | 2,151,942   | 25,138,750  | 27,290,692            |
| 2036                                  | 1,820,000                     | 978,350                      | --                            | 1,173,592                    | 3,971,942   | 23,314,650  | 27,286,592            |
| 2037                                  | 15,090,000                    | 905,550                      | --                            | 1,173,592                    | 17,169,142  | 10,056,350  | 27,225,492            |
| 2038                                  | 10,065,000                    | 301,950                      | \$1,925,000                   | 1,173,592                    | 13,465,542  | 13,673,100  | 27,138,642            |
| 2039                                  | --                            | --                           | 9,270,000                     | 1,116,362                    | 10,386,362  | 16,972,850  | 27,359,212            |
| 2040                                  | --                            | --                           | 9,470,000                     | 840,764                      | 10,310,764  | 16,968,750  | 27,279,514            |
| 2041                                  | --                            | --                           | 9,650,000                     | 559,221                      | 10,209,221  | 16,972,150  | 27,181,371            |
| 2042                                  | --                            | --                           | 2,965,000                     | 272,327                      | 3,237,327   | 16,971,800  | 20,209,127            |
| 2043                                  | --                            | --                           | 3,050,000                     | 184,177                      | 3,234,177   | 16,974,000  | 20,208,177            |
| 2044                                  | --                            | --                           | 3,145,000                     | 93,501                       | 3,238,501   | 16,973,000  | 20,211,501            |
| 2045                                  | --                            | --                           | --                            | --                           | --  | 20,213,200  | 20,213,200            |
| 2046                                  | --                            | --                           | --                            | --                           | --  | 20,214,200  | 20,214,200            |
| 2047                                  | --                            | --                           | --                            | --                           | --  | 20,209,600  | 20,209,600            |
| 2048                                  | --                            | --                           | --                            | --                           | --  | 20,213,600  | 20,213,600            |
| 2049                                  | --                            | --                           | --                            | --                           | --  | 20,209,800  | 20,209,800            |
| 2050                                  | --                            | --                           | --                            | --                           | --  | 20,212,400  | 20,212,400            |
| <b>TOTAL</b>                          | <b>\$28,395,000</b>           | <b>\$15,629,293</b>          | <b>\$39,475,000</b>           | <b>\$22,574,055</b>          | <b>\$106,073,349</b>                              | <b>\$694,872,474</b>                                    | <b>\$800,945,822</b>  |

<sup>(1)</sup> This column (i) excludes debt service on the Series 2016 Refunded Bonds and the Series 2012 Refunded Bonds; (ii) excludes debt service on the Series 2014 Refunded Bonds anticipated to be refunded with the proceeds of the potential Series 2024 Forward Bonds, and (iii) includes estimated debt service on the Series 2024 Forward Bonds anticipated to be issued in April 2024. See "PART 5 — THE PLAN OF REFUNDING" herein. Interest on variable rate bonds is assumed to accrue at the rate of 3.5% per annum. Figures do not include other notes payable of the University outstanding in the amount of \$3,093,000 and capitalized lease obligations outstanding in the amount of \$528,000 as of June 30, 2021.

#### **PART 4 — THE PROJECT**

A portion of the proceeds of the Series 2021B Bonds will be used to pay the costs of capital improvements and deferred maintenance projects, and acquisition of furnishings and equipment, at various University buildings and facilities (the “Series 2021 Project”).

#### **PART 5 — THE PLAN OF REFUNDING**

A portion of the proceeds of the Series 2021A Bonds, together with other available moneys, are expected to be used to current refund the Series 2016 Refunded Bonds. Such amounts are expected to be deposited with the trustee for the Series 2016 Refunded Bonds, held uninvested in trust, and be sufficient to pay the redemption price and the interest on such Series 2016 Refunded Bonds to the redemption date. At the time of such deposit, DASNY will give such irrevocable instructions to the trustee to give notice of the redemption of the Series 2016 Refunded Bonds, and to apply such amounts to the payment of the redemption price of and interest on the Series 2016 Refunded Bonds. In connection with the refunding, Co-Bond Counsel will render its opinion that, upon making such deposits with the trustee and the issuance of certain irrevocable instructions to the trustee, the Series 2016 Refunded Bonds will, under the terms of the Resolution, be deemed to have been paid and will no longer be Outstanding.

A portion of the proceeds of the Series 2021B Bonds, together with other available moneys, are expected to be used to advance refund the Series 2012 Refunded Bonds. Upon the issuance of the Series 2021B Bonds, such proceeds are expected to be used to acquire Defeasance Securities under the Resolution (the “2012 Investment Securities”), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the redemption price and the interest on such Series 2012 Refunded Bonds to the redemption date. The 2012 Investment Securities will be deposited with the trustee for the Series 2012 Refunded Bonds and will be held in trust solely for the payment of the redemption price of and interest on the Series 2012 Refunded Bonds. At the time of such deposit, DASNY will give such irrevocable instructions to the trustee to give notice of the redemption of the Series 2012 Refunded Bonds and to apply the proceeds from the 2012 Investment Securities together with any cash deposits to the payment of the redemption price of and interest on the Series 2012 Refunded Bonds. In connection with the refunding, Co-Bond Counsel will render its opinion that, upon making such deposit with the trustee and the issuance of certain irrevocable instructions to the trustee, the Series 2012 Refunded Bonds will, under the terms of the Resolution, be deemed to have been paid and will no longer be outstanding.

Prior to the date of delivery of the Series 2021 Bonds, the University anticipates entering into a forward-delivery direct purchase contract with Morgan Stanley and DASNY (the “Forward Direct Purchase Contract”), pursuant to which Morgan Stanley would agree to purchase DASNY’s Fordham University Revenue Bonds, Series 2024 (the “Series 2024 Forward Bonds”) for delivery in April 2024. If issued, it is anticipated that the proceeds of the Series 2024 Forward Bonds would be applied to refund the Series 2014 Bonds maturing on and after July 1, 2025 (the “Series 2014 Refunded Bonds”). The Series 2024 Forward Bonds would be issued under the Resolution, and DASNY and the University would enter into a loan agreement with respect to any Series 2024 Forward Bonds on the issuance date, under which the University’s obligation to make loan repayments would be an unsecured general obligation.

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**PART 6 — ESTIMATED SOURCES AND USES OF FUNDS**

Estimated sources and uses of funds are as follows:

| Sources of Funds                          | <u>Series 2021A Bonds</u> | <u>Series 2021B Bonds</u> | <u>Total<sup>1</sup></u> |
|---|---------------------------|---------------------------|--------------------------|
| Principal Amount.....                     | \$28,395,000              | \$39,475,000              | \$67,870,000             |
| Plus: Original Issue Premium.....         | 4,042,976                 | --                        | 4,042,976                |
| Other Available Money .....               | <u>400,000</u>            | <u>715,510</u>            | <u>1,115,510</u>         |
| Total Sources of Funds <sup>1</sup> ..... | <u>\$32,837,976</u>       | <u>\$40,190,510</u>       | <u>\$73,028,487</u>      |
| Uses of Funds                             |                           |                           |                          |
| Deposit for Project Costs.....            | --                        | \$19,617,371              | \$19,617,371             |
| Refunding Escrows Deposit.....            | \$32,456,010              | 19,817,629                | 52,273,639               |
| Costs of Issuance <sup>2</sup> .....      | 255,487                   | 579,678                   | 835,165                  |
| Underwriter’s Discount.....               | <u>126,479</u>            | <u>175,832</u>            | <u>302,312</u>           |
| Total Uses of Funds <sup>1</sup> .....    | <u>\$32,837,976</u>       | <u>\$40,190,510</u>       | <u>\$73,028,487</u>      |

<sup>1</sup> Totals may not foot due to rounding.

<sup>2</sup> Includes legal fees and associated costs relating to the Series 2021 Bonds.

**PART 7 — THE UNIVERSITY**

**Introduction**

Fordham is an independent, not-for-profit institution of higher learning in the Jesuit tradition, located principally in New York City with satellite campuses in Westchester County in the State of New York (“New York State”) and in London, England. Fordham was founded in 1841 and was granted its charter in 1846 by the State of New York.

Rose Hill, the original campus, is situated on 85 acres in the Bronx, a borough of New York City. Approximately 7,286 students are enrolled in three undergraduate schools on this campus: Fordham College at Rose Hill, the undergraduate division of the Gabelli School of Business and the School of Professional and Continuing Studies; and two graduate schools: the Graduate School of Arts and Sciences and the Graduate School of Religion and Religious Education. The Rose Hill campus includes 37 structures, comprising 12 classroom/administration buildings, the Walsh Family Library, the University Church, the McGinley Center, the Vincent T. Lombardi Memorial Center with its athletic facilities, and 11 dormitories and other structures. The dormitories house approximately 3,500 students. Four of the oldest buildings on the campus are registered historic New York City landmarks: Cunniffe House (formerly known as the Administration Building), Alumni House, the University Church, and St. John’s Hall.

The Lincoln Center campus, set on eight acres adjacent to Lincoln Center for the Performing Arts in Manhattan, was established in 1961. Approximately 9,479 students are enrolled in three undergraduate schools: Fordham College at Lincoln Center, the undergraduate division of the Gabelli School of Business and the School of Professional and Continuing Studies, and five graduate and professional schools: the Graduate School of Arts and Sciences, the graduate division of the Gabelli School of Business, the Graduate School of Education, the Graduate School of Social Service, and the School of Law. The Lincoln Center campus also includes two residence halls, McKeon Hall and McMahon Hall, housing approximately 1,386 students.

The Westchester campus, located in West Harrison, New York, is a commuter campus and was established in 1976. Approximately 221 students are enrolled in the undergraduate School of Professional and Continuing Studies, and three graduate schools: the graduate division of the Gabelli School of Business, the Graduate School of Education, and the Graduate School of Social Service.

The 114-acre Louis Calder Center in Armonk, New York, was founded in 1967 through a donor bequest. It currently serves as a biological field station for student and faculty research in ecology and applied environmental sciences.

The London Centre in London, England is in the Clerkenwell district in the Borough of Camden in Central London. At the London Centre, Fordham offers study abroad programs in business and the liberal arts. Academic internships, as well as several articulation agreements with U.K.-based institutions add to the number of international education and experiential opportunities for the students who study there.

In addition to these locations, the University holds several affiliations with higher education institutions throughout the world and offers online classes and degree programs.

Across its several locations, the University has nine schools, with two offering both graduate and undergraduate programs. Those colleges and schools, including the year established, Fall 2021 enrollments, and the degrees granted, are as follows:

| <b>School</b>  | <b>Year Established</b> | <b>Location</b>                         | <b>Fall 2021 Enrollment</b> | <b>Degrees Granted</b>           |
|--|-------------------------|---|-----------------------------|----------------------------------|
| <b>Undergraduate<sup>1</sup></b>                       |                         |   |                             |                                  |
| Fordham College at Rose Hill                           | 1841                    | Rose Hill & London                      | 3,965                       | BA, BS                           |
| Gabelli School of Business                             | 1920                    | Rose Hill, Lincoln Center & London      | 2,950                       | BS                               |
| Fordham College at Lincoln Center                      | 1968                    | Lincoln Center & London                 | 2,353                       | BA, BS, BFA                      |
| School of Professional and Continuing Studies          | 1944                    | Lincoln Center, Rose Hill & Westchester | 621                         | BA, BS                           |
| <b>Graduate &amp; Professional Schools</b>             |                         |   |                             |                                  |
| School of Law  | 1905                    | Lincoln Center                          | 1,696                       | JD, LL.M., M.S.L., S.J.D.        |
| Graduate School of Education                           | 1916                    | Lincoln Center & Westchester            | 862                         | ADV, EDD, MAT, MS, MSE, MST, PhD |
| Gabelli School of Business                             | 1969                    | Lincoln Center & Westchester            | 1,501                       | ADV, MBA, MS, MSGF, PhD          |
| Graduate School of Social Service                      | 1916                    | Lincoln Center & Westchester            | 1,957                       | MSW, PhD                         |
| Graduate School of Arts and Sciences                   | 1916                    | Lincoln Center & Rose Hill              | 777                         | ADV, MA, MS, MPHIL, PhD          |
| Graduate School of Religion & Religious Education      | 1968                    | Rose Hill                               | 182                         | ADV, MA, PhD                     |
| Graduate School of Professional and Continuing Studies | 2018                    | Lincoln Center                          | 107                         | MS                               |

<sup>1</sup> This table does not include 11 visiting exchange students and 4 students enrolled in the Via Fordham program through the Institute for American Language and Culture.

The University serves full-time and part-time undergraduate and graduate students at all locations. Of the undergraduate total, 59% are women and 41% are men. Of the undergraduate students who report their ethnicity, 40.6% are members of racial minorities, which include 5.4% African American, 17.4% Hispanic, 13.0% Asian, and 0.1% Hawaiian/Pacific Islander.

Students from across the United States attend Fordham, with 36.6% of the 2021 first-year class coming from New York and the balance representing 44 other states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and 64 foreign countries.

The University offers degrees ranging from the baccalaureate to the doctorate through its nine schools and colleges. In the 2019-2020 academic year, Fordham awarded 5,494 degrees and advanced certificates including: 116 doctorates, 397 law degrees, 2,666 master's degrees, 2,248 bachelor's degrees and 67 advanced certificates.

## **Strategic Planning**

Fordham believes strategic planning is most effective when it is ongoing and collaborative and established a Continuous University Strategic Planning (“CUSP”) Committee in 2015. The CUSP Committee has built a process that continuously examines and responds to the changing internal and external environments that shape the University. Primary responsibilities include facilitating ongoing community-wide dialogue about strategic planning and initiatives arising from it; guiding local planning; developing performance metrics; and updating the Strategic Framework, as appropriate.

In furtherance of these responsibilities, the CUSP Committee recently announced a new strategic plan for the University, *Educating for Justice: Fordham University's Vision and Strategic Plan, 2021-2026*. The Strategic Plan sets forth an inspirational and aspirational agenda, which will distinguish Fordham as a university focused on teaching and research for justice. The goals and initiatives in this Strategic Plan define a unique, necessary, and compelling role for Fordham in a fractured world, including to:

- Educate students as global citizens and transformative leaders for justice in the innovation age by renewing and developing academic programs to attract and flexibly serve the needs of tomorrow's students; developing our students' capacity for ethical leadership by promoting socioeconomic advancement, renewal, and justice in NYC and globally; and enhancing the educational experience by providing faculty, administrators, and staff with professional development consistent with Fordham's mission.
- Excel across the natural and applied sciences and allied fields to promote social change and equity by leveraging Fordham's academic strengths to educate scientists for others; investing in areas of research and scholarship that increase knowledge in the health, well-being, and resilience of urban communities, and protection of the planet; and building adaptable infrastructure for STEM education at the frontiers of technology, particularly in areas where Fordham can distinctively excel.
- Cultivate a diverse, equitable, inclusive, caring, and connected community that promotes each member's development as a whole person by foregrounding holistic well-being and care for mental, emotional, behavioral, and spiritual health as central characteristics of the student experience; providing a more affordable and accessible education; and redesigning the University's built environment, communications, policies, and practices.

The University has already achieved significant results in support of its strategic planning efforts. For example, student diversity and social justice are central themes and will drive Fordham's strategic imperatives and enrollment goals. These include enhanced student recruitment from underrepresented groups and the promotion of student diversity. For the Fall 2021 entering class, the Class of 2025 is made up of more than 44% domestic students of color and 6.5% international students – a Fordham record. As further demonstration of its strategic focus, the University enrolled its largest-ever first-year entering class and has its largest-ever total student headcount enrollment. Academic programming remains a key component of its Strategic Plan, with a focus on high-demand areas of study among both students and industry. The University is currently in various states of approval with the addition of four new Advanced Certificate programs, two new bachelor's programs, seven new master's programs, and one new doctoral program.

## **Pandemic Planning and Response**

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. In response to the pandemic, numerous policies and protocols were implemented by federal, state, and local governments, including severe restrictions placed on on-ground, in-person college and university programs within New York City, New York State and nationwide.

Governor Cuomo issued Executive Order 202.8 on March 7, 2020, requiring all non-essential businesses and not-for-profit entities in the State to utilize, to the maximum extent possible, telecommuting or work-from-home procedures to contain the spread of the virus. Following additional U.S. Department of State and the Centers for Disease Control and Prevention guidelines, on March 8, 2020 the University announced the suspension all face-to-face instruction and on-campus events, and transitioned to online/electronic coursework on March 11, 2020 for the balance of the spring semester. The University encouraged students to leave University housing and assisted students in their return to permanent residences. Fordham's Westchester campus (which is non-residential) was closed, and non-essential business activities on all campuses were conducted with staff remotely. Any critical on-site business activities required employees to work remotely until State and local authorities authorized a return to more normalized operations.

In early May 2020, Fordham established a task force, consisting of a seven-person steering committee and 13 working groups to oversee and coordinate plans for re-opening the University in the aftermath of the COVID-19 pandemic. The task force oversaw and coordinated the safe restart of operations and welcoming students, faculty, and staff back to campus in the Fall 2020 in a way that maintained a 'de-densification' of the campuses. Working groups included: COVID-19 Screening and Containment; Facilities – Infrastructure and Sanitation; Human Resources Considerations; Dining; Residential Life; Student Experience and Experiential Learning; Intercollegiate Athletics; Learning Spaces; Technology-Enhanced Teaching and Learning; Study Abroad; Research Continuity; Coordination with External Agencies; and External Events and Welcoming Guests.

On June 30, 2020, the University announced that the Fall 2020 semester would begin on time. The University employed comprehensive mitigation strategies, including rigorous cleaning, social distancing, daily screening and periodic testing, and prompt quarantining of those in close contact with infected individuals. It also built out an apparatus that continually monitored the state's Early Warning Monitoring Dashboard and the phased reopening plan, while tracking its own infection rates and quarantine capacity.

During Fall 2020, nearly every course at Fordham adopted a flexible hybrid learning environment, including on-campus, in-person, and online coursework. During Spring 2021, students continued to have the option to live on or near campus and take courses offered in-person or through online or hybrid modalities. Housing occupancy was 65% for both the fall and spring semesters, above the University's 50% budgeted occupancy assumption. Enrollment also beat budget estimates.

On March 9, 2021, Fordham announced plans for full in-person instruction and on-campus activities for the Fall 2021 semester. Classes began September 1, 2021, and as of this date no unvaccinated student, employee, or vendor is permitted on campus unless they are in possession of an official accommodation from the University. As of October 19, 2021, approximately 99.4% of students and 98.7% of all employees were vaccinated.

## **Federal Stimulus Support**

The federal Coronavirus Aid, Relief, and Economic Security Act, ("CARES Act") was passed by Congress on March 27, 2020, allotting \$14 billion to the federal Office of Postsecondary Education as the Higher Education Emergency Relief Fund ("HEERF I"). The HEERF I disbursement to Fordham University totaled \$8.1 million (50% for student assistance and 50% for institutional use). Fordham spent \$4.4 million during fiscal year 2020, with remaining amounts spent during fiscal year 2021.

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSAA") was signed into law on December 27, 2020. The CRRSAA authorized over \$21 billion in the second federal aid disbursement for higher education ("HEERF II"), of which Fordham was awarded \$12.1 million. Of this balance, Fordham spent \$6.0 million of its original allocation of \$8.0 million for institutional use and directed the remaining \$2.0 million to further augment funds available for student assistance, for a total of \$6.1 million available for student assistance. All but \$2.3 million of HEERF II amounts were spent in fiscal year 2021, with the remainder to be spent in fiscal year 2022.

The third federal aid distribution for higher education support ("HEERF III") was authorized by the American Rescue Plan Act ("ARP") and signed into law on March 11, 2021, providing \$39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic. Fordham received \$21.4 million (50% for student assistance and 50% for institutional use). All HEERF III funds allocated to the University are expected to be spent in fiscal year 2022.

## Recent Financial Performance

The University achieved a budget surplus of \$12.0 million during fiscal year 2020, resulting in a GAAP operating surplus of \$6.4 million. This operating result incorporated \$23.7 million in refunds to students, which refunded half of room, board, and certain fees to students and families for services the University could no longer provide because of guidelines issued by federal and state authorities. Revenues exceeded the University's adjusted budget by \$20.0 million, due to better-than-expected net tuition revenue, a lower overall discount rate that resulted in savings, and CARES Act funds. The University took cost-mitigating actions related to COVID-19 disruptions, including curtailing operating expenses and freezing discretionary spending. While budgeted expenses were \$25.4 million less than the original fiscal year 2020 budget, they came in at \$11.0 million more than the adjusted budget, due in large part to the significant costs of responding to the pandemic as well as emergency grants to students. The resulting \$12.0 million operating surplus was set aside as designated strategic funds to support planning for fiscal year 2021.

During fiscal year 2021 the University achieved a budget surplus of \$7.9 million, resulting in a GAAP operating surplus of \$7.7 million. Fordham passed a budget for fiscal year 2021 that presumed a \$105.0 million revenue shortfall based on enrollment assumptions at the time of budget approval in April 2020. To offset the budgeted revenue shortfall, the University implemented key action items during fiscal year 2021, including reducing discretionary spending, hiring freezes, salary freezes, reductions in capital spending, and temporarily reducing retirement matching, among others. However, despite these pressures and measures taken, not one Fordham employee was laid off or furloughed.

The fiscal year 2021 budget planning process contemplated 15 scenarios with varying assumptions for enrollment and online or remote instruction, with a base case budget that assumed enrollments at 88% of prior year and 50% residential housing occupancy. Total actual revenues of \$617.7 million were \$24.8 million (4.2%) greater than budget, led by stronger enrollments and housing occupancy. Net tuition and fees were \$16.1 million (3.4%) better than budget, and student housing and food service were \$10.9 million (27.3%) better than budget. Total actual expenses were \$609.8 million, which was \$17.4 million (2.9%) greater than budget and mainly caused by greater labor costs and payments to students under federal stimulus programs.

Student demand and enrollment in the 2020-21 academic year remained strong. Total applications for fall 2020 first-year student admittance hit a record high of 47,936. Full-time equivalent ("FTE") student enrollment was 14,726, a 4.4% decline from the prior year, but exceeding budget expectations. The initial budget presumed undergraduate enrollments of 8,755 students and an incoming first-year class of 2,025 students, representing a 12% decline from pre-pandemic levels. Actual enrollments exceeded 9,000 undergraduate students, with a first-year class that was 30 students larger than budgeted. The adopted budgeted also presumed the University would average full-year occupancy of approximately 50%; however, demand for housing outperformed budgeted levels, with 65% in housing occupancy.

The University continues to proactively manage its finances through scenario planning and conservative budgeting. The fiscal year 2022 budget process included nine scenarios and assumed fully-reopened campuses. Total budgeted revenues are \$660.1 million, or 6.9% growth over fiscal year 2021. Current year budgeted revenues represent the largest ever, surpassing fiscal years 2019 and 2020 by 7.6% and 4.2%, respectively. The base-case budget is based on an assumed 2,100 first year undergraduate students, 85% fall housing occupancy and 92% spring occupancy. To date, Fordham has outperformed on these key assumptions, with 2,879 first-year entering students and 96.2% housing occupancy. Fordham budgeted for \$23.7 million in HEERF funds designated for fiscal year 2022, which includes \$2.3 million unused from HEERF II and the full balance of \$21.4 million allotted under HEERF III, authorized by the ARP. Expense management will continue in fiscal year 2022, with ongoing curtailment of discretionary spending, a continued hiring freeze, a modest reduction in capital spend, and other strategies to manage expenses.

First-year enrollment during the academic year 2021-2022 represents Fordham's largest-ever entering class, and student headcount enrollment hit an all-time high of 16,986. FTE student enrollment of 15,258 is the second highest in University history. Further reflecting the University's success in strategic planning efforts during an otherwise difficult year due to the impact of COVID-19, Fordham's first-year entering class is the most diverse in Fordham history, and its most academically qualified for those reporting SAT and ACT test scores or GPA.

## **Governance**

The University is governed by a self-perpetuating Board of Trustees (the “Board”). The University statutes provide that the Board shall consist of not more than 40 or fewer than five persons. The President of the University is an ex-officio member of the Board. The term of office of each member other than the President is four years. After completion of two four-year terms on the Board, a period of one year must elapse before re-election to the Board, except that any trustee who is currently serving as chair of the Board or who has been recommended by the nominating subcommittee for chair may be re-elected for a third consecutive term without any lapse of time. The Board meets at least four times per year. The Board has an Executive Committee that meets at least four times per year and usually ten times per year. Among other committees of the Board are the Audit and Risk Management Committee and the Finance and Investment Committee. The Finance and Investment Committee of the Board (“F&I Committee”) meets in person at least four times per year, with interim telephonic meetings as necessary. The Audit and Risk Management Committee meets in person at least three times per year. The Executive Committee represents the Board in all its functions between regularly scheduled Board meetings except those expressly prohibited by University statutes.

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The members of the Board and its officers and their professional affiliations or principal businesses as of September 27, 2021 are listed below.

**Robert D. Daleo**<sup>1,2</sup>  
**Chair of the Board**  
 Vice Chairman, Retired  
 Thomson Reuters

**Armando Nuñez, Jr.**<sup>1</sup>  
**Co-Vice Chair**  
 Advisor / Former Chairman  
 Viacom CBS Global Distribution  
 Group

**Mary Ann Sullivan**<sup>1</sup>  
**Co-Vice Chair**  
 Partner  
 Hogan Lovells US, LLP

**Joseph M. McShane, S.J.**<sup>1,2</sup>  
 President  
 Fordham University

**Don Almeida**<sup>1,2</sup>  
**Vice Chair, Retired**  
 Retired Vice Chairman,  
 PricewaterhouseCoopers LLP

**Meaghan Jarensky Barakett**  
 Founder and Executive Director  
 One Girl

**Gerald R. Blaszczak, S.J.**  
 Assistant to the President and  
 Alumni Chaplain  
 Fairfield University

**Darryl Emerson Brown**  
 President  
 BrownBoys3 Inc.

**James E. Buckman**  
 Lead Director, Wyndham Destinations  
 Inc.  
 Director, Wyndham Hotels & Resorts  
 Inc.

**Eileen FitzGerald Sudler**  
 General Counsel  
 Sudler Management Corporation

**Jorge B. San Miguel**<sup>2</sup>  
 President  
 The San Miguel Foundation

**Ulderico Calero, Jr.**<sup>2</sup>  
 Head of Banking  
 BNY Mellon Wealth Management

**Anthony P. Carter**<sup>1</sup>  
 Former Vice President of Global  
 Diversity & Inclusion and Chief  
 Diversity Officer  
 Johnson & Johnson

**Denny Chin**  
 Judge  
 United States Court of Appeals -  
 Second Circuit

**Emanuel Chirico**<sup>2</sup>  
 Chairman and Chief Executive  
 Officer  
 Phillips-Van Heusen

**Gregory C. Chisholm, S.J.**  
 Pastor  
 St. Charles Borromeo and  
 Resurrection Chapel

**Carolyn Dursi Cunniffe**  
 Former Senior Vice President  
 Cablevision Systems Corporation

**Michael J. Dowling**  
 President and Chief Executive  
 Officer  
 Northwell Health

**Thomas C. Ennis**<sup>2</sup>  
 Chief Executive Officer  
 P.K. Kinder Company, Inc.

**Christopher F. Fitzmaurice**<sup>1,3</sup>  
 CFF Asset Management

**Dario Werthein**<sup>2</sup>  
 Managing Director  
 Grupo Werthein

**Gualberto J. Rodriguez**  
 President  
 Caribbean Produce Exchange

**James P. Flaherty**  
 Founder and Chairman,  
 International Healthcare Investor

**Darlene Luccio Jordan**  
 Executive Director  
 The Gerald R. Jordan Foundation

**Maryanne R. Lavan**<sup>3</sup>  
 Senior Vice President and General  
 Counsel  
 Lockheed Martin Corporation

**John Lumelleau**<sup>1,3</sup>  
 Retired President and Chief  
 Executive Officer  
 Lockton Companies

**Kathleen MacLean**  
 Philanthropist

**Sylvester McClearn**<sup>2</sup>  
 Senior Investment Officer  
 New York State Common Retirement  
 Fund

**Henry Miller**<sup>1</sup>  
 Chairman  
 Marblegate Asset Management

**Thomas J. Regan, S.J.**<sup>1</sup>  
 Superior  
 Fordham University Jesuit  
 Community

**Susan Conley Salice**<sup>1</sup>  
 President  
 Salice Family Foundation

**Richard P. Salmi, S.J.**  
 Rector  
 Jesuit Community of Loyola  
 University Chicago

**Edward M. Stroz**  
 Retired Executive Chairman  
 Stroz Friedberg, LLC

<sup>1</sup>Member of Executive Committee

<sup>2</sup>Member of Finance and Investment  
 Committee

<sup>3</sup>Member of Audit and Risk  
 Management Committee

## **Administration**

The University is administered by a President who is responsible for its daily operations. The Board elects additional officers of the University. Those presently serving as officers of the University include:

### ***The Reverend Joseph Michael McShane, S.J., President***

The Reverend Joseph M. McShane, S.J., became the 32nd president of Fordham University on July 1, 2003. He previously served at Fordham as Dean of Fordham College, as a professor of theology and as a member of the Board of Trustees. He served on the religious studies faculty at LeMoyné College in Syracuse, New York, from 1982 to 1992 and as chair of the Department of Religious Studies from 1991 to 1992. Father McShane joined the Fordham Board of Trustees in 1987 and served until 1992 when he was appointed Dean of Fordham College and professor of theology. In 1998, Father McShane left Fordham to become president of the University of Scranton in Pennsylvania and was reappointed to Fordham's Board of Trustees in 2001. He left the University of Scranton in 2003 to return to Fordham as its President. In addition to his presidential responsibilities, Father McShane serves on the boards of Santa Clara University (Santa Clara, California), Bloomberg Family Foundation (New York, New York), YMCA of Greater New York, The Association of Jesuit Colleges and Universities (AJCU, Washington, DC), and the Commission on Independent Colleges and Universities (New York State). Father McShane received a bachelor's degree in English and philosophy and a master's degree in English from Boston College, and he holds a Ph.D. in the history of Christianity from the University of Chicago. He received M. Div. and S.T.M. degrees from the Jesuit School of Theology at Berkeley.

On September 2, 2021, President Joseph McShane officially announced the decision to step down as President of Fordham University at the end of the 2021-2022 academic year, effective June 30, 2022. While Father McShane remains fully engaged in his role, the University's Board has formed a search committee to identify and recruit the next University President.

### ***Martha K. Hirst, Senior Vice President, Chief Financial Officer and Treasurer***

Martha K. Hirst was appointed Fordham's Senior Vice President, Chief Financial Officer, and Treasurer, effective July 1, 2015. Prior to coming to Fordham, she served for four years as Executive Vice President, Chief Operating Officer, and Treasurer at St. John's University. Prior to St. John's, Ms. Hirst served in several senior positions with the City of New York, including as Commissioner of New York City's Department of Citywide Administrative Services for eight years and as Deputy Commissioner of the Department of Sanitation for six. Ms. Hirst received a bachelor's degree, magna cum laude, from New York University and a master's degree in urban planning from NYU's Wagner School of Public Service.

### ***Dennis Jacobs, Provost and Senior Vice President for Academic Affairs***

Dennis Jacobs joined Fordham University in July 2019 to serve as Provost and Senior Vice President for Academic Affairs. He previously served as Provost and Vice President for Academic Affairs at Santa Clara University; Vice President and Associate Provost for Undergraduate Studies and International Studies at the University of Notre Dame; and Professor of Chemistry at the University of Notre Dame. Dr. Jacobs earned his Ph.D. in chemistry from Stanford University and bachelor's degrees in chemistry and physics from the University of California at Irvine.

### ***Peter A. Stace, Senior Vice President for Enrollment and Strategy***

As the Senior Vice President for Enrollment and Strategy, Peter A. Stace oversees the Enrollment Group, which integrates the offices of undergraduate admission, financial aid, enrollment services, academic records, student accounts, and enrollment research. He chairs the Council on Undergraduate Enrollment and co-chairs the Continuous University Strategic Planning committee. He is also a member of the Education Advisory Board ("EAB") Enrollment Management Forum, Academic Affairs Forum and the EAB Student Success Collaborative.

Dr. Stace has served Fordham as its chief enrollment officer since 1995. Before joining Fordham, he was Vice Provost for Enrollment Management at Northeastern University, Dean of Admission and Enrollment Planning at Ithaca College, and Assistant Dean in the College of Arts and Sciences at Syracuse University. He is a frequent speaker nationally and co-authored several articles and a book chapter on the topic of enrollment management.

Dr. Stace holds a B.S. in Economics from Fordham as well as an M.A. in Human Capital Economics and a Ph.D. in Higher Education Administration from Syracuse University.

***Roger A. Milici Jr., Vice President for Development and University Relations***

Roger A. Milici, Jr. joined the University as Associate Vice President for Development in May 2009. He was appointed Vice President in May 2011. Under Milici’s leadership, the University successfully completed two fundraising campaigns – Excelsior Ever Upward for \$500 million and Faith & Hope A Campaign for Financial Aid for \$175 million.

In 2019 The Council for Advancement and Support of Education recognized Fordham’s Development and University Relations division, led by Mr. Milici, with an Educational Fundraising Award for sustained excellence in fundraising programs. The award, based on a blind analysis of fundraising data, places the University’s advancement program among the top 90 colleges and universities in the nation.

Before coming to Fordham, Mr. Milici served as Senior Director of Development and Alumni Relations at the Fletcher School of Law and Diplomacy at Tufts University, a post he held from June 2001. Mr. Milici received a bachelor’s degree in international affairs and a master’s degree in social and public policy from Duquesne University. He also studied in the Master of Divinity program at the University of Notre Dame.

***Nicholas Milowski, Vice President for Finance and Assistant Treasurer***

Nicholas Milowski joined Fordham in December 2015 and manages the University’s finance and treasury operations. Prior to joining Fordham, Nick was the Controller at the Helmsley Charitable Trust and a Senior Manager at KPMG. At KPMG, he specialized in providing audit and advisory services to large higher education and other nonprofit organizations. Mr. Milowski holds two bachelor’s degrees from the College of the Holy Cross, in Economics/Accounting and in German Studies. He is a Certified Public Accountant and a Chartered Global Management Accountant.

**Employee Relations**

The Fordham University community of employees is strong. At present, the University employs approximately 3,150 people (other than faculty) in the following capacities:

|                                       | <u>Full-Time</u> | <u>Part-Time</u> |
|---------------------------------------|------------------|------------------|
| Administrative/Technical/Professional | 1,142            | 7                |
| Clerical (Local 153)                  | 202              | 11               |
| Maintenance (Local 810)               | 223              | 21               |
| Hourly                                | <u>      </u>    | <u>1,535</u>     |
| Total                                 | 1,567            | 1,574            |

The University’s full-time tenured and tenure-track faculty are not unionized but make their concerns known to the administration through the Faculty Senate of Fordham University.

The University’s full-time and part-time (contingent) non-tenure track faculty are represented by the Service Employees International Union Local 200 United (“SEIU”). Effective July 1, 2018, the University and the SEIU reached an agreement for two separate collective bargaining agreements; one for part-time contingent faculty and the other for full-time non-tenure track faculty. Collective bargaining agreements were ratified by the union membership and approved by the Board. These collective bargaining agreements terminate on June 30, 2022.

The University has collective bargaining agreements with the Office and Professional Employee International Union, Local 153, an affiliate of the AFL-CIO, for its clerical, secretarial and select technical positions, and the Fordham University Employees, Local 810, an affiliate of the International Brotherhood of Teamsters, which represents physical plant and post office employees at all three campus locations. Both the Local 153 agreement and the Local 810 collective bargaining agreements terminate on June 30, 2026.

## OPERATING INFORMATION

### Undergraduate Admissions

The following table illustrates the number of applications received for first-time full-time admission to Fordham’s undergraduate programs, the number of applicants accepted by the University and the number of successful applicants who enrolled, for each of the last five academic years from 2017 through 2021.

The number of applications for first-year undergraduate admission to the University has grown from 45,146 in Fall 2017 to 46,275 in Fall 2021, an increase of 2.4%.

|                         | <b><u>ADMISSIONS STATISTICS FOR FALL</u></b> |                    |                    |                    |                    |
|-------------------------|--|--------------------|--------------------|--------------------|--------------------|
|                         | <b><u>2017</u></b>                           | <b><u>2018</u></b> | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> |
| First-Year Applications | 45,146                                       | 46,308             | 47,930             | 47,936             | 46,275             |
| First-Year Acceptances  | 20,966                                       | 21,312             | 21,988             | 25,180             | 26,980             |
| Percentage Accepted     | 46%  | 46%                | 46%                | 53%                | 58%                |
| First-Year Matriculants | 2,283  | 2,299              | 2,270              | 2,086              | 2,879              |
| Percentage Matriculants | 11%  | 11%                | 10%                | 8%                 | 11%                |

The outcome of the yield calculation is a result of judicious management of the discount rate, while continually seeking to increase the academic profile of the students Fordham recruits. The University’s matriculation has been maintained between 10% and 11%, excluding the pandemic year in 2020, and is an anticipated outcome of the University’s enrollment strategy.

Fordham’s student enrollment was exceptional during the height of the COVID-19 pandemic and now in the post-crisis or more normalized operating environment. Applications for first-year undergraduate admission reached an all-time high for Fall 2020 while enrollment exceeded budget expectations. Fall 2021 first-year undergraduate applications were the fourth highest year on record where Fordham experienced record first-year matriculants, record enrollment, the most diverse first-year entering class in University history, and the most academically qualified for those reporting test scores or GPA. The University anticipates that implementation of its new strategic plan, *Education for Justice: Fordham University Vision and Strategic Plan, 2021-2026* will continue to guide strong enrollment outcomes as Fordham maintains focus on strategic imperatives such as diversity, access, social justice, affordability, student persistence, financial support, mentorship, experiential education, career placement, and academic programming including investments in STEM programs.

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**Student Enrollment**

Total headcount enrollment was 16,986 in Fall 2021, with 13,422 full-time students and 3,564 part-time students, representing 5.9% growth over Fall 2017 levels. FTE student enrollment in Fall 2021 was 15,258, and 3.6% over Fall 2017 levels. Student headcount enrollment was at an all-time high in Fall 2021, and FTE student enrollment was the second highest in University history. The COVID-19 pandemic impacted higher education institutions nationwide, including Fordham. However, Fall 2021 enrollment has now surpassed pre-pandemic levels in the return to more normalized operations. See “- Pandemic Planning and Response, Federal Stimulus Support, and Recent Financial Performance” for a description of the enrollment and financial impact and University response to the Pandemic. The following table details headcount enrollment at Fordham for the past five academic years.

| <b><u>TOTAL ENROLLMENT</u></b> |                             |   |                     |                             |   |                     |  |
|--------------------------------|-----------------------------|---|---------------------|-----------------------------|---|---------------------|--|
| <b>Full-Time</b>               |                             |   |                     | <b>Part-Time</b>            |   |                     | <b>Grand Total<br/>Full- &amp;<br/>Part-Time</b> |
| <b>Fall</b>                    | <b><u>Undergraduate</u></b> | <b><u>Graduate &amp;<br/>Professional</u></b> | <b><u>Total</u></b> | <b><u>Undergraduate</u></b> | <b><u>Graduate &amp;<br/>Professional</u></b> | <b><u>Total</u></b> |  |
| 2017                           | 9,132                       | 4,258   | 13,390              | 467                         | 2,180   | 2,647               | 16,037   |
| 2018                           | 9,149                       | 4,587   | 13,736              | 496                         | 2,283   | 2,779               | 16,515   |
| 2019                           | 9,229                       | 4,371   | 13,600              | 538                         | 2,834   | 3,372               | 16,972   |
| 2020                           | 8,887                       | 3,995   | 12,882              | 512                         | 2,970   | 3,482               | 16,364   |
| 2021                           | 9,443                       | 3,979   | 13,422              | 461                         | 3,103   | 3,564               | 16,986   |

The following table presents mean SAT scores for entering first-year undergraduate students. Beginning with Fall 2021, the requirement to submit an SAT score became optional for incoming students.

| <b><u>MEAN SAT SCORES ENTERING FIRST-YEAR UNDERGRADUATE STUDENTS</u></b> |                     |
|--|---------------------|
| <b><u>Fall</u></b>   | <b><u>Total</u></b> |
| 2017   | 1319                |
| 2018   | 1335                |
| 2019   | 1340                |
| 2020   | 1319                |
| 2021   | 1380                |

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## Student Charges

The following table details tuition and room charges for Fordham's nine colleges and schools, for academic years 2017 through 2021:

|  | <b><u>STUDENT CHARGES</u></b> |                    |                    |                    |                    |
|--|-------------------------------|--------------------|--------------------|--------------------|--------------------|
|  | <b><u>2017</u></b>            | <b><u>2018</u></b> | <b><u>2019</u></b> | <b><u>2020</u></b> | <b><u>2021</u></b> |
| <b>Tuition:</b>  |                               |                    |                    |                    |                    |
| Full-Time Undergraduate  | \$49,645                      | \$51,285           | \$52,980           | \$54,730           | \$54,730           |
| Fordham College of Professional and Continuing Studies, (Per Credit) | \$882                         | \$900              | \$915              | \$945              | \$945              |
| Graduate Arts and Sciences, (Per Credit)                             | \$1,471                       | \$1,486            | \$1,516            | \$1,546            | \$1,546            |
| Law School   |                               |                    |                    |                    |                    |
| J.D. Full-time (Flat Rate)   | \$57,386                      | \$59,538           | \$61,770           | \$63,932           | \$65,850           |
| J.D. Part-time (Flat Rate)   | \$43,040                      | \$44,654           | \$46,328           | \$47,950           | \$49,388           |
| Other Professional Schools   |                               |                    |                    |                    |                    |
| Range Per Credit   | \$876-\$1,495                 | \$902-\$1,555      | \$929-\$1,617      | \$960-\$1,682      | \$960-\$1,682      |
| Annual Room Rates  | \$8,960-\$18,760              | \$9,229-\$19,320   | \$9,505-\$19,895   | \$9,790-\$20,485   | \$10,085-\$21,100  |
| Annual Board Charge  | \$5,445-\$6,955               | \$5,610-\$7,980    | \$5,780-\$8,220    | \$5,950-\$8,470    | \$6,130-\$8,725    |

In response to the myriad financial challenges faced by students and families during the COVID-19 pandemic, the University did not increase tuition for academic year 2021-2022. Under normal circumstances, however, the University plans for increases in tuition and room and board charges that are competitive and commensurate with comparable institutions in the Metro New York area. Such increases are also comparable to those that can be expected at universities competing with Fordham for students and are not anticipated to have an adverse impact on student enrollment.

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## Student Financial Aid

The University administers a comprehensive financial assistance program comprising scholarships, grants, loans, and a work-study program for its students. The sources and amounts of financial aid received by students for the past five fiscal years are as follows:

### SCHOLARSHIPS AND GRANTS FROM ALL SOURCES BY SOURCE<sup>1</sup>

(in millions)

|                               | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Federal <sup>2</sup>          | 9.6            | 10.5           | 10.5           | 11.1           | 12.4           |
| State                         | 1.9            | 1.4            | 1.3            | 1.4            | 0.5            |
| External/Other                | 0.1            | 0.3            | -              | 11.5           | 13.8           |
| Institutional aid             | 201.8          | 218.5          | 233.4          | 240.8          | 247.2          |
| Total Scholarships and Grants | <u>\$213.4</u> | <u>\$230.7</u> | <u>\$245.2</u> | <u>\$264.8</u> | <u>\$273.9</u> |

<sup>1</sup> Aid includes fall, spring and summer aid disbursed for undergraduate, graduate, or professional students. Institutional aid consists of awards based on need, merit, or athletics. The data are as of the end of the fiscal year.

<sup>2</sup> Includes Pell Grant Funds, which are not reflected in the University's financial statements.

Reductions in federal or state aid programs, including student loan programs, or restrictive changes in eligibility requirements could adversely affect all students requiring financial assistance, including students receiving such aid at Fordham. However, the University does not believe that reductions or restrictions in any specific federal or state program would disproportionately affect Fordham students, as compared with those at other universities with which Fordham competes for its student body. Future payments of state-funded financial aid are dependent on the enactment of annual appropriations and the ability of the State of New York to pay the sums appropriated.

## Faculty

Of the full-time faculty members, more than 94% hold doctoral or other terminal degrees; 54% are men, 46% are women, and 24% are members of racial minorities. Tenured faculty total 456, or 61% of the total full-time faculty. The undergraduate student/faculty ratio in Fall 2020 was 13 to 1, and the average class size for undergraduate courses was 22.6 students.

The faculty profile for the available past four academic years is as follows:

### FACULTY PROFILE<sup>1</sup>

|                     | <u>Fall 2017</u> | <u>Fall 2018</u> | <u>Fall 2019</u> | <u>Fall 2020</u> |
|---------------------|------------------|------------------|------------------|------------------|
| Full-time           | 735              | 742              | 753              | 747              |
| Part-time & adjunct | 876              | 1,040            | 1,110            | 890              |
| Total               | <u>1,611</u>     | <u>1,782</u>     | <u>1,863</u>     | <u>1,637</u>     |
| Tenured             | 437              | 449              | 459              | 456              |

<sup>1</sup> Fall 2021 data will be available in Spring 2022.

## ANNUAL FINANCIAL STATEMENT INFORMATION

### Annual Financial Statement Presentation

The University's financial statements as of and for the fiscal years ended June 30, 2021 and 2020, included herein as Appendix B, have been audited by KPMG LLP, independent auditors, as stated in their report appearing therein.

The University is in a strong financial position, with total assets more than \$2.4 billion and an endowment that now exceeds \$1.0 billion. Operating revenue and transfers totaled \$658.8 million against operating expenses of \$651.1 million, yielding an operating result of \$7.7 million. The insured replacement value for the University's buildings, furnishings, and equipment was approximately \$2.0 billion at June 30, 2021, which exceeded the carrying value of such property on the University's statement of financial position by \$885 million. Since June 30, 2021, there has been no material adverse change in the financial condition of the University.

The following tables provide summaries of the statements of activities of the University for each of the five fiscal years ended June 30, 2017 through June 30, 2021, and summaries of the statements of financial position of the University as of the last day of each fiscal year from June 30, 2017 through June 30, 2021. The formatting of amounts reported in these summaries may differ slightly from the audited financial statements to ensure the comparability of amounts across each of the five years and, accordingly, the following tables should be read in conjunction with the financial statements and the notes thereto included herein as Appendix B.

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14. The University adopted the requirements of the new ASU which includes the change in net assets terminology from unrestricted to net assets without donor restrictions and from temporarily and permanently restricted net assets to net assets with donor restrictions, the presentation of expenses by their function and their natural classification in one location, and quantitative and qualitative information about the management of liquid resources and availability of financial assets to meet cash needs within one year of the date of the statement of financial position. The University adopted ASU 2016-14 for the year ended June 30, 2019 and applied the changes retrospectively for the year ended June 30, 2018. Certain reclassifications of the 2017 amounts in the Summaries of Activities and Financial Position have been made to conform to with the presentation of the amounts for 2018-2021, except for immaterial items.

In 2020, the University adopted FASB ASU No. 2016-02, *Leases*. The University has adopted this ASU using the modified retrospective transition approach and the effective date method which allowed the University to apply the new leases standard at the adoption date of July 1, 2020. As such, the University was not required to adjust comparative periods or provide comparative period disclosures. The University recognized right-of-use assets and lease liabilities of \$94,606 and \$106,587, respectively, on July 1, 2020 on its statement of financial position. The Summaries of Activities and Financial Position for 2017 through 2020 presented below have not been modified to conform with the 2021 presentation.

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Summaries of Activities  
Fiscal Years Ended June 30  
(in thousands)

|  | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Changes in net assets without donor restrictions:            |                    |                    |                    |                    |                    |
| Operating revenue:   |                    |                    |                    |                    |                    |
| Tuition and fees, net  | \$477,898          | \$490,234          | \$471,876          | \$447,396          | \$424,687          |
| Government grants  | 31,368             | 19,227             | 14,632             | 16,148             | 16,972             |
| Investment return, net                                       | 32,971             | 30,246             | 32,501             | 32,065             | 27,845             |
| Contributions and private grants                             | 38,330             | 35,459             | 31,483             | 28,371             | 27,540             |
| Student housing  | 36,762             | 50,584             | 64,481             | 63,494             | 60,709             |
| Food services  | 12,753             | 15,423             | 18,961             | 18,663             | 17,545             |
| Other  | 9,895              | 19,210             | 21,119             | 20,862             | 16,739             |
| Net assets released from restrictions                        | 8,107              | 5,176              | 6,186              | 4,616              | 4,471              |
| Total operating revenue                                      | <u>648,084</u>     | <u>665,559</u>     | <u>661,239</u>     | <u>631,615</u>     | <u>596,508</u>     |
| Operating expenses:  |                    |                    |                    |                    |                    |
| Program services:  |                    |                    |                    |                    |                    |
| Instruction, research, and auxiliary services                | 390,041            | 394,759            | 374,617            | 363,502            | 343,238            |
| Academic support   | 175,565            | 176,904            | 175,849            | 172,902            | 172,507            |
| Total program services                                       | <u>565,606</u>     | <u>571,663</u>     | <u>550,466</u>     | <u>536,404</u>     | <u>515,745</u>     |
| Institutional administration                                 | 85,491             | 88,397             | 84,728             | 80,703             | 76,603             |
| Total operating expenses                                     | <u>651,097</u>     | <u>660,060</u>     | <u>635,194</u>     | <u>617,107</u>     | <u>592,348</u>     |
| Operating result before transfer                             | (3,013)            | 5,499              | 26,045             | 14,508             | 4,160              |
| Transfer to designated funds                                 | 10,700             | 874                | (8,000)            | (8,100)            | —                  |
| Operating result   | <u>7,687</u>       | <u>6,373</u>       | <u>18,045</u>      | <u>6,408</u>       | <u>4,160</u>       |
| Non-operating activities:                                    |                    |                    |                    |                    |                    |
| Investment (loss) return, net                                | 55,284             | (13,591)           | (13,394)           | 354                | 20,583             |
| Changes in postretirement benefits                           | 5,470              | 547                | (2,366)            | 1,977              | 2,600              |
| Provision for voluntary separation benefits                  | (3,470)            | —                  | —                  | (10,517)           | —                  |
| Transfer to designated funds                                 | (10,700)           | (874)              | 8,000              | 8,100              | —                  |
| Other  | 2,130              | (4,330)            | 5,474              | (2,923)            | 5,930              |
| Increase (decrease) in net assets without donor restrictions | <u>56,401</u>      | <u>(11,875)</u>    | <u>15,759</u>      | <u>3,399</u>       | <u>33,273</u>      |
| Changes in net assets with donor restrictions:               |                    |                    |                    |                    |                    |
| Contributions and private grants                             | 54,625             | 17,390             | 40,302             | 27,431             | 42,097             |
| Investment return (loss), net                                | 119,446            | (20,409)           | 2,156              | 15,205             | 42,249             |
| Change in fair value of perpetual trust                      | 2,046              | (507)              | 138                | 281                | 554                |
| Net assets released from restrictions                        | (8,107)            | (5,176)            | (6,186)            | (4,616)            | (4,471)            |
| Increase (decrease) in net assets with donor restrictions    | <u>168,010</u>     | <u>(8,702)</u>     | <u>36,410</u>      | <u>38,301</u>      | <u>80,429</u>      |
| Increase (decrease) in net assets                            | 224,411            | (20,577)           | 52,169             | 41,700             | 113,702            |
| Net assets at beginning of year                              | <u>1,364,839</u>   | <u>1,385,416</u>   | <u>1,333,247</u>   | <u>1,291,547</u>   | <u>1,177,845</u>   |
| Net assets at end of year                                    | <u>\$1,589,250</u> | <u>\$1,364,839</u> | <u>\$1,385,416</u> | <u>\$1,333,247</u> | <u>\$1,291,547</u> |

Summaries of Financial Position  
As of June 30  
(amounts in thousands)

|   | <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Assets</b>                               |                    |                    |                    |                    |                    |
| Cash and cash equivalents                   | \$16,197           | \$25,176           | \$13,377           | \$14,581           | \$1,242            |
| Short-term investments                      | 10,649             | 22,764             | —                  | —                  | —                  |
| Accounts receivable, net                    | 17,439             | 20,054             | 16,975             | 11,598             | 11,505             |
| Student loans receivable, net               | 6,318              | 7,630              | 8,851              | 10,325             | 11,260             |
| Deposits with bond trustees                 | 59,644             | 132,892            | 616                | 499                | 546                |
| Contributions receivable, net               | 91,988             | 63,233             | 69,839             | 53,798             | 62,129             |
| Other assets                                | 27,726             | 22,256             | 26,003             | 23,141             | 19,823             |
| Investments                                 | 1,003,039          | 796,240            | 852,210            | 801,142            | 738,854            |
| Operating lease right-of-use assets         | 86,740             | —                  | —                  | —                  | —                  |
| Plant assets, net                           | 1,115,571          | 1,061,178          | 1,028,513          | 1,048,183          | 1,063,245          |
| Total assets                                | <u>\$2,435,311</u> | <u>\$2,151,423</u> | <u>\$2,016,384</u> | <u>\$1,963,267</u> | <u>\$1,908,604</u> |
| <b>Liabilities and Net Assets</b>           |                    |                    |                    |                    |                    |
| Liabilities:                                |                    |                    |                    |                    |                    |
| Accounts payable and accrued expenses       | \$87,452           | \$84,679           | \$76,500           | \$59,888           | \$62,852           |
| Deferred revenue and deposits               | 29,926             | 52,397             | 54,710             | 53,860             | 37,099             |
| Provision for voluntary separation benefits | —                  | —                  | 2,519              | 10,517             | —                  |
| Fair value of swap agreement                | 8,253              | 11,703             | 9,032              | 6,695              | 10,634             |
| Other liabilities                           | 9,183              | 7,713              | 9,019              | 8,628              | 8,090              |
| Postretirement benefit obligation           | 73,762             | 72,854             | 67,824             | 61,032             | 58,786             |
| Long-term debt, net                         | 538,955            | 557,238            | 411,364            | 429,400            | 439,596            |
| Operating lease liability                   | 98,530             | —                  | —                  | —                  | —                  |
| Total liabilities                           | <u>\$846,061</u>   | <u>\$786,584</u>   | <u>\$630,968</u>   | <u>\$630,020</u>   | <u>\$617,057</u>   |
| Commitments and contingencies               |                    |                    |                    |                    |                    |
| Net assets:                                 |                    |                    |                    |                    |                    |
| Without donor restrictions:                 |                    |                    |                    |                    |                    |
| Undesignated                                | \$349,413          | \$422,827          | \$421,269          | \$408,734          | \$417,136          |
| Board-designated                            | 377,856            | 248,041            | 261,474            | 258,250            | 246,449            |
| Total net assets without donor restrictions | <u>727,269</u>     | <u>670,868</u>     | <u>682,743</u>     | <u>666,984</u>     | <u>663,585</u>     |
| With donor restrictions:                    |                    |                    |                    |                    |                    |
| Non-endowed                                 | 420,652            | 301,465            | 214,384            | 187,234            | 183,334            |
| Endowed                                     | 441,329            | 392,506            | 488,289            | 479,029            | 444,628            |
| Total net assets with donor restrictions    | <u>861,981</u>     | <u>693,971</u>     | <u>702,673</u>     | <u>666,263</u>     | <u>627,962</u>     |
| Total net assets                            | <u>1,589,250</u>   | <u>1,364,839</u>   | <u>1,385,416</u>   | <u>1,333,247</u>   | <u>1,291,547</u>   |
| Total liabilities and net assets            | <u>\$2,435,311</u> | <u>\$2,151,423</u> | <u>\$2,016,384</u> | <u>\$1,963,267</u> | <u>\$1,908,604</u> |

## Management Discussion of Recent Financial Performance

The University's financial management posture is marked by (1) a rigorous, long-range operating and capital financial planning process that is informed by the University's strategic plan, (2) a predictive cash flow modeling and forecasting process that seeks to maximize yield on working capital, and (3) a robust financial reporting and monitoring process that provides up-to-date financial information to budget managers to inform decision-making on both a macro and micro level. Fordham's financial planning apparatus incorporates an all-funds approach that considers all its revenue sources, including fundraising and sponsored research, to promote the most responsible stewardship of resources across the University.

Consistent with historical operating performance, the University achieved positive operating results in fiscal years 2020 and 2021, amidst the COVID-19 global pandemic. See “— Pandemic Planning and Response”, “— Federal Stimulus Support” and “— Recent Financial Performance” above for a description of the financial impact and University response to the Pandemic. The University's operating revenues and transfers for fiscal year 2021 totaled \$658.8 million, including \$8.1 million of net assets released from restriction, while operating expenses totaled \$651.1 million, resulting in an operating surplus totaling \$7.7 million for the year, or a 1.2% operating margin. Net tuition revenue declined by 2.5%. Operating expenses similarly decreased, by 1.4%, to \$651.1 million. Total contributions and private grants were \$93.0 million in fiscal year 2021, up 75.9% when compared to \$52.8 million in fiscal year 2020. Total assets increased by \$283.9 million, or 13.2%, to \$2.4 billion; net assets increased 16.4% to \$1.59 billion. Cash and investments increased \$185.7 million, or 22.0% to \$1.0 billion. Long-term debt, inclusive of net unamortized premium and issuance costs, decreased by 3.3% to \$539.0 million. Since June 30, 2021, there has been no material adverse change in the financial condition of the University.

In connection with the issuance of certain of the Prior DASNY Bonds, the University agreed to certain financial covenants in the related loan agreements. As of June 30, 2021, the University complies with those financial covenants.

## Budget Process

The University employs a continual financial planning process that involves coordination of strategic and financial planning, the setting of growth rates of revenues and expenses based on various internal and external factors, and communication both vertically and horizontally across the University community. Each annual financial planning cycle typically comprises five fiscal years and includes the annual operating budget as well as four subsequent planning budgets based on forecasted revenues and expenses.

While varying slightly from year to year, the principal financial planning activities within each annual cycle include:

- April: The Board of Trustees is asked to approve the five-year financial plan for the upcoming five years. That plan includes several significant budget drivers, including the level of endowment spending (the “spending rate”), the proposed rates of growth for each significant revenue and expense component, and a description of the significant strategic priorities that are to be funded.
- September: The Financial Planning and Analysis group within the Office of Finance disseminates guidelines to budget managers that set the cadence and expectations around the upcoming financial plan development process. These guidelines identify those strategic priorities, commitments, and goals that take precedent for the upcoming fiscal year.
- Fall/Winter: A series of detailed financial planning meetings are held with all schools and divisions within the institution. In addition, the strategic planning body of the University, as well as an advisory committee of senior University leadership, develop and evaluate the strategic priorities that are formulated by local planning groups across the University community. Tuition rate increases for the ensuing fiscal year are proposed to the Board for its December meeting.
- Late Winter/Early Spring: The final five-year financial plan is drafted, which includes capital spending priorities and funded strategic initiatives. Rates of revenue and expense growth for the upcoming five-year period are refreshed, as necessary.

As an institution heavily dependent on revenue from students, Fordham's initial revenue forecasts for budget planning are based on expected future enrollments and tuition and fee charges, and the University's expectation of market conditions. The initial expenditure projections are made for salary and benefit costs and expected student financial aid requirements. As noted above, at the December meeting of the Board, it adopts the specific undergraduate and graduate tuition rate increases.

Detailed departmental budgets are developed by the University's Provost, vice presidents, and deans in consultation with the Office of Finance. These departmental budget allocations are finalized as a university-wide budget for presentation to the Board at its spring meeting.

Once the fiscal year begins, budget performance is monitored through real-time reporting of actual revenues and expenses using automated budget dashboards customized to the specific needs of each budget manager. In addition, the University's senior finance leaders regularly conduct town hall-style meetings to discuss the state of the University's finances, which includes a segment to review the performance of the University against its budget and financial targets. Monthly reporting and management analysis is distributed to the University's senior leadership team and Board.

### **State Aid**

The University benefits from a New York State program through which aid is allocable to certain not-for-profit institutions of higher education based on the number of academic degrees conferred during the previous year. The University received \$1.2 million both in 2021 and 2020 from New York State under this program. Future payments are dependent on the enactment of annual appropriations by the New York State Legislature and the ability of New York State to pay the sums appropriated.

### **Pension and Other Postretirement Plans**

Employees of the University are covered under a defined contribution retirement plan administered by either Teachers Insurance and Annuity Association, Fidelity Investments, or Prudential Defined Contribution Services, at each employee's option. Fordham's contributions to retirement plans for its employees totaled approximately \$20.3 million and \$20.9 million in fiscal years 2021 and 2020, respectively.

In addition to providing retirement benefits, the University provides certain health care and life insurance benefits for retired faculty and administrative employees who meet certain minimum age and length of service requirements. The cost of providing these benefits is recognized as they are earned by the employees.

Net periodic postretirement benefit cost for fiscal year 2021 totaled \$8.2 million, which consisted of \$6.4 million of service cost, and \$1.8 million of interest cost, less \$0.3 million amortization of net gain. The University expects to continue to fund such benefit costs on a pay-as-you-go basis. Payments made by the University for these benefits, net of participants' contributions, were \$2.9 million each in fiscal years 2021 and 2020. The accumulated postretirement benefit obligation on June 30, 2021 was \$73.8 million.

### **Gifts**

The Office of the Vice President for Development and University Relations is responsible for developing and executing plans for fund-raising to support endowment growth, capital expenditures, and the operating budget of the University. Sources of gifts are alumni, corporations, foundations, and friends. The estimated alumni participation rate is 12.1%. In July 2019, the University concluded a campaign for financial aid, which met its goal of raising \$175 million and is currently on target to complete a campaign for its campus center renovation. In fiscal year 2021 the University recorded its largest year on record for contributions and private grants, \$93.0 million, a portion of which is a gift that will be used to support scholarships, teaching and learning excellence, and innovation. Ongoing and future development initiatives will continue to reflect the University's strategic planning efforts to support operations, scholarship, affordability, student access, diversity and inclusion, and athletics.

The total amounts of contributions and private grants received by the University segregated by donor restrictions during the most recent five fiscal years are as follows:

**CONTRIBUTIONS AND PRIVATE GRANTS**

**Fiscal Years Ended June 30  
(in thousands)**

| <b><u>Fiscal Year</u></b> | <b><u>Without Donor<br/>Restrictions</u></b> | <b><u>With Donor<br/>Restrictions</u></b> | <b><u>Total</u></b> |
|---------------------------|--|---|---------------------|
| 2017                      | \$27,540                                     | \$42,097                                  | \$69,637            |
| 2018                      | 28,371                                       | 27,431                                    | 55,802              |
| 2019                      | 31,483                                       | 40,302                                    | 71,785              |
| 2020                      | 35,459                                       | 17,390                                    | 52,849              |
| 2021                      | 38,330                                       | 54,625                                    | 92,955              |

**Investment Performance**

The fair values and returns for the University's investments for each of the last five fiscal years are as follows:

**INVESTMENT VALUES AND RETURNS**

**Fiscal Year Ended June 30  
(in thousands)**

| <b><u>Fiscal Year</u></b> | <b><u>Fair<br/>Values at<br/>June 30</u></b> | <b><u>Investment<br/>Return (Loss),<br/>Net of Fees</u></b> |
|---------------------------|--|---|
| 2017                      | \$738,854                                    | \$90,677  |
| 2018                      | 801,142                                      | 47,624  |
| 2019                      | 852,210                                      | 21,263  |
| 2020                      | 819,004                                      | (3,754)   |
| 2021                      | 1,013,688                                    | 207,701   |

The fair values of the investments are determined based on quoted market prices or estimated fair values provided by external managers and general partners in the case of limited partnership investments. These estimated values are reviewed and evaluated by the University.

The University's invested funds, including cash and cash equivalents, had a fair value of \$1.0 billion at June 30, 2021, the preponderance of which is endowment. The University's investment pool, which acts as the largest component of its endowment, is made up of approximately 1,050 individual accounts that are invested jointly but accounted for separately to assure compliance with donor restrictions.

The annual returns for the University's Investment Pool for the last five fiscal years are as follows:

**ANNUAL INVESTMENT RETURNS**

**Fiscal Years Ended June 30**

| <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|-------------|-------------|-------------|-------------|-------------|
| 12.9%       | 7.6%        | 3.0%        | (0.1)%      | 26.4%       |

The F&I Committee is responsible for overseeing the University's investment program by establishing investment policy and asset allocation; authorizing retention of external investment managers and consultants; and monitoring the implementation and performance of the investment program. The University's Chief Investment Officer, with oversight from the Senior Vice President, Chief Financial Officer and Treasurer, is responsible for the day-to-day management of the investment program. On June 30, 2021, the University had outstanding commitments for alternative investments of approximately \$240 million. The F&I Committee has established a long-term asset allocation policy, which provides for the following asset class allocation targets: Real Assets 20%; Diversifiers 20%; Private Equity 20%; Public Equity 20%; Private Bonds 15%; and Public Bonds 5%.

## Plant Values

The net book values of the physical plant of the University for the past five fiscal years are as follows:

|   | <b><u>PLANT ASSETS</u></b>        |             |             |             |             |
|---|-----------------------------------|-------------|-------------|-------------|-------------|
|   | <b>Fiscal Years Ended June 30</b> |             |             |             |             |
|   | <b>(in thousands)</b>             |             |             |             |             |
|   | <b>2017</b>                       | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Land and land improvements                      | \$39,950                          | \$39,548    | \$39,536    | \$42,160    | \$42,009    |
| Buildings and building improvements             | 1,218,235                         | 1,219,045   | 1,245,583   | 1,253,226   | 1,300,771   |
| Furnishings, equipment, and library collections | 298,158                           | 299,599     | 309,253     | 326,656     | 339,035     |
| Construction in progress                        | 7,119                             | 35,286      | 27,266      | 84,741      | 135,064     |
| Total   | \$1,563,102                       | \$1,593,478 | \$1,621,638 | \$1,706,783 | \$1,816,879 |
| Less: Accumulated depreciation                  | (499,857)                         | (545,295)   | (593,125)   | (645,605)   | (701,308)   |
| Total   | \$1,063,245                       | \$1,048,183 | \$1,028,513 | \$1,061,178 | \$1,115,571 |

The University presently carries, under blanket policies, insurance on its buildings and their contents, excluding building foundations and land, at 100% of the estimated replacement cost of all buildings and facilities.

## Capital Plan

In the winter of each preceding year, the University's Board of Trustees approves a capital plan for the next fiscal year, which incorporates feedback from key stakeholders across the University. The annual capital plan budgets for both physical plant and technology infrastructure spend.

With respect to major capital projects, the University's campus center is currently undergoing a renovation and expansion project, the costs of which were partially funded by the issuance of the Series 2020 Bonds. This project is on schedule and expected to be completed in fiscal year 2025. The renewed campus center will enhance the University's attractiveness to students and families, and improve retention and yield. The University does not currently have plans or approvals for major future capital projects over the next three years.

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## Outstanding Indebtedness and Other Obligations

The following table presents a summary of the University's outstanding long-term indebtedness on June 30, 2021, excluding net unamortized premiums and bond issuance costs. Certain Prior DASNY Bonds are secured by pledges of University tuition and fees, and they are noted later in this section.

| <b>Long-Term and Other Debt Obligations</b> | <b>Interest Rate</b> | <b>Maturity Year</b> | <b>Amount Outstanding (in thousands)</b> |
|---|----------------------|----------------------|--|
| Series 2008A Bonds                          | Variable             | 2032                 | \$63,905                                 |
| Series 2012 Bonds                           | 3.00% – 5.00%        | 2032                 | 20,145                                   |
| Series 2014 Bonds                           | 4.00% – 5.00%        | 2044                 | 47,530                                   |
| Series 2016A Bonds                          | 4.00% – 5.00%        | 2041                 | 131,700                                  |
| Series 2017 Bonds                           | 4.00% – 5.00%        | 2036                 | 78,050                                   |
| Series 2020 Bonds                           | 4.00%                | 2050                 | 145,190                                  |
| U.S. Department of Education                | 3.00%                | 2022                 | 343                                      |
| Capitalized Lease Obligations               | 2.00% – 7.00%        | 2021                 | 528                                      |
| Unsecured Note <sup>(1)</sup>               | None                 | 2022                 | <u>2,750</u>                             |
|   |                      |                      | <u>\$490,141</u>                         |

<sup>(1)</sup> Represents an obligation to Jesuits of Fordham, Inc. in connection with the acquisition in July 2012 of a building on the University's Rose Hill Campus.

The Series 2020 Bonds, the Series 2017 Bonds, the Series 2016A Bonds, the Series 2014 Bonds, the Series 2012 Bonds and the Series 2008A Bonds mature in varying amounts through July 1, 2050. The Series 2008A Bonds and the Series 2012 Bonds are secured by pledges of tuition revenues equal to the maximum annual debt service requirements on the applicable series of bonds. The Series 2014 Bonds are secured by a general pledge of tuition revenues. The Series 2016A Bonds, the Series 2017 Bonds, and the Series 2020 Bonds and the anticipated Series 2021 Bonds are general unsecured obligations of the University. See "PART 5 — "THE PLAN OF REFUNDING" and "PART 6 — ESTIMATED SOURCES AND USES OF FUNDS" for information relating to the refunding of the Series 2016 Refunded Bonds and the Series 2012 Refunded Bonds. See "PART 5 — THE PLAN OF REFUNDING" herein for a description of the potential issuance of the Series 2024 Forward Bonds and the potential refunding of the Series 2014 Refunded Bonds.

The U.S. Department of Education note is due in semiannual installments through November 2022. The note is secured by the properties financed.

In May 2008, the Series 2008A Bonds were issued in the amount of \$96.9 million, the proceeds of which were used to refund a previous bond issue and pay costs of issuance. The Series 2008A Bonds are secured by an irrevocable letter of credit, which expires in 2024.

In connection with a prior bond issue in 2005, and as amended with the issuance of the Series 2008A Bonds, the University entered into an interest-rate swap agreement with an original notional amount of approximately \$95.8 million. Under the terms of the agreement, the University pays a fixed rate of 3.2475%, and receives 67% of the one-month LIBOR on the notional principal amount (approximately \$63.9 million at June 30, 2021). The liability of the swap agreement, reported at fair value and categorized as Level 2 in the hierarchy, was \$8.2 million and \$11.7 million on June 30, 2021 and 2020, respectively. The University was not obligated under the swap agreement to post any collateral on June 30, 2021 or 2020.

The University has a \$50 million committed unsecured line of credit with Bank of America, N.A. As of June 30, 2021, the University had no outstanding borrowings under this line of credit and has not borrowed against the line since fiscal year 2010.

### **Litigation**

There is no litigation pending or, to the knowledge of the University, threatened in any court, agency, or other administrative body to which the University is a party, wherein an unfavorable decision would adversely affect the ability of the University to enter into the Loan Agreement and carry out its obligations thereunder or which would in the aggregate have a material adverse impact on the financial condition or operation of the University.

On February 14, 2019, the Child Victims Act (“CVA”) was signed into law in New York. The CVA created a window for victims of childhood sexual abuse to file previously time-barred claims until August 14, 2020 (later extended to August 14, 2021). The CVA has resulted in lawsuits against entities such as schools, churches, and youth organizations. Fordham University or Fordham Preparatory School (prior to its separation from Fordham University in 1970) were named as defendants in eighteen (18) matters filed pursuant to the CVA. To date, motions to dismiss have been filed in seven (7) cases already and are expected to be filed in three (3) additional cases. No decisions have been issued in any of the cases. Meaningful discovery has not yet commenced in any of the cases. It is not expected at this time that the claims will be consequential to the University’s operations. Moreover, the University continues to pursue insurance coverage relating to the costs and defense of all CVA-related claims, where available.

## **PART 8 — BONDHOLDERS’ RISKS**

*The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2021 Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2021 Bonds should analyze carefully the information contained in this Official Statement, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which will be available as described in this Official Statement.*

### **General**

The Series 2021 Bonds are payable from payments to be made by the University under the Loan Agreement. The ability of the University to comply with its obligations under the Loan Agreement depends primarily upon the ability of the University to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The University expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the University will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the University from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2021 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the University to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the University to provide the services required by students, economic developments in the New York City area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the University to provide for payments. The future financial condition of the University could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

### **COVID-19**

See “PART 7 – THE UNIVERSITY – Pandemic Planning and Response” herein for a discussion of the University’s response and planning in relation to the COVID-19 pandemic.

The full impact of the COVID-19 pandemic and the scope of any adverse impact on the University cannot be fully determined. At this time, the University cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic; (ii) the duration or expansion of travel restrictions and restrictions on assemblies or gatherings; (iii) what effect COVID-19 or any other outbreak or pandemic-related restrictions or warnings may have on demand for higher education; (iv) whether and to what extent the COVID-19 pandemic may disrupt the State, national or global economy or whether any such disruptions may adversely impact the University's operations or

revenues; or (v) whether any of the foregoing may have a material adverse effect on the financial condition or operations of the University or the ratings on the Series 2021 Bonds. However, the University currently anticipates that the COVID-19 pandemic and the related responsive measures will not impair the University's ability to pay debt service on the Series 2021 Bonds and to comply with the other terms thereof.

### **Financial Assistance**

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2020-2021 academic year, approximately 87% of all of the University's enrolled students received some form of financial assistance through the University. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

### **Investment Income**

The University's investment program for endowment and similar funds operates under an investment policy statement and guidelines established by the Board, which delegates direct oversight for the investment program to the F&I Committee. The consolidated endowment pool is managed by external money managers appointed for the purpose by the F&I Committee. Although the unrestricted portion of the University's endowment funds and the payout therefrom are available for debt service payments on the Series 2021 Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

### **Fundraising**

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

### **Government Funding**

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

### **Risks as Employer**

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

### **Cybersecurity**

Computer networks and data transmission and collection are vital to the efficient operation of the University. Despite the implementation of network security measures by the University, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware, or computer viruses, or may otherwise be breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the University does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated entities, any such disruption, access, disclosure, or other loss of information could result in reputational damage to the University and may have a material adverse effect on the University's operations and financial condition. Further, as cybersecurity threats continue to evolve, the University may be required to expend significant additional resources to continue to modify and strengthen security

measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

### **Changes in Law**

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

### **Tax-Exempt Status Change**

Loss of tax-exempt status by the University could result in loss of the exclusion from federal gross income of interest on the Series 2021A Bonds and defaults in covenants regarding the Series 2021A Bonds and other related tax-exempt debt would likely be triggered. However, loss of tax-exempt status by the University would not cause a mandatory redemption or acceleration on the Series 2021A Bonds nor would it cause a change in the interest rates on the Series 2021A Bonds. The maintenance by the University of its Section 501(c)(3) tax-exempt status depends, in part, upon compliance with general rules in the Code and related United States Treasury regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals.

### **Additional Bonds**

Additional Bonds may be issued under the Resolution. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution. See “APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT” and “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto. See also “PART 5 — THE PLAN OF REFUNDING” herein for a description of the potential issuance of the Series 2024 Forward Bonds and the potential refunding of the Series 2014 Refunded Bonds.

### **Additional Indebtedness**

The University may issue, incur or assume additional indebtedness without limitation, subject to compliance with the conditions contained in the Loan Agreement and the loan agreements executed in connection with the Prior DASNY Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS – Security for Prior DASNY Bonds and Issuance of Additional Indebtedness” herein and “APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT” attached hereto.

### **Certain Matters Relating to Enforceability of the Resolution and Loan Agreement**

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

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

own motion or pursuant to a petition of the State Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

### **Secondary Market for the Series 2021 Bonds**

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2021 Bonds. From time to time there may be no market for the Series 2021 Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the University's capabilities and the financial condition and results of operations of the University.

### **No Debt Service Reserve Fund for the Series 2021 Bonds**

The Series 2021 Bonds are secured as provided in "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS". The Resolution permits, but does not require, the establishment of a debt service reserve fund to secure Bonds issued thereunder. There is no debt service reserve fund securing the Series 2021 Bonds. In the event that a debt service reserve fund is established for a Series of Bonds hereafter issued under the Resolution, such debt service reserve fund will secure only such Series of Bonds and will not secure the Series 2021 Bonds.

### **Hedging Transactions**

As described above under "PART 7 – THE UNIVERSITY – Outstanding Indebtedness and Other Obligations," the University entered into an interest rate swap agreement with respect to a portion of its variable rate debt (the "Swap Agreement"). Under certain circumstances, the Swap Agreement could terminate prior to its stated termination date. Therefore, there can be no assurance that the Swap Agreement will remain in place for any period of time.

Additionally, the University may from time to time enter into other hedging arrangements to hedge the interest payable or manage interest cost on certain of its indebtedness, assets, or other derivative arrangements. Changes in the market value of such agreements could have a negative impact on the University's operating results and financial condition, and such impact could be material. The Swap Agreement is, and any future hedging agreement may be, subject to early termination upon the occurrence of certain events. If neither the University nor the counterparty terminate either the Swap Agreement or any hedge agreement entered into in the future when such agreement has a negative value to the University, the University could be obligated to make a substantial termination payment, which could materially adversely affect the financial condition of the University.

### **Revenue Pledge for Prior Secured DASNY Bonds**

As security for the Prior Secured DASNY Bonds, the University has granted to DASNY a security interest in its pledged revenues, consisting of tuition and fees. The Series 2021 Bonds will not be secured by a pledge of any revenues of the University. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS – Security for Prior DASNY Bonds and Issuance of Additional Indebtedness" herein.

## **PART 9 — DASNY**

### **Background, Purposes and Powers**

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

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Addiction Services and Supports, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), State University of New York, the Workers'

Compensation Board, school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes, and to lend funds to such institutions. As of September 30, 2021, DASNY had approximately \$58.5 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, which are 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 pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. All 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 the DASNY client for which the particular special obligations were issued and the security provisions relating thereto.

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

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

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

## **Governance**

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

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

The current members of DASNY are as follows:

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

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications, and legal affairs teams, and developed select Foundation program

initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc., and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

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

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

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

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

WELLINGTON Z. CHEN, Queens.

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

JOAN M. SULLIVAN, Slingerlands.

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

GERARD ROMSKI, ESQ., Mount Kisco.

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

LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

JANICE McKINNIE, Buffalo.

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

BETTY A. ROSA, Commissioner of Education of the State of New York, Bronx; ex-officio.

Dr. Betty A. Rosa was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective February 8, 2021. Previously, Dr. Rosa assumed the role of Interim Commissioner of Education and President of the University of the State of New York from August 14, 2020 through February 7, 2021. Dr. Rosa had served as a member of the Board of Regents and as Chancellor thereof from March 2016 through August 2020. She started her career with the NYC Department of Education as a paraprofessional and later served as a teacher, assistant principal, principal in the Bronx and, upon appointment, assumed the responsibilities of Superintendent of Community School District 8 then Senior Superintendent of the Bronx. Dr. Rosa is a nationally recognized education leader who has over 30 years of instructional and administrative experience with an expertise in inclusive education, cooperative teaching models, student achievement and policy implementation. She received a B.A. in psychology from the City College of New York and an Ed. M. and Ed. D. in Administration, Planning and Social Policy from Harvard University as well as two other Master of Science in Education degrees, one in Administration and Supervision and the other in Bilingual Education from the City College of New York and Lehman College respectively.

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.

Dr. Zucker announced his resignation on September 23, 2021 effective upon the arrival of his successor. Governor Hochul announced the appointment of Dr. Mary T. Bassett as the next Commissioner of the Department of Health. Dr. Bassett's appointment is effective as of December 1, 2021.

The principal staff of DASNY are as follows:

REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of

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

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

KIMBERLY A. ELLIS is the Chief Financial Officer and Treasurer of DASNY. As Chief Financial Officer and Treasurer, Ms. Ellis is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, payroll and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Prior to her appointment to Chief Financial Officer and Treasurer, Ms. Ellis served in numerous senior positions within the Finance Division of DASNY, including as Deputy Financial Officer and Assistant Director of Investments, where she had direct involvement with the management of DASNY's financial operations, including DASNY's overall investment portfolio and the coordination and development of DASNY's annual operating budget and capital plans. Ms. Ellis holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo.

R. NADINE FONTAINE is General Counsel to DASNY. Ms. Fontaine is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. Ms. Fontaine is licensed to practice law in the States of New York and Connecticut, as well as the United States District Courts for the Southern District of New York, the Eastern District of New York, and the District of Connecticut. She has over twenty-five years of combined legal experience, including multi-district mass tort and product and professional liability, commercial litigation in state and federal courts. Ms. Fontaine most recently served as First Assistant Counsel to the Governor and, prior thereto, served as Assistant Counsel to the Governor for Economic Development, Public Finance & Procurement and Assistant Counsel for Human Services. She holds a Bachelor of Arts degree from the State University of New York at Stony Brook University and a Juris Doctor degree from Pace University School of Law.

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 2021 Bonds or (ii) challenging the validity of the Series 2021 Bonds or the proceedings and authority under which DASNY will issue the Series 2021 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 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, 2021. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

## **PART 10 — LEGALITY OF THE SERIES 2021 BONDS FOR INVESTMENT AND DEPOSIT**

Under New York State law, the Series 2021 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 2021 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

## PART 11 — NEGOTIABLE INSTRUMENTS

The Series 2021 Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2021 Bonds.

## PART 12 — TAX MATTERS

### Series 2021A Bonds

#### *Federal Income Taxes*

The Internal Revenue Code of 1986 (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Bonds. Pursuant to the Resolutions, the Loan Agreement and a Tax Certificate dated the date of delivery of the Series 2021A Bonds (the “Tax Certificate”), DASNY and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and the University have made certain representations and certifications in the Resolutions, the Loan Agreement and the Tax Certificate. In addition, Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, have relied on the opinion of Bond, Schoeneck & King, PLLC, counsel to the University, as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Co-Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by DASNY and the University described above, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

#### *State Taxes*

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C, Co-Bond Counsel, are also of the opinion that, under existing law, interest on the Series 2021A 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). Co-Bond Counsel express no opinion as to other State of New York or local tax consequences arising with respect to the Series 2021A Bonds nor as to the taxability of the Series 2021A Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

#### *Original Issue Premium*

Series 2021A Bonds sold at prices in excess of their principal amounts are “Premium Bonds”. An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

### *Ancillary Tax Matters*

Ownership of the Series 2021A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2021A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are not rendering any opinion as to any federal tax matters other than those described in the opinions attached as “APPENDIX E — FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL” attached hereto. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

### *Changes in Law and Post Issuance Events*

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2021A Bonds may occur. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021A Bonds.

Co-Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2021A Bonds may affect the tax status of interest on the Series 2021A Bonds. Co-Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2021A Bonds, or the interest thereon, if any action is taken with respect to the Series 2021A Bonds or the proceeds thereof upon the advice or approval of other counsel.

## **Series 2021B Bonds**

### *Federal Income Taxes*

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2021B Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2021B Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2021B Bonds as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2021B Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2021B Bonds should consult their own tax advisors in determining the federal,

state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2021B Bonds.

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

#### *U.S. Holders*

As used herein, the term “U.S. Holder” means a beneficial owner of Series 2021B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2021B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2021B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2021B Bonds.

#### *Taxation of Interest Generally*

Interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2021B Bonds. In general, interest paid on the Series 2021B Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Series 2021B Bonds and capital gain to the extent of any excess received over such basis.

#### *Recognition of Income Generally*

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2021B Bonds under the Code.

#### *Original Issue Discount*

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2021B Bonds issued with original issue discount (“Series 2021B Discount Bonds”). A Series 2021B Bond will be treated as having been issued with an original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2021B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2021B Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2021B Bond’s “stated redemption price at maturity” is the total of all payments provided by the Series 2021B Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Series 2021B Discount Bond is the sum of the “daily portions” of original issue discount with respect to such Series 2021B Discount Bond for each day during the taxable year in which such holder held such Series 2021B Discount Bond. The daily portion of original issue discount on any Series 2021B Discount Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Series 2021B Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Series 2021B Discount Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Series 2021B Discount Bond at the beginning of any accrual period is the sum of the issue price of the Series 2021B Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Series 2021B Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2021B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

#### *Market Discount*

A holder who purchases a Series 2021B Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2021B Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

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

A holder of a Series 2021B Bond who acquires such Series 2021B Bond at a market discount also may be required to defer, until the maturity date of such Series 2021B Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2021B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder’s gross income for the taxable year with respect to such Series 2021B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2021B Bond for the days during the taxable year on which the holder held the Series 2021B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2021B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

### *Bond Premium*

A holder of a Series 2021B Bond who purchases such Series 2021B Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2021B Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2021B Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2021B Bonds who acquire such Series 2021B Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2021B Bonds.

### *Surtax on Unearned Income*

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

### *Sale or Redemption of Series 2021B Bonds*

A bondholder's adjusted tax basis for a Series 2021B Bond is the price such holder pays for the Series 2021B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2021B Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2021B Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2021B Bond is held as a capital asset (except in the case of Series 2021B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2021B Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued", or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2021B Bond under the defeasance provisions of the Resolutions could result in a deemed sale or exchange of such Series 2021B Bond.

EACH POTENTIAL HOLDER OF SERIES 2021B BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2021B BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2021B BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

### *Non-U.S. Holders*

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2021B Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "Non-U.S. Holder").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("FATCA"), payments of principal by DASNY or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of DASNY, (2) is not a controlled foreign corporation for United States tax purposes that is related to DASNY (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to DASNY, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2021B Bonds must certify to DASNY or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has

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

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

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2021B Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2021B Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2021B Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2021B Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2021B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Series 2021B Bonds shall have no recourse against DASNY, nor will DASNY be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2021B Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2021B Bonds.

#### *Information Reporting and Backup Withholding*

For each calendar year in which the Series 2021B Bonds are outstanding, DASNY, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, DASNY, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or

principal on the Series 2021B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

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

Payments of the proceeds from the sale of a Series 2021B Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2021B Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2021B Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

#### *State Taxes*

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C, Co-Bond Counsel, are of the opinion that under existing law, interest on the Series 2021B 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). Co-Bond Counsel express no opinion as to other State of New York or local tax consequences arising with respect to the Series 2021B Bonds nor as to the taxability of the Series 2021B Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

#### *Changes in Law and Post Issuance Events*

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2021B Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021B Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2021B Bonds. Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2021B Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021B BONDS.

#### **ERISA Considerations**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified

Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (“Governmental Plans”), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (“Church Plans”), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2021 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

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

Certain transactions involving the purchase, holding or transfer of the Series 2021 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of DASNY or the University were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the “Plan Assets Regulation”), the assets of DASNY would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an “equity interest” in DASNY or the University and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2021 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2021 Bonds, including the reasonable expectation of purchasers of Series 2021 Bonds that the Series 2021 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2021 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2021 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if DASNY, the University or the Trustee and Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2021 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2021 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (“PTCE”) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any

class or other exemption will be available with respect to any particular transaction involving the Series 2021 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2021 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2021 Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2021 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2021 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because DASNY, the University, the Trustee, the Underwriter or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2021 Bonds, the purchase of the Series 2021 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2021 Bonds using plan assets of a Benefit Plan should consult with its counsel if DASNY, the University, the Trustee or the Underwriter or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2021 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws

### **PART 13 — STATE NOT LIABLE ON THE SERIES 2021 BONDS**

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2021 Bonds are not a debt of the State and that the State is not liable on them.

### **PART 14 — COVENANT BY THE STATE**

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

### **PART 15 — LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Series 2021 Bonds by DASNY are subject to the approval of Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C, New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2021 Bonds. The proposed form of Co-Bond Counsel's opinions is set forth in "APPENDIX E — FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL" attached hereto.

Certain legal matters will be passed upon for the University by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

## **PART 16 — UNDERWRITING**

Morgan Stanley & Co. LLC, as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2021A Bonds from DASNY at a purchase price of \$32,311,497.27 (representing the principal amount of the Series 2021A Bonds plus original issue premium of \$4,042,976.35 and less an underwriting discount of \$126,479.08), and the Series 2021B at a purchase price of \$39,299,167.58 (representing the principal amount of the Series 2021B Bonds less an underwriting discount of \$175,832.42). The Underwriter will be obligated to purchase all such Series 2021 Bonds if any are purchased.

The Series 2021 Bonds are being offered for sale to the public at the prices shown on the inside cover page hereof. The Underwriter reserves the right to lower such initial offering prices as it deems necessary in connection with the marketing of the Series 2021 Bonds. The Underwriter may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth in this Official Statement. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The obligation of the Underwriter to accept delivery of the Series 2021 Bonds is subject to the terms and conditions set forth in the Bond Purchase Agreement, the approval of legal matters by counsel and other conditions. The Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2021 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2021 Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and certain of its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for DASNY, for which they received or will receive customary fees and expenses.

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

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 17 — CONTINUING DISCLOSURE**

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the University will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2021 Bonds with Digital Assurance Certification LLC (“DAC”), as disclosure dissemination agent and the Trustee. The proposed form of Continuing Disclosure Agreement is attached as “APPENDIX F — FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” attached hereto.

The University 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 18 — RATINGS**

Moody’s Investors Service (“Moody’s”) has assigned a rating of “A2” (stable outlook) to the Series 2021 Bonds. S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned a rating of “A” (stable outlook) to the Series 2021 Bonds. Such ratings reflect only the views of such rating agencies and any desired explanation of the significance of such ratings and outlooks should be obtained from the rating

agencies at the following addresses: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and S&P, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by either rating agency (or both) if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price of the Series 2021 Bonds.

#### **PART 19 — VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Causey Demgen & Moore P.C. (the "Verification Agent") will deliver to DASNY its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by DASNY and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy (i) of the funds deposited with the trustee under the Resolution to pay the redemption price of and interest coming due on the Series 2016 Refunded Bonds on the redemption date and (ii) of the cash, the maturing principal amounts and the interest on the 2012 Investment Securities deposited with the trustee under the Resolution to pay the redemption price of and interest coming due on the Series 2012 Refunded Bonds on the redemption date, all as described in "PART 5 — THE PLAN OF REFUNDING." The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2021 Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2021A Bonds from gross income for federal income tax purposes.

#### **PART 20 — MISCELLANEOUS**

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

The agreements of DASNY with Holders of the Series 2021 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2021 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2021 Bonds.

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

The information set forth herein relating to DASNY under the heading "PART 9 — DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the University 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 University nor does it directly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2021 Bonds or (3) the value or investment quality of the Series 2021 Bonds.

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

"APPENDIX A — CERTAIN DEFINITIONS," "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT," "APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" and "APPENDIX E — FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL" attached hereto have been prepared by Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C, New York, New York, Co-Bond Counsel.

"APPENDIX B — 2021 AND 2020 FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto contains the financial statements of the University as of and for the years ended June 30, 2021 and 2020 which have been audited by KPMG LLP, independent auditors, as stated in their report appearing therein.

The University has reviewed the parts of this Official Statement describing the University, Bondholders' Risks, the principal and interest requirements, the project, the plan of refunding, the estimated sources and uses of funds and "APPENDIX B — 2021 AND 2020 FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto. The University, as a condition to issuance of the Series 2021 Bonds, is required to certify that as of the date of this Official Statement, such parts do not

contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

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

By: /s/ Reuben R. McDaniel, III  
Authorized Officer

**CERTAIN DEFINITIONS**

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## CERTAIN DEFINITIONS

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

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

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

**Annual Administrative Fee** means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority in an amount more particularly described in Schedule B attached to the Loan Agreement and made a part of the Loan Agreement.

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

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

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

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

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

## *Appendix A*

**Bond or Bonds** when used in connection with the Resolution, means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution and, when used in connection with the Loan Agreement, means the Authority's Fordham University Revenue Bonds, Series 2021 authorized by the Resolution and issued pursuant to the Series 2021 Resolutions.

**Bond Counsel** means, with respect to the Series 2021 Bonds, Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., or an attorney or other law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

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

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

**Business Day** when used in connection with any particular Series 2021 Bonds means a day other than (a) a Saturday and Sunday or (b) a day on which any of the following are authorized or required to remain closed: (i) banks or trust companies chartered by the State of New York or the United States of America, (ii) the Trustee, (iii) the New York Stock Exchange, (iv) the Facility Provider or a Credit Facility or Liquidity Facility, if any, or (v) DTC.

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

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

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

**Continuing Disclosure Agreement** means the Agreement to Provide Continuing Disclosure, entered into in connection with the issuance of the Bonds, by and among the Authority, the Institution, Digital Assurance Certification LLC, as disclosure dissemination agent, and the Trustee, or such other parties thereto designated at such times, providing for continuing disclosure.

**Cost or Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Facility Provider or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Reserve Fund Facility, a Liquidity Facility, a Credit Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

**Cost or Costs of the Project** means costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessary in connection with a Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project,

(iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of a Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of a Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institution shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of a Project, (vii) any sums required to reimburse the Institution or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project (including interest on moneys borrowed from parties other than the Institution), (viii) interest on the Bonds of a Series prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant to the Resolution or to the Loan Agreement, a Mortgage, a Liquidity Facility, Credit Facility, a Reserve Fund Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement.

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

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

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

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

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

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

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility in the Resolution. *There is no Credit Facility for the Series 2021 Bonds.*

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

**Debt Service Reserve Fund** means a reserve fund for the payment of the principal and Sinking Fund Installments, if any, of and interest on a Series of Bonds so designated, created and established by the Authority by or pursuant to a Series Resolution. *There is no Debt Service Reserve Fund for the Series 2021 Bonds.*

**Debt Service Reserve Fund Requirement** means the amount of moneys required to be deposited in the Debt Service Reserve Fund as determined in accordance with the Series Resolution pursuant to which such Debt Service Reserve Fund has been established.

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

**Depository** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation

## *Appendix A*

designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

**Event of Default** when used in connection with the Resolution, means each event described in Section 11.02 of the Resolution summarized in Appendix D under the heading “**Events of Default**” and, when used in connection with the Loan Agreement, means each event described in Section 9.1 of the Loan Agreement summarized in Appendix C under the heading “**Events of Default and Remedies.**”

**Exempt Obligation** means:

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

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

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

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

**Facility Provider** means the issuer of a Reserve Fund Facility, a Credit Facility or a Liquidity Facility.

**Favorable Opinion of Bond Counsel** means, with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Act and the Resolution and, with respect to any action relating to the Tax-Exempt Bonds, will not impair the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation.

**Federal Agency Obligation** means:

(i) an obligation issued by any federal agency or instrumentality approved by the Authority;

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

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

(iv) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

**Government Obligation** means:

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

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;

- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and
- (v) share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

**Governmental Requirements** means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to the Project, of the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them, now existing or hereafter created, and having or asserting jurisdiction over the Project or any part thereof, including without limitation, those relating to environmental matters.

**Institution** means Fordham University, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

**Institution Documents** means the Loan Agreement and the other documents to which the Institution is a party as set forth in Schedule E to the Loan Agreement.

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

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

**Issuer Documents** means the Resolution, the Loan Agreement and the other documents to which the Issuer is a party as set forth in Schedule F to the Loan Agreement.

**Issuer Fee** means the fee payable to the Authority attributable to the issuance of the Bonds, as more particularly described in Schedule B attached to the Loan Agreement and made a part of the Loan Agreement.

**Liens** means any mortgage, pledge, lien, charge, security interest or lease in the nature thereof (including any conditional sale agreement, equipment trust agreement or other title retention agreement) or other encumbrance of whatsoever nature that would have a material adverse effect on the ability of the Authority to enforce its right and remedies under the Loan Agreement or any other Institution Document.

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

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly

## *Appendix A*

licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;

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

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

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

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

A Liquidity Facility may also be a Credit Facility. *There is no Liquidity Facility for the Series 2021 Bonds.*

**Loan Agreement** means a Loan Agreement or any other agreement, by and between the Authority and the Institution in connection with the issuance of a Series of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by such Loan Agreement.

**Loan Repayment Dates** shall have the meaning ascribed thereto in Schedule D to the Loan Agreement.

**Loan Repayments** means the scheduled payments of principal of and interest on the loan to be paid by the Institution pursuant to the Loan Agreement.

**Mortgage** means a mortgage granted by the Institution to the Authority in connection with the issuance of a Series of Bonds, if any, in form and substance satisfactory to an Authorized Officer of the Authority, on the Mortgaged Property mortgaged in connection therewith as security for the performance of the Institution's obligations under the Loan Agreement with respect to such Series of Bonds, as such Mortgage may be amended or modified from time to time with the consent of the Authority. *There is no Mortgage securing the Institution's obligations to the Authority under the Loan Agreement relating to the Series 2021 Bonds.*

**Mortgaged Property** means the land or interest therein described in each Mortgage, if any, together with the buildings and improvements thereon or hereafter erected thereon and the furnishings and equipment owned by the Institution located thereon or therein as may be specifically identified in a Mortgage.

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

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

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

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

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

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

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

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

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

**Permitted Collateral** means:

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

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

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

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

**Permitted Disposition** means any transfer, sale or conveyance in accordance with the Loan Agreement.

**Permitted Investments** means:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

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

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized statistical rating service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;

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

(vii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations.

**Pledged Revenues** means the “Pledged Revenues” as such term is defined in a Loan Agreement, if applicable. *There are no Pledged Revenues securing the Institution’s obligations to the Authority under the Loan Agreement relating to the Series 2021 Bonds.*

**Prior Pledges** means the “Prior Pledges” as such term is defined in a Loan Agreement, if applicable.

## *Appendix A*

**Project**, when used in the connection with the Resolution, means each “dormitory” as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of a Series of Bonds, as more particularly described in a Loan Agreement or a Series Resolution and, when used in connection with the Loan Agreement, means each of the buildings and improvements, and the land appurtenant thereto, more particularly described in Schedule C to the Loan Agreement, acquired, constructed, reconstructed or otherwise renovated or improved with the proceeds of the Bonds; provided, however, such term does not include any of the foregoing if and to the extent that the Bonds are no longer Outstanding.

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

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

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

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

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

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

**Reserve Fund Facility** means a surety bond, insurance policy, letter of credit or other financial guaranty or instrument authorized by or pursuant to a Series Resolution establishing a Debt Service Reserve Fund to be delivered in lieu of or substitution of all or a portion of the moneys otherwise required to be held in such Debt Service Reserve Fund.

**Resolution** means the Authority’s Fordham University Revenue Bond Resolution, adopted by the Authority on March 26, 2008, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions thereof.

**Restricted Gift** means any gift, grant or bequest of money or other property to or for the benefit of the Institution, the use of which has been restricted by the donor or the grantor to paying any cost or expense that constitutes a Cost of the Project.

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

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

**Series 2012 Bonds** mean the Dormitory Authority of the State of New York Fordham University Revenue Bonds, Series 2012.

**Series 2014 Bonds** mean the Dormitory Authority of the State of New York Fordham University Revenue Bonds, Series 2014.

**Series 2016A Bonds** mean the Dormitory Authority of the State of New York Fordham University Revenue Bonds, Series 2016A.

**Series Resolution or Series 2021 Resolutions** when used in connection with the Resolution, means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to Article II of the Resolution and, when used in connection with the Loan Agreement, means the Authority's Series Resolutions Authorizing, individually and in the aggregate, \$205,000,000 Fordham University Revenue Bonds, Series 2021 adopted October 13, 2021 with respect to the Project, as the same may be amended, supplemented or otherwise modified pursuant to the terms of the Resolution.

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

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

**Sub-Series** means the grouping of the Bonds of a Series established by the Authority pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series or the Bond Series Certificate related to such Series of Bonds.

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

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

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

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

## *Appendix A*

**Unassigned Rights** means the rights of the Authority to (a) execute and deliver supplements and amendments to the Resolution and the Loan Agreement, pursuant to Article 7 of the Resolution, (b) be held harmless and indemnified pursuant to the Loan Agreement, (c) receive any funds for its own use, whether as administration fees pursuant to the Loan Agreement, amounts payable to the Authority pursuant to the Loan Agreement, or indemnification pursuant to the Loan Agreement, (d) receive notices, Favorable Opinions of Bond Counsel and other documents as required under the Loan Agreement to be delivered to the Authority; (e) require the University to take actions necessary to comply with Article VIII of the Loan Agreement; and (f) enforce any of the foregoing pursuant to Article IX of the Loan Agreement.

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

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

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

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

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

**2021 AND 2020 FINANCIAL STATEMENTS OF FORDHAM UNIVERSITY WITH INDEPENDENT  
AUDITORS' REPORT THEREON**

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# FORDHAM UNIVERSITY



2021 and 2020 Financial Statements  
With Independent Auditors' Report Theron

# FORDHAM UNIVERSITY

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KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

The Board of Trustees  
Fordham University:

We have audited the accompanying financial statements of Fordham University (the University), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fordham University as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*KPMG LLP*

October 20, 2021

**FORDHAM UNIVERSITY**

Statements of Financial Position

June 30, 2021 and 2020

(Amounts in thousands)

| <b>Assets</b>  | <b>2021</b>  | <b>2020</b> |
|--|--------------|-------------|
| Cash and cash equivalents (note 3)                               | \$ 16,197    | 25,176      |
| Short-term investments (note 4)                                  | 10,649       | 22,764      |
| Accounts receivable, net (notes 3 and 6)                         | 17,439       | 20,054      |
| Student loans receivable, net (note 6)                           | 6,318        | 7,630       |
| Deposits with bond trustees (note 10)                            | 59,644       | 132,892     |
| Contributions receivable, net (note 7)                           | 91,988       | 63,233      |
| Other assets (notes 2(g) and 2(o))                               | 27,726       | 22,256      |
| Endowment investments (notes 4 and 5)                            | 1,003,039    | 796,240     |
| Operating lease right-of-use assets (note 15)                    | 86,740       | —           |
| Plant assets, net (note 8)                                       | 1,115,571    | 1,061,178   |
| Total assets   | \$ 2,435,311 | 2,151,423   |
| <b>Liabilities and Net Assets</b>                                |              |             |
| Liabilities:   |              |             |
| Accounts payable and accrued expenses                            | \$ 87,452    | 84,679      |
| Deferred revenue and deposits                                    | 29,926       | 52,397      |
| Fair value of swap agreement (note 10)                           | 8,253        | 11,703      |
| Other liabilities  | 9,183        | 7,713       |
| Postretirement benefit obligation (note 9)                       | 73,762       | 72,854      |
| Long-term debt, net (note 10)                                    | 538,955      | 557,238     |
| Operating lease liabilities (note 15)                            | 98,530       | —           |
| Total liabilities  | 846,061      | 786,584     |
| Commitments and contingencies (notes 4, 8, 9, 10, 14, 15 and 16) |              |             |
| Net assets (notes 5 and 13):                                     |              |             |
| Without donor restrictions:                                      |              |             |
| Undesignated   | 349,413      | 422,827     |
| Board-designated   | 377,856      | 248,041     |
| Total net assets without donor restrictions                      | 727,269      | 670,868     |
| With donor restrictions:   |              |             |
| Purpose or time  | 420,652      | 301,465     |
| Perpetuity   | 441,329      | 392,506     |
| Total net assets with donor restrictions                         | 861,981      | 693,971     |
| Total net assets   | 1,589,250    | 1,364,839   |
| Total liabilities and net assets                                 | \$ 2,435,311 | 2,151,423   |

See accompanying notes to financial statements.

**FORDHAM UNIVERSITY**

Statements of Activities

Years ended June 30, 2021 and 2020

(Amounts in thousands)

|   | <b>2021</b>  | <b>2020</b> |
|---|--------------|-------------|
| Changes in net assets without donor restrictions:   |              |             |
| Operating revenue:  |              |             |
| Tuition and fees, net (financial aid of \$264,386 and \$255,588 in 2021 and 2020, respectively) | \$ 477,898   | 490,234     |
| Government grants   | 31,368       | 19,227      |
| Investment return, net  | 32,971       | 30,246      |
| Contributions and private grants  | 38,330       | 35,459      |
| Student housing   | 36,762       | 50,584      |
| Food services   | 12,753       | 15,423      |
| Other   | 9,895        | 19,210      |
| Net assets released from restrictions   | 8,107        | 5,176       |
| Total operating revenue   | 648,084      | 665,559     |
| Operating expenses:   |              |             |
| Program services:   |              |             |
| Instruction and research  | 296,674      | 299,825     |
| Academic support  | 175,565      | 176,904     |
| Auxiliary services  | 93,367       | 94,934      |
| Total program services  | 565,606      | 571,663     |
| Institutional administration  | 85,491       | 88,397      |
| Total operating expenses  | 651,097      | 660,060     |
| Operating result before transfers   | (3,013)      | 5,499       |
| Designated fund transfers   | 10,700       | 874         |
| Operating result  | 7,687        | 6,373       |
| Nonoperating activities:  |              |             |
| Investment return, net  | 55,284       | (13,591)    |
| Changes in postretirement health benefits other than net periodic benefit cost                  | 7,274        | 2,804       |
| Net periodic benefit cost other than service cost   | (1,804)      | (2,257)     |
| Provision for voluntary separation benefits   | (3,470)      | —           |
| Designated fund transfers   | (10,700)     | (874)       |
| Other   | 2,130        | (4,330)     |
| Increase (decrease) in net assets without donor restrictions                                    | 56,401       | (11,875)    |
| Changes in net assets with donor restrictions:  |              |             |
| Contributions   | 54,625       | 17,390      |
| Investment return (loss), net   | 119,446      | (20,409)    |
| Change in fair value of perpetual trust   | 2,046        | (507)       |
| Net assets released from restrictions   | (8,107)      | (5,176)     |
| Increase (decrease) in net assets with donor restrictions                                       | 168,010      | (8,702)     |
| Increase (decrease) in net assets   | 224,411      | (20,577)    |
| Net assets at beginning of year   | 1,364,839    | 1,385,416   |
| Net assets at end of year   | \$ 1,589,250 | 1,364,839   |

See accompanying notes to financial statements.

**FORDHAM UNIVERSITY**

Statements of Cash Flows

Years ended June 30, 2021 and 2020

(Amounts in thousands)

|  | 2021       | 2020      |
|--|------------|-----------|
| Cash flows from operating activities:  |            |           |
| Increase (decrease) in net assets  | \$ 224,411 | (20,577)  |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities: |            |           |
| Net (appreciation) depreciation on investments   | (212,251)  | 4,468     |
| Provision for doubtful student accounts  | 5,027      | 3,085     |
| Provision for uncollectible contributions receivable   | (1,478)    | 1,204     |
| Depreciation and amortization of plant assets  | 57,498     | 58,419    |
| Amortization of bond issue costs and original issue discount/premium                                     | (2,442)    | (1,475)   |
| Amortization of right-of-use assets  | 8,866      | —         |
| Postretirement related changes other than net periodic pension cost                                      | (7,274)    | (2,804)   |
| Change in fair value of perpetual trust  | (2,046)    | 507       |
| Permanently restricted contributions and investment return   | (42,006)   | (14,299)  |
| Change in deferred tax provision   | —          | 1,152     |
| Capital contributions and grants   | (1,036)    | (1,149)   |
| Change in value of interest rate swap  | (3,450)    | 2,671     |
| Changes in operating assets and liabilities:   |            |           |
| Accounts receivable  | (2,412)    | (6,164)   |
| Contributions receivable, net of permanently restricted and capital components                           | (4,917)    | (2,159)   |
| Other assets   | (3,424)    | 2,088     |
| Accounts payable and accrued expenses  | 17,553     | (1,977)   |
| Deferred revenue and deposits  | (22,471)   | (2,313)   |
| Other liabilities  | 1,473      | (1,306)   |
| Operating lease liability  | (9,060)    | —         |
| Postretirement benefit obligation  | 8,182      | 7,834     |
| Net cash provided by operating activities  | 8,743      | 27,205    |
| Cash flows from investing activities:  |            |           |
| Purchases of investments   | (400,995)  | (444,100) |
| Sales of investments   | 418,562    | 472,838   |
| Purchases of plant assets  | (111,891)  | (86,972)  |
| (Decrease) increase in accounts payable for capital projects   | (2,799)    | 7,637     |
| Decrease in student loans receivable, net  | 1,312      | 1,221     |
| Net cash used in investing activities  | (95,811)   | (49,376)  |
| Cash flows from financing activities:  |            |           |
| Proceeds from issuance of long-term debt   | —          | 165,170   |
| Bond issuance costs  | —          | (1,103)   |
| Repayment of long-term debt  | (15,841)   | (18,130)  |
| Decrease (increase) in deposits with bond trustees   | 73,248     | (132,276) |
| Permanently restricted contributions and investment return   | 42,006     | 14,299    |
| Capital contributions and grants   | 1,036      | 1,149     |
| Decrease in contributions receivable for capital projects  | 2,324      | 2,820     |
| (Increase) decrease in permanently restricted contributions receivable                                   | (24,684)   | 2,041     |
| Net cash provided by financing activities  | 78,089     | 33,970    |
| Net (decrease) increase in cash and cash equivalents   | (8,979)    | 11,799    |
| Cash and cash equivalents at beginning of year   | 25,176     | 13,377    |
| Cash and cash equivalents at end of year   | \$ 16,197  | 25,176    |
| Supplemental disclosures:  |            |           |
| Interest paid (includes capitalized interest of \$5,087 and \$2,451 for 2021 and 2020, respectively)     | \$ 21,144  | 19,025    |
| Acquisition of equipment through finance leases  | —          | 1,412     |
| Right-of-use assets acquired under operating leases  | 86,740     | —         |
| Deferred rent liability and tenant improvement allowance included in operating lease right-of-use assets | 11,790     | —         |
| Noncash gift of property, plant and equipment  | —          | 2,700     |

See accompanying notes to financial statements.

# FORDHAM UNIVERSITY

## Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

### (1) The University

Fordham University (the University) is an independent, not-for-profit, institution of higher learning, in the Jesuit tradition, within its principal campuses located in New York City. The University was founded in 1841 and was granted its charter in 1846 by the State of New York. It is exempt from federal income taxes under the provisions of the Internal Revenue Code, as an organization described in Section 501(c)(3).

The central mission of the University is the discovery of wisdom and the transmission of learning through research and through undergraduate, graduate, and professional education of the highest quality. Guided by its Catholic and Jesuit traditions, the University fosters the intellectual, moral, and religious development of its students and prepares them for leadership in a global society.

The University awards baccalaureate, graduate, and professional degrees to students from Fordham College at Rose Hill, Fordham College at Lincoln Center, the Gabelli School of Business through both undergraduate and graduate programs, the School of Professional and Continuing Studies, the Graduate Schools of Arts and Sciences, Education, Religion and Religious Education, Social Service, and the School of Law. The University's principal locations include residential campuses in the Bronx and Manhattan, a campus in West Harrison, New York, the Louis Calder Center Biological Field Station in Armonk, New York, and the London Centre in the United Kingdom. In addition to these locations, the University holds a number of affiliations with higher education institutions across the globe and offers online classes and online degree programs.

The University is accredited by the Middle States Commission on Higher Education and presently serves approximately 9,400 undergraduate students and 7,000 graduate and professional students.

The University's primary source of revenue is tuition and fees from undergraduate, graduate, and professional and continuing education. Other sources of revenue include student housing and food services, contributions, grants and contracts, return on investments, and other services.

### (2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are as follows:

#### (a) *Basis of Presentation*

The University prepares its financial statements on the accrual basis in conformity with U.S. generally accepted accounting principles (GAAP) and classifies its activities into one of two classes of net assets, based on either the existence, or absence, of donor-imposed restrictions.

The two classes of net assets are as follows:

- Without donor restrictions: Net assets that are not subject to donor-imposed restrictions and are available to support the general operations of the University. Net assets without donor restrictions may be designated for specific uses by action of the Board of Trustees of the University (the Board); and

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

- With donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time or that must be maintained in perpetuity if so stipulated by the donor. A donor-imposed restriction arises when a donor makes a contribution and, in doing so, specifies its use for a specific activity within the University's overall mission. In the case of net assets that must be held in perpetuity, donors generally permit the use of all or part of the investment earnings for operations or specific purposes.

Expirations of restrictions on net assets with donor restrictions, including reclassifications of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions on the statement of activities. Donor-imposed restrictions that are met in the same reporting period that the contribution is received are reported as increases in net assets without donor restrictions.

#### **(b) Operating and Non-Operating Activities**

Operating activities include student-sourced revenues, such as tuition and fees, student housing, and food services. They also include grants and contracts, donations for general operations, the allocation of endowment spending for current operations, other revenues that are ordinary and routine in nature, and all operating expenses.

Non-operating activities tend to vary from year to year and include changes in market values of investments and other financial instruments beyond the amount which has been appropriated for spending in the current year, certain actuarially-determined activities relating to the University's postretirement plan, and other non-recurring transactions. Accordingly, they are excluded from operating activities in order to preserve the comparability of the University's operating result from year to year.

#### **(c) Tuition and Fee Revenue**

The University recognizes revenue from student tuition and fees within the fiscal year in which the respective educational services are delivered. Campus-based programs are generally delivered from August through December (the Fall Term) and January through May (the Spring Term), as well as during three terms that span the summer months. Online courses are delivered on a rolling basis over the course of the fiscal year, with instruction periods of various lengths. Payments for the Fall Term are typically due in July and recorded as deferred revenue until the performance obligations are met.

Institutional aid (scholarships) reduces the published price of tuition for students and is funded by a number of sources, including the endowment, certain research funds, and gifts.

#### **(d) Student Housing and Food Services**

The University generates revenue from student housing and food services, which are offered for the benefit of the University community. Accordingly, fees for these services are set to recover the associated costs of providing them. Amounts billed for housing and food services are owed prior to the start of the academic term to which the services benefit, and are provided over the course of that academic term. Revenues associated with these services are earned and recognized over the course of each academic term as such services are provided.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(e) Fair Value Measurements**

The University measures the fair value of relevant financial assets and liabilities using a three-tiered fair value hierarchy, which prioritizes the inputs to valuation techniques used to make fair value measurements. The three levels of the fair value hierarchy and associated inputs are as follows:

- Level 1 inputs, which are quoted or published prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date;
- Level 2 inputs, which are directly or indirectly attributable to the assets or liabilities being valued, but cannot be considered Level 1 inputs; and
- Level 3 inputs, which are unobservable and derived from valuation methodologies, including pricing models, discounted cash flow models, and similar techniques, and are not based on market, exchange, dealer, or broker traded transactions.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to its fair value measurement.

Investments reported using a practical expedient, known as net asset value (NAV), to estimate fair value are not classified in the fair value hierarchy, except for those with a readily-determinable fair value based on a published price that serves as the basis for current transactions and, therefore, classified as Level 1 in the fair value hierarchy.

#### **(f) Investments**

Investments are reported at fair value. Investments in publicly traded securities are reported at fair value based upon quoted market prices. Investments in investment companies (consisting of investments in hedge funds and private capital funds) are estimated using values reported by those investment companies, which are based upon the underlying NAV of the investment. These estimated values are reviewed and evaluated by the University.

Investment income is reported as increases in net assets with donor restrictions if the terms of the underlying gift restrict the use of any income to specific activities or require it be added to the principal of the gift, or if the income is not yet available for expenditure based on the University's spending policy. Absent those conditions, investment income is recognized as increases in net assets without donor restrictions.

#### **(g) Contributions and Grants**

Contributions (including pledges and assets other than cash) are initially reported at fair value as revenue in the period received, net of an allowance for uncollectible amounts. Contributions to be received after one year (i.e., pledges) are recorded at their discounted present value using a risk-adjusted rate. Discounts on contributions are amortized to contribution revenue over the life of the pledge.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

Contributions of property and equipment are reported as increases in net assets without donor restrictions unless the donor imposes restrictions on their use. Contributions made toward long-lived assets are held as net assets with donor restrictions until the asset is placed in service, at which time the contributions are released from restriction. Contributions with donor-imposed restrictions are reported as changes in net assets without donor restrictions if the restriction is satisfied in the same fiscal year in which the contribution was received by the University.

Revenue from grants is recognized as performance obligations are satisfied which, in some cases, are as related costs are incurred. In other cases, a grant may represent a non-reciprocal transaction in which the benefits afforded to the University and sponsor are not of equal value, or the benefit of such an arrangement may accrue only to the public at large. In situations such as these, revenues may be subject to conditions, in the form of both a barrier to entitlement (e.g. a specific service level must be maintained to remain eligible for grant funding, or discretion as to the University's use of the grant is limited), or an explicit or implicit proviso that the University may not ultimately be entitled to the full amount of the grant (e.g. the sponsor may be released from its obligation to make future payments at some point during the arrangement), or both.

Revenues from conditional, non-exchange transactions are recognized when the barrier or financial limitation is overcome or satisfied. Similarly, conditional promises to give are not recognized until they become unconditional (i.e. at which time the conditions on which they depend are met).

The University holds split-interest agreements, which consist of irrevocable charitable remainder trusts and a perpetual trust, and are reported in other assets on the statements of financial position. These assets total \$20,252 and \$16,087 at June 30, 2021 and 2020, respectively, are categorized as Level 3 in the fair value hierarchy.

#### **(h) Cash Equivalents**

Cash equivalents include investments with maturities of three months or less at the time of purchase, except for such investments purchased by the University's investment managers as part of their ongoing investment strategies and those held to finance long-term capital projects.

#### **(i) Plant Assets**

Plant assets are recorded at cost or, in the case of donated assets, at fair value on the date of donation. Interest expense for construction financing, net of income earned on unspent proceeds is capitalized as a cost of construction. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

The useful lives used in calculating depreciation are as follows:

|                           |            |
|---------------------------|------------|
| Land improvements         | 20 years   |
| Buildings                 | 50 years   |
| Building improvements     | 20 years   |
| Furnishings and equipment | 3–10 years |
| Library collections       | 30 years   |

#### **(j) *Deferred Revenue and Deposits***

Deferred revenue and deposits include tuition and other student deposits related to programs applicable to the next fiscal year, as well as grants and other payments received in advance of incurring related expenses. Deferred revenue is recognized ratably as revenue in the fiscal year that it is earned.

#### **(k) *Derivative Instrument***

The University maintains an interest rate swap agreement to mitigate interest rate risk associated with its variable rate debt, and reports it at fair value. The fair value of the swap is based upon third-party valuations, which involve the use of pricing models that calculate and compare the present value of both the fixed and variable rate components of the swap.

#### **(l) *Accounting Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the financial statements include valuations of investments, and the postretirement benefit obligation; the net realizable value of receivables; and the allocation of expenses to programs and supporting services (operation and maintenance, depreciation, and interest). Actual results could differ from those estimates.

#### **(m) *Risks and Uncertainties***

The University invests in various investment securities. Investment securities are exposed to various risks and other factors such as interest rate changes, market fluctuations, and credit risks. Due to the level of fluctuation in values associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the statements of financial position in future periods.

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) global pandemic a public health emergency. The University's results of operations could continue to be adversely affected to the extent that COVID-19 or any other epidemic harms the economy. The University's Board and management continue to monitor the outbreak and any potential financial impact. The duration and intensity of the impact of the coronavirus and resulting disruption to the University's operations are uncertain and could adversely affect future financial results.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(n) Leases**

The University classifies leases as either operating or financing depending on the terms and conditions set forth in the contract, and amortizes a lease's cost in the statement of activities on a straight-line basis over its term. On the statement of financial position, right-of-use assets represent the University's right to use the underlying assets for the lease term and lease liabilities represents the University's obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at lease inception based on the present value of lease payments over the lease term. Right-of-use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the straight line method.

As discussed in the note 2(p), the University adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) in 2021. The University elected the package of practical expedients permitted under the transition guidance within Accounting Standards Codification Topic 842, which allowed the University to carry forward its identification of contracts that are or contain leases, its historical classification of existing leases and its accounting for initial direct costs for existing leases.

The University elected the short-term lease exception under ASU 2016-02 for all leases, and therefore, leases with an initial term of 12 months or less are not included in the statements of financial position.

#### **(o) Income Taxes**

The University evaluates uncertainties in income taxes and accounts for them in its financial statements if they exceed a threshold of more-likely-than-not of being sustained. The University has no material uncertain tax positions.

Income generated from activities that support the University's mission but may not directly relate to its exempt purpose (i.e. unrelated business activities), is subject to tax. In connection with the University's routine evaluation of unrelated business activities, it recorded a deferred tax asset totaling \$1,152 at June 30, 2021 and 2020, which is included in other assets on the accompanying statement of financial position, to reflect the fact that net operating loss carryforwards will likely be deductible against future taxable income.

#### **(p) Recent Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02 which is effective for the University's fiscal year ended June 30, 2021 (as amended), and is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The University has adopted this ASU using the modified retrospective transition approach and the effective date method which allowed the University to apply the new leases standard at the adoption date of July 1, 2020. As such, the University is not required to adjust comparative periods or provide comparative period disclosures. The University also elected to use the transition package of practical expedients and short-term lease exemption. The discount rate is based on a risk-free rate using a period comparable with the lease term. The University recognized right-of-use assets and lease liabilities of \$94,606 and 106,587, respectively, on July 1, 2020.

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The FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that restricted cash and cash equivalents be included in total cash and cash equivalents at the beginning and end of the period for which changes are shown in the statements of cash flows. The University applied the amendments in this ASU using a retrospective transition method as of June 30, 2020. Management has determined that this ASU did not significantly impact the University's financial statements.

The FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, effective for the University's fiscal year ending June 30, 2021. The University has adopted ASU 2018-13 as of June 30, 2021. There was no material impact to the financial statements resulting from adoption.

The FASB issued ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for the University's fiscal year ending June 30, 2022. The ASU increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The University plans to adopt ASU No. 2020-07 for the year ending June 30, 2022 and is evaluating the impact of this ASU on its financial statements.

#### **(q) Reclassifications**

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

#### **(3) Operational Liquidity**

To manage liquidity, the University has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The University also invests cash in excess of daily requirements in short-term investments, and has a committed line of credit, which it could draw upon to manage liquidity needs.

The University's cash flows experience variations during the year associated with tuition billing cycles, with a concentration of cash received for tuition payments in August and January for the Fall and Spring terms, respectively.

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At June 30, the University's financial assets available within one year of the statements of financial position for expenditure are as follows:

|   | <u>2021</u>              | <u>2020</u>           |
|---|--------------------------|-----------------------|
| Cash and cash equivalents   | \$ 16,197                | 25,176                |
| Accounts receivable, net  | 17,439                   | 20,054                |
| Investments available for general expenditure                           | 90,580                   | 83,697                |
| Estimated endowment appropriations                                      | <u>36,897</u>            | <u>33,942</u>         |
|   | 161,113                  | 162,869               |
| Transfer to Board approved quasi-endowment (note 5)                     | <u>(79,931)</u>          | —                     |
| Total financial assets available within one year                        | 81,182                   | 162,869               |
| Line of credit (liquidity resource)                                     | <u>50,000</u>            | <u>50,000</u>         |
| Total financial assets and liquidity resource available within one year | \$ <u><u>131,182</u></u> | <u><u>212,869</u></u> |

In addition to these resources, the University maintains board-designated and quasi-endowed funds, valued at \$377,856 and \$248,041 on June 30, 2021 and 2020, respectively. Although spending from these funds is governed by the Board and, in the case of the quasi endowment, set by its spending policy, the University could make these resources available, subject to lock-up provisions of the investments in which these funds are invested, with Board approval.

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**(4) Investments**

Investments at June 30, including information relative to the University's ability to redeem its investments in investment companies and partnerships, are as follows:

|                                       | <u>2021</u>         | <u>2020</u>    | <u>Redemption<br/>frequency</u> | <u>Days<br/>notice</u> |
|---------------------------------------|---------------------|----------------|---------------------------------|------------------------|
| Short-term:                           |                     |                |                                 |                        |
| Cash and cash equivalents             | \$ 10,649           | 11,644         | Daily                           | Not applicable         |
| Fixed income mutual funds             | —                   | 11,120         | Daily                           | Not applicable         |
| Total short-term                      | <u>10,649</u>       | <u>22,764</u>  |                                 |                        |
| Endowment and other investments:      |                     |                |                                 |                        |
| Cash and cash equivalents             | 40,503              | 69,140         | Daily                           | Not applicable         |
| U.S. public equities                  | 61,508              | 38,250         | Daily                           | Not applicable         |
| U.S. government obligations           | 1,850               | 1,556          | Daily                           | Not applicable         |
| Equity mutual funds                   | 10,588              | 4,182          | Daily                           | Not applicable         |
| Fixed income securities               | 17,790              | 947            | Daily                           | Not applicable         |
| Non-public equity funds (i)           | 290,503             | 181,934        | Daily-monthly                   | 5-45                   |
| Absolute return hedge funds (ii)      | 221,351             | 211,859        | Quarterly-annual                | 5-90                   |
| Private capital funds:                |                     |                |                                 |                        |
| Private equity (iii)                  | 170,719             | 96,557         | Illiquid                        | Not applicable         |
| Private debt (iv)                     | 71,169              | 93,255         | Illiquid                        | Not applicable         |
| Private real assets (v)               | 114,868             | 96,613         | Illiquid                        | Not applicable         |
| Other                                 | <u>2,190</u>        | <u>1,947</u>   |                                 |                        |
| Total endowment and other investments | <u>1,003,039</u>    | <u>796,240</u> |                                 |                        |
| Total investments                     | <u>\$ 1,013,688</u> | <u>819,004</u> |                                 |                        |

- i) Non-public equity funds invest in long-only equity in the United States, international developed markets, and emerging markets. Over the long term, these investments are expected to reflect a return commensurate with the overall economic and capital market climate in which the University operates.
- ii) Absolute return hedge funds generally have the flexibility to invest in a wide array of security types (e.g., equities, bonds, currencies and derivatives) as deemed appropriate by the fund manager to carry out the fund's objective. The goal of absolute return strategies is to provide, in aggregate, a return that is consistently positive and uncorrelated with other asset classes.

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- iii) Private equity invests in securities from private or closely held companies that may either go public or be acquired by other companies, or from public companies that may go private. The market for these securities is illiquid and comprises a variety of strategies such as venture capital, growth equity, and leverage buyouts. The investment horizon is typically more than ten years.
- iv) Private debt invests in illiquid debt obligations or debt-related financial instruments. The category is comprised of a variety of strategies such as mezzanine financing, direct lending and distressed debt investing. The investment horizon is typically five to ten years.
- v) Private real assets are primarily held in private equity-type structures that invest in tangible assets that include real estate, farmland, timber, oil and gas. The investment horizon is typically 7 to 10 years.

Total unfunded commitments for private capital funds total \$239,981 and \$169,070 at June 30, 2021 and 2020, respectively.

Investments are classified in the fair value hierarchy at June 30 as follows:

|                             |    | <b>2021</b>    |                |                |                  |
|-----------------------------|----|----------------|----------------|----------------|------------------|
|                             |    | <b>NAV</b>     | <b>Level 1</b> | <b>Level 2</b> | <b>Total</b>     |
| Cash and cash equivalents   | \$ | —              | 51,152         | —              | 51,152           |
| U.S. public equities        |    | —              | 61,508         | —              | 61,508           |
| U.S. government obligations |    | —              | 1,850          | —              | 1,850            |
| Equity mutual funds         |    | —              | 10,588         | —              | 10,588           |
| Fixed income securities     |    | —              | 17,790         | —              | 17,790           |
| Equity funds                |    | —              | 290,503        | —              | 290,503          |
| Hedge funds                 |    | 221,351        | —              | —              | 221,351          |
| Private capital funds       |    | 356,756        | —              | —              | 356,756          |
| Other                       |    | —              | 137            | 2,053          | 2,190            |
| Total                       | \$ | <u>578,107</u> | <u>433,528</u> | <u>2,053</u>   | <u>1,013,688</u> |

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|                             |    | <b>2020</b> |                |                |              |
|-----------------------------|----|-------------|----------------|----------------|--------------|
|                             |    | <b>NAV</b>  | <b>Level 1</b> | <b>Level 2</b> | <b>Total</b> |
| Cash and cash equivalents   | \$ | —           | 80,783         | —              | 80,783       |
| U.S. public equities        |    | —           | 38,250         | —              | 38,250       |
| U.S. government obligations |    | —           | 1,556          | —              | 1,556        |
| Equity mutual funds         |    | —           | 4,183          | —              | 4,183        |
| Fixed income securities     |    | —           | 12,067         | —              | 12,067       |
| Equity funds                |    | —           | 181,934        | —              | 181,934      |
| Hedge funds                 |    | 211,859     | —              | —              | 211,859      |
| Private capital funds       |    | 286,425     | —              | —              | 286,425      |
| Other                       |    | —           | 128            | 1,819          | 1,947        |
| Total                       | \$ | 498,284     | 318,901        | 1,819          | 819,004      |

The following tables summarize the University's total investment return and its classification in the financial statements for the years ended June 30:

|                              |    | <b>2021</b> | <b>2020</b> |
|------------------------------|----|-------------|-------------|
| Without donor restrictions:  |    |             |             |
| Operating                    | \$ | 32,971      | 30,246      |
| Non-operating                |    | 55,284      | (13,591)    |
| With donor restrictions      |    | 119,446     | (20,409)    |
| Total investment return, net | \$ | 207,701     | (3,754)     |

**(5) Endowment**

The University's endowment consists of 1,047 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the University's Board to function as endowments (i.e. quasi endowments).

Pursuant to the investment policy statement approved by its Board of Trustees, the University interprets the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the appropriation or accumulation of a donor-restricted endowment fund as is deemed prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the provisions of the applicable gift instrument.

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Endowment activities during the years ended June 30, 2021 and 2020 are as follows:

|                                   | <b>Quasi endowment</b>                |                                    | <b>Donor-restricted<br/>endowment</b> | <b>Total</b>     |
|-----------------------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------|
|                                   | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> |                                       |                  |
| Net assets at June 30, 2019       | \$ 245,227                            | 17,227                             | 471,062                               | 733,516          |
| Investment return, net            | (1,678)                               | (116)                              | (3,413)                               | (5,207)          |
| Contributions and other additions | 3                                     | —                                  | 16,340                                | 16,343           |
| Appropriation for expenditure     | (10,884)                              | (753)                              | (20,240)                              | (31,877)         |
| Net assets at June 30, 2020       | 232,668                               | 16,358                             | 463,749                               | 712,775          |
| Investment return, net            | 65,669                                | 4,661                              | 131,648                               | 201,978          |
| Contributions and other additions | 79,931                                | 26,385                             | 14,576                                | 120,892          |
| Appropriation for expenditure     | (10,883)                              | (776)                              | (20,947)                              | (32,606)         |
| Net assets at June 30, 2021       | \$ <u>367,385</u>                     | <u>46,628</u>                      | <u>589,026</u>                        | <u>1,003,039</u> |

In 2021, the University's Board of Trustees designated certain of the University's long-term investments totaling \$104,908 (\$79,931 without donor restrictions and \$24,977 with donor restrictions), to become part of the endowment.

The pool is managed to achieve the maximum prudent long-term total return while providing a predictable stream of funding to programs supported by the endowment. The Board has authorized spending and investment policies designed to support these goals. Under the investment policy, endowment assets are invested in a manner that is intended to earn, over the long term, a compound annual rate of return in excess of inflation plus the spending rate. The University seeks to achieve competitive returns when compared with the University's peer group and measured against the appropriate benchmark for each asset class in the University's portfolio.

The University considers the duration and preservation of the investment pool, the donor restrictions governing use of individual endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return, the change in fair value of investments, the University's investment policy, and certain other factors in making a determination to appropriate or accumulate endowment funds. In 2021 and 2020, the spending policy permits the use of total return at a rate of appropriation (spending rate) of 4.5% of the average quarterly fair value during the three preceding calendar years, unless otherwise specified by donor.

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**(6) Accounts and Loans Receivable**

Accounts receivable, net consists of the following at June 30:

|                                 | <u>2021</u>      | <u>2020</u>     |
|---------------------------------|------------------|-----------------|
| Students                        | \$ 26,028        | 23,367          |
| Grants                          | 5,142            | 4,900           |
| Other                           | <u>3,716</u>     | <u>4,207</u>    |
|                                 | 34,886           | 32,474          |
| Allowance for doubtful accounts | <u>(17,447)</u>  | <u>(12,420)</u> |
| Accounts receivable, net        | <u>\$ 17,439</u> | <u>20,054</u>   |

Student loans receivable are net of an allowance for uncollectible accounts, totaling \$2,649 and \$2,626 at June 30, 2021 and 2020, respectively.

**(7) Contributions Receivable**

Contributions receivable, net consists of the following at June 30:

|   | <u>2021</u>      | <u>2020</u>    |
|---|------------------|----------------|
| Amounts expected to be collected in:                      |                  |                |
| Less than one year  | \$ 22,525        | 18,888         |
| One to five years   | 45,838           | 48,191         |
| More than five years                                      | <u>39,787</u>    | <u>11,186</u>  |
|   | 108,150          | 78,265         |
| Less:   |                  |                |
| Allowance for uncollectible amounts                       | (11,834)         | (10,356)       |
| Discount to net present value (ranging from 0.3% to 3.3%) | <u>(4,328)</u>   | <u>(4,676)</u> |
|   | <u>\$ 91,988</u> | <u>63,233</u>  |

Receivables from nine donors account for 65% and 55% of the gross contributions receivable balance at June 30, 2021 and 2020, respectively.

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**(8) Plant Assets**

Plant assets, net of accumulated depreciation, consists of the following at June 30:

|   | <b>2021</b>  | <b>2020</b> |
|---|--------------|-------------|
| Land and land improvements                      | \$ 42,009    | 42,160      |
| Buildings and building improvements             | 1,300,771    | 1,253,226   |
| Furnishings, equipment, and library collections | 339,035      | 326,656     |
| Construction in progress                        | 135,064      | 84,741      |
| Total   | 1,816,879    | 1,706,783   |
| Less accumulated depreciation                   | (701,308)    | (645,605)   |
|   | \$ 1,115,571 | 1,061,178   |

Construction in progress at June 30, 2021 is principally comprised of construction costs relating to the expansion and refurbishment of the University's campus center.

The University has commitments under contracts for construction projects, which total \$52,499 and \$92,372 as of June 30, 2021 and 2020, respectively.

**(9) Pension and Other Postretirement Benefits**

Certain eligible employees of the University receive retirement income benefits under defined-contribution plans. Contributions by the University range from 5% to 11% of an employee's earnings and are determined by the employee's classification, level of earnings, and length of service. The University's contributions for retirement benefits for its employees totaled \$20,297 and \$20,877 during the years ended June 30, 2021 and 2020, respectively.

In November 2020, the University temporarily suspended employer contributions to the retirement plan for five months due to economic conditions stemming from the pandemic and will restore the amount of suspended contributions totaling approximately \$9,000, over the next few fiscal years.

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In addition to providing retirement income benefits, the University sponsors a postretirement plan, which funds certain healthcare and life insurance benefits for certain retired employees who meet minimum age and length-of-service requirements. The following tables summarize changes in the plan's benefit obligation and components of net periodic benefit cost for the years ended June 30:

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
| Change in postretirement benefit obligation:     |             |             |
| Benefit obligation at beginning of year          | \$ 72,854   | 67,824      |
| Service cost                                     | 6,378       | 5,577       |
| Interest cost                                    | 1,804       | 2,257       |
| Plan participants' contributions                 | 956         | 858         |
| Actuarial net gain                               | (5,349)     | (731)       |
| Benefits paid                                    | (2,881)     | (2,931)     |
| Postretirement benefit obligation at end of year | \$ 73,762   | 72,854      |
| Components of net periodic benefit cost:         |             |             |
| Service cost                                     | \$ 6,378    | 5,577       |
| Interest cost                                    | 1,804       | 2,257       |
| Net periodic benefit cost                        | \$ 8,182    | 7,834       |

At June 30, 2021, the gain not yet recognized as a component of net periodic benefit cost totals \$12,122.

Information with respect to plan assumptions and estimated future benefit payments is as follows:

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
| Benefit obligation weighted average assumptions as of June 30:                    |             |             |
| Discount rate   | 2.68 %      | 2.51 %      |
| Rate of compensation increase   | 3.50        | 3.50        |
| Benefit cost weighted average discount rate assumption for the year ended June 30 |             |             |
|   | 2.51 %      | 3.38 %      |
| Healthcare cost trend:  |             |             |
| Ultimate rate   | 4.50 %      | 4.50 %      |
| Year that the ultimate rate is reached  | 2035        | 2035        |

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The healthcare cost trend rate assumption has a significant effect on the amounts reported. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects as of and for the year ended June 30, 2021:

|   | <b><u>One-<br/>percentage-<br/>point increase</u></b> | <b><u>One-<br/>percentage-<br/>point decrease</u></b> |
|---|---|---|
| Effect on total of service and interest cost components | \$ 1,872  | (1,461)   |
| Effect on postretirement benefit obligation             | 11,204  | (9,202)   |

Estimated future annual benefit payments consist of the following:

|           |          |
|-----------|----------|
| 2022      | \$ 2,134 |
| 2023      | 2,281    |
| 2024      | 2,379    |
| 2025      | 2,540    |
| 2026      | 2,827    |
| 2027–2031 | 17,937   |

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**(10) Long-Term and Other Debt Obligations**

The University's long-term and other debt obligations consist of the following outstanding amounts at June 30:

| Description                                | Maturity year | Interest rate | 2021       | 2020    |
|--|---------------|---------------|------------|---------|
| Bonds payable:                             |               |               |            |         |
| Revenue bonds:                             |               |               |            |         |
| Series 2020 (i)                            | 2050          | 4.00 %        | \$ 145,190 | 145,190 |
| Series 2017 (ii)                           | 2036          | 4.00%–5.00%   | 78,050     | 78,050  |
| Series 2016 (iii)                          | 2041          | 4.00%–5.00%   | 131,700    | 134,875 |
| Series 2014 (iv)                           | 2044          | 4.00%–5.00%   | 47,530     | 49,605  |
| Series 2012 (v)                            | 2032          | 3.00%–5.00%   | 20,145     | 22,085  |
| Series 2011 (vi)                           | 2021          | 5.00 %        | —          | 1,925   |
| Series 2008A (vii)                         | 2032          | Variable      | 63,905     | 69,480  |
| Note payable to U.S.                       |               |               |            |         |
| Department of Education                    | 2022          | 3.00 %        | 343        | 343     |
| Note payable for Loyola Hall               | 2022          | None          | 2,750      | 2,750   |
| Finance lease obligations (viii)           | 2024          | 2.00%–7.79%   | 528        | 1,679   |
| Total principal debt                       |               |               | 490,141    | 505,982 |
| Net unamortized premium                    |               |               | 53,305     | 56,046  |
|  |               |               | 543,446    | 562,028 |
| Unamortized bond issue costs               |               |               | (4,491)    | (4,790) |
| Total long-term and other debt obligations |               |               | \$ 538,955 | 557,238 |
| Line of credit outstanding (ix)            |               |               | \$ —       | —       |

- i) In January 2020, the Dormitory Authority of the State of New York (DASNY) issued Fordham University Revenue Bonds, Series 2020 (Series 2020 Bonds) for \$145,190, the proceeds of which are used for the expansion and refurbishment of the University's campus center, payments of capitalized interest, and to cover costs of issuance. Premiums paid at the time of issuance of the Series 2020 Bonds totaled \$19,980 (\$19,046 and 19,703 unamortized at June 30, 2021 and 2020, respectively).
- ii) In December 2017, DASNY issued Fordham University Revenue Bonds, Series 2017 (Series 2017 Bonds) for \$78,050. The proceeds were used in connection with refunding tranches of the Series 2011 Bonds and to cover costs of issuance. Proceeds totaling \$90,385 plus \$3,730 of other University funds, were deposited in an irrevocable trust with an escrow agent in order to provide future debt service

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payments on the advance refunded bonds. In conjunction with the creation of the trust and satisfaction of certain other conditions, the refunded bonds are deemed paid and no longer outstanding. Premiums paid at the time of issuance of the Series 2017 Bonds totaled \$13,161 (\$10,671 and \$11,383 unamortized at June 30, 2021 and 2020, respectively).

- iii) In May 2016, DASNY issued Fordham University Revenue Bonds, Series 2016 (Series 2016 Bonds) for \$146,465, the proceeds of which were used in connection with refunding tranches of the Series 2011 Bonds, the defeasance and advance refunding of the Series 2008B Bonds, to refurbish an academic building and to cover costs of issuance. Premiums paid at the time of issuance of the Series 2016 Bonds totaled \$23,255 (\$18,481 and \$19,405 unamortized at June 30, 2021 and 2020, respectively).
- iv) In April 2014, DASNY issued Fordham University Revenue Bonds, Series 2014 (Series 2014 Bonds) for \$61,815, the proceeds of which were used to acquire a facility, refund a prior bond issue and to cover costs of issuance. Premiums paid at the time of issuance totaled \$4,367 (\$2,933 and \$3,131 unamortized at June 30, 2021 and 2020, respectively).
- v) In October 2012, DASNY issued Fordham University Revenue Bonds, Series 2012 (Series 2012 Bonds) for \$42,320, the proceeds of which were used to refund prior bond issues and to cover costs of issuance. Premiums paid at the time of issuance totaled \$3,887 (\$2,174 and \$2,371 unamortized at June 30, 2021 and 2020, respectively).
- vi) In May 2011, DASNY issued Fordham University Revenue Bonds, Series 2011 (Series 2011 Bonds) for \$146,645, the proceeds of which were used to construct a new Law School building, a 430-bed residence hall, and to make renovations to an existing library.

In connection with the issuance of the Series 2016 Bonds, \$50,000 of the Series 2011 Bonds was advance refunded. At the time of the refunding, the unamortized bond issuance costs and the original issue premium associated with this portion of the Series 2011 Bonds were fully amortized.

In connection with the issuance of the Series 2017 Bonds, \$83,440 of the Series 2011 Bonds were advance refunded. At the time of the refunding, the unamortized bond issuance costs and the original issue premium associated with this portion of the Series 2011 Bonds were fully amortized. The premium on the outstanding portion of the Series 2011 Bonds was fully amortized as of June 30, 2021 and totaled \$53 at June 30, 2020.

- vii) In May 2008, DASNY issued Fordham University Revenue Bonds, Series 2008A (Series 2008A Bonds) for \$96,895, the proceeds of which were used to refund a previous bond issue and to cover costs of issuance. The Series 2008A Bonds are secured by an irrevocable letter of credit, which expires in 2024.

In connection with a prior bond issue in 2005, and as amended with the issuance of the Series 2008A Bonds, the University entered into an interest rate swap agreement with a notional amount of \$95,750. Under the terms of the agreement, the University pays a fixed rate of 3.24%, and receives 67.00% of the one-month LIBOR on the notional principal amount (\$63,905 and \$69,480 at June 30, 2021 and 2020, respectively).

**FORDHAM UNIVERSITY**

Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

The liability of the swap agreement, reported at fair value and categorized as Level 2 in the fair value hierarchy, is \$8,253 and \$11,703 at June 30, 2021 and 2020, respectively. The University was not obligated under the swap agreement to post any collateral at June 30, 2021 or 2020.

viii) The University has executed certain financing lease agreements relating to computer equipment, which bear interest at rates ranging from 2% to 7.79% per annum.

ix) The University maintains an unsecured line of credit that provides up to \$50,000 of short-term financing, which was not borrowed against in 2021 and 2020, and expires in April 2023.

Bonds payable are secured by mortgages on certain of the University's properties and, in certain cases, by pledges of dormitory and tuition revenue equal to the annual debt service requirements on the bonds.

The combined aggregate payments on outstanding debt obligations are as follows:

|                                 | <u>Bonds and<br/>notes principal</u> | <u>Capital lease<br/>principal</u> | <u>Interest</u> | <u>Total</u>   |
|---------------------------------|--------------------------------------|------------------------------------|-----------------|----------------|
| Year:                           |                                      |                                    |                 |                |
| 2022                            | \$ 19,333                            | 207                                | 20,648          | 40,188         |
| 2023                            | 18,100                               | 321                                | 19,948          | 38,369         |
| 2024                            | 19,510                               | —                                  | 19,132          | 38,642         |
| 2025                            | 20,155                               | —                                  | 18,302          | 38,457         |
| 2026                            | 20,815                               | —                                  | 17,463          | 38,278         |
| Thereafter                      | 391,700                              | —                                  | 208,244         | 599,944        |
| Subtotal                        | 489,613                              | 528                                | 303,737         | 793,878        |
| Net unamortized premium         | 53,305                               | —                                  | —               | 53,305         |
| Unamortized bond issuance costs | (4,491)                              | —                                  | —               | (4,491)        |
|                                 | <u>\$ 538,427</u>                    | <u>528</u>                         | <u>303,737</u>  | <u>842,692</u> |

Total interest expense on long-term debt totals \$15,337 and \$16,574 for the years ended June 30, 2021 and 2020, respectively.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill construction commitments. The funds are invested in U.S. government obligations at June 30, 2021. Deposits held by bond trustees, which are reported at fair value and categorized as Level 1 in the fair value hierarchy, consist of the following at June 30:

|                            | <u>2021</u>      | <u>2020</u>    |
|----------------------------|------------------|----------------|
| Construction funds         | \$ 53,353        | 120,692        |
| Capitalized interest funds | 6,101            | 11,887         |
| Debt service funds         | 190              | 313            |
|                            | <u>\$ 59,644</u> | <u>132,892</u> |

#### (11) COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency. In response, various governmental agencies mandated stringent regulations and guidelines to help organizations promote the health and safety of their communities.

In connection with this event, Fordham students, faculty, and staff were transitioned to remote operations and the University issued refunds to students for housing and food services of \$22,186 and fees of \$2,668 for the year ended June 30, 2020. Refunds issued reduced the amount of revenue recognized in fiscal 2020.

The United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020. The University recognized a CARES Act grant of \$12,986 and \$4,350 for the years ended June 30, 2021 and 2020, respectively. Of that grant, \$5,060 and \$2,175 was used as grants for COVID-19 assistance to students (and is included in academic support on the accompanying statements of activities) and the balance was used to mitigate a portion of the financial losses incurred by the University for the numerous health and safety measures taken, for the years ended June 30, 2021 and 2020, respectively.

#### (12) Functional Classification of Expenses

The University's primary program activities are instruction and research, academic support and auxiliary services. Institutional support includes \$14,009 and \$14,155 of fund-raising expenses in 2021 and 2020, respectively. For purposes of reporting fund-raising expenses, the University includes only those fund-raising costs incurred by its development office.

Natural expenses attributable to the operation and maintenance of the physical plant, or more than one functional expense category, are allocated using a variety of cost allocation methods including usable square footage, and time and effort. Interest expense is allocated to program and supporting activities based on the use of loan or bond proceeds.

**FORDHAM UNIVERSITY**  
Notes to Financial Statements  
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Operating expenses are allocated to program and supporting activities during the year ended June 30 as follows:

|   | 2021                     |                  |                    |         |                              |                            |          |                          |
|---|--------------------------|------------------|--------------------|---------|------------------------------|----------------------------|----------|--------------------------|
|   | Program activities       |                  |                    |         | Supporting activities        |                            |          | Total operating expenses |
|   | Instruction and research | Academic support | Auxiliary services | Total   | Institutional administration | Operations and maintenance | Total    |                          |
| Salaries and wages                                | \$ 156,754               | 73,657           | 4,848              | 235,259 | 35,516                       | 20,861                     | 56,377   | 291,636                  |
| Fringe benefits                                   | 52,532                   | 30,185           | 2,367              | 85,084  | 16,130                       | 8,884                      | 25,014   | 110,098                  |
| Professional fees                                 | 9,579                    | 10,121           | 2,140              | 21,840  | 5,761                        | 9,061                      | 14,822   | 36,662                   |
| Depreciation                                      | 16,514                   | 14,526           | 21,589             | 52,629  | 4,869                        | —                          | 4,869    | 57,498                   |
| Interest and other financing costs                | 1,445                    | 2,582            | 8,707              | 12,734  | 311                          | —                          | 311      | 13,045                   |
| Other   | 47,026                   | 32,113           | 24,625             | 103,764 | 18,689                       | 19,705                     | 38,394   | 142,158                  |
| Total before allocation                           | 283,850                  | 163,184          | 64,276             | 511,310 | 81,276                       | 58,511                     | 139,787  | 651,097                  |
| Allocation of operations and maintenance of plant | 12,824                   | 12,381           | 29,091             | 54,296  | 4,215                        | (58,511)                   | (54,296) | —                        |
| Total operating expenses                          | \$ 296,674               | 175,565          | 93,367             | 565,606 | 85,491                       | —                          | 85,491   | 651,097                  |

|   | 2020                     |                  |                    |         |                              |                            |          |                          |
|---|--------------------------|------------------|--------------------|---------|------------------------------|----------------------------|----------|--------------------------|
|   | Program activities       |                  |                    |         | Supporting activities        |                            |          | Total operating expenses |
|   | Instruction and research | Academic support | Auxiliary services | Total   | Institutional administration | Operations and maintenance | Total    |                          |
| Salaries and wages                                | \$ 163,650               | 73,866           | 6,357              | 243,873 | 34,910                       | 19,150                     | 54,060   | 297,933                  |
| Fringe benefits                                   | 51,115                   | 30,092           | 2,887              | 84,094  | 16,443                       | 8,171                      | 24,614   | 108,708                  |
| Professional fees                                 | 10,552                   | 9,824            | 2,258              | 22,634  | 7,787                        | 5,920                      | 13,707   | 36,341                   |
| Depreciation                                      | 16,657                   | 14,909           | 21,589             | 53,155  | 5,264                        | —                          | 5,264    | 58,419                   |
| Interest and other financing costs                | 2,553                    | 2,902            | 9,027              | 14,482  | 312                          | —                          | 312      | 14,794                   |
| Other   | 44,845                   | 35,519           | 29,591             | 109,955 | 20,366                       | 13,544                     | 33,910   | 143,865                  |
| Total before allocation                           | 289,372                  | 167,112          | 71,709             | 528,193 | 85,082                       | 46,785                     | 131,867  | 660,060                  |
| Allocation of operations and maintenance of plant | 10,453                   | 9,792            | 23,225             | 43,470  | 3,315                        | (46,785)                   | (43,470) | —                        |
| Total operating expenses                          | \$ 299,825               | 176,904          | 94,934             | 571,663 | 88,397                       | —                          | 88,397   | 660,060                  |

**FORDHAM UNIVERSITY**  
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**(13) Net Assets**

At June 30, net assets comprised of the following:

|  | <b>2021</b>                           |                                    |                  |
|--|---------------------------------------|------------------------------------|------------------|
|  | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> | <b>Total</b>     |
| Limited use as to purpose or time:                         |                                       |                                    |                  |
| Board-designated endowment                                 | \$ 367,385                            | 46,628                             | 414,013          |
| Board-designated non-endowed funds                         | 10,471                                | —                                  | 10,471           |
| Accumulated endowment earnings pending appropriation for:  |                                       |                                    |                  |
| Scholarships and fellowships                               | —                                     | 124,166                            | 124,166          |
| Academic support   | —                                     | 71,356                             | 71,356           |
| General  | —                                     | 45,822                             | 45,822           |
| Donations and endowment appropriations pending expenditure | —                                     | 82,922                             | 82,922           |
| Contributions receivable                                   | —                                     | 33,888                             | 33,888           |
| Annuity and life income funds                              | —                                     | 6,079                              | 6,079            |
| Other  | —                                     | 9,791                              | 9,791            |
|  | <u>377,856</u>                        | <u>420,652</u>                     | <u>798,508</u>   |
| Restricted in perpetuity:                                  |                                       |                                    |                  |
| Historical gift values restricted for:                     |                                       |                                    |                  |
| Scholarships and fellowships                               | —                                     | 218,251                            | 218,251          |
| Academic support   | —                                     | 84,254                             | 84,254           |
| General  | —                                     | 45,177                             | 45,177           |
| Contributions receivable                                   | —                                     | 58,101                             | 58,101           |
| Annuity and life income funds                              | —                                     | 14,039                             | 14,039           |
| Other  | —                                     | 21,507                             | 21,507           |
|  | —                                     | 441,329                            | 441,329          |
| Undesignated   | <u>349,413</u>                        | <u>—</u>                           | <u>349,413</u>   |
|  | <u>\$ 727,269</u>                     | <u>861,981</u>                     | <u>1,589,250</u> |

**FORDHAM UNIVERSITY**  
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|  | <b>2020</b>                           |                                    | <b>Total</b>     |
|--|---------------------------------------|------------------------------------|------------------|
|  | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> |                  |
| Limited use as to purpose or time:                         |                                       |                                    |                  |
| Board-designated endowment                                 | \$ 232,668                            | 16,358                             | 249,026          |
| Board-designated non-endowed funds                         | 15,373                                | —                                  | 15,373           |
| Accumulated endowment earnings pending appropriation for:  |                                       |                                    |                  |
| Scholarships and fellowships                               | —                                     | 62,580                             | 62,580           |
| Academic support   | —                                     | 39,326                             | 39,326           |
| General  | —                                     | 28,737                             | 28,737           |
| Donations and endowment appropriations pending expenditure | —                                     | 101,538                            | 101,538          |
| Contributions receivable                                   | —                                     | 31,405                             | 31,405           |
| Annuity and life income funds                              | —                                     | 7,010                              | 7,010            |
| Other  | —                                     | 14,511                             | 14,511           |
|  | <u>248,041</u>                        | <u>301,465</u>                     | <u>549,506</u>   |
| Restricted in perpetuity:                                  |                                       |                                    |                  |
| Historical gift values restricted for:                     |                                       |                                    |                  |
| Scholarships and fellowships                               | —                                     | 206,258                            | 206,258          |
| Academic support   | —                                     | 83,968                             | 83,968           |
| General  | —                                     | 42,880                             | 42,880           |
| Contributions receivable                                   | —                                     | 31,828                             | 31,828           |
| Annuity and life income funds                              | —                                     | 14,039                             | 14,039           |
| Other  | —                                     | 13,533                             | 13,533           |
|  | —                                     | 392,506                            | 392,506          |
| Undesignated   | <u>422,827</u>                        | <u>—</u>                           | <u>422,827</u>   |
|  | <u>\$ 670,868</u>                     | <u>693,971</u>                     | <u>1,364,839</u> |

**(14) Commitments and Contingencies**

The University is a defendant in various lawsuits arising in the normal course of business. Management of the University does not expect the ultimate resolution of these actions to have a material adverse effect on the University's financial position.

**(15) Leases**

The University has entered into operating leases of certain facilities for educational purposes which expire at various dates through 2043. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets and operating lease liabilities in the financial statements.

**FORDHAM UNIVERSITY**  
Notes to Financial Statements  
June 30, 2021 and 2020  
(Amounts in thousands)

The University has also entered into finance leases for certain office equipment. Finance lease right-of-use assets and finance lease liabilities are included in plant assets, net and long-term debt, net, respectively.

Operating lease installments are due in future years as follows:

|                                    |    |                      |
|------------------------------------|----|----------------------|
| Year ending June 30:               |    |                      |
| 2022                               | \$ | 8,678                |
| 2023                               |    | 8,239                |
| 2024                               |    | 8,407                |
| 2025                               |    | 8,240                |
| 2026                               |    | 8,024                |
| 2027 and thereafter                |    | <u>62,922</u>        |
|                                    |    | 104,510              |
| Less discount to net present value |    | <u>(5,980)</u>       |
| Total operating lease liabilities  | \$ | <u><u>98,530</u></u> |

Lease costs and other related information for the year ended June 30, 2021 are as follows:

|   |    |                     |
|---|----|---------------------|
| Lease cost:   |    |                     |
| Operating lease cost  | \$ | 8,866               |
| Short-term lease cost   |    | <u>482</u>          |
| Total lease cost  | \$ | <u><u>9,348</u></u> |
| Other information:  |    |                     |
| Cash paid for amounts included in the measurement of lease liabilities: |    |                     |
| Operating cash flows from operating leases                              | \$ | 9,060               |
| Weighted-average remaining lease term                                   |    | 15.19 years         |
| Weighted-average discount rate  |    | 1.01 %              |

## **FORDHAM UNIVERSITY**

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(16) Related-Party Transactions**

The University has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each trustee is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the University, and in accordance with relevant conflict of interest laws.

A member of the Board is also an owner of a corporation from which the University leases facilities. Rent expense associated with these facilities totaled \$2,188 and \$2,249 for the years ended June 30, 2021 and 2020, respectively. There are rental commitments to the corporation through December 2038 totaling \$41,581 at June 30, 2021.

#### **(17) Subsequent Events**

In connection with the preparation of the financial statements, the University evaluated subsequent events through October 20, 2021, which was the date the financial statements were issued.

During July 2021, the Teachers Insurance and Annuity Association of America commenced its service as Master Servicer for the University's pension plan. In its role, it will coordinate data and funds, while providing various compliance efforts.

The University intends to refinance several issues of bonds in October 2021 to take advantage of lower interest rates and seek positive future cash flow savings. The University will also seek additional capital for current projects.

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**SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT**

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## **SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT**

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

### **Representations**

The Authority makes the following representations:

(a) The Authority is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Resolution, the Loan Agreement, the other documents to which the Authority is a party as set forth in Schedule F of the Loan Agreement (collectively, the “Issuer Documents”) and the other documents contemplated thereby. Each of the Issuer Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Authority.

(b) Neither the execution and delivery of any of the Issuer Documents or the other documents contemplated thereby, nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Issuer Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other law or ordinance of the State or any political subdivision thereof, the Authority’s by-laws, as amended, or any statutory restriction or any agreement or instrument to which the Authority is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Authority under the terms of the Act or any such law, ordinance, restriction, agreement or instrument.

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

### *(Section 2.1)*

The University makes the following representations:

(a) The University is a not-for-profit corporation duly organized and validly existing under the laws of the State, is in good standing under the laws of the State and has full legal right, power and authority to execute, deliver and perform its obligations under each of the Loan Agreement, the other documents to which the University is a party as set forth in Schedule E of the Loan Agreement (collectively, the “Institution Documents”) and the other documents contemplated thereby. Each of the Institution Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the University.

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

(c) Neither the execution and delivery of any of the Institution Documents or the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Institution Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any law or ordinance of the State or any political subdivision thereof, the University’s charter or by-laws, as amended, or any corporate restriction or any agreement or instrument to which the University is a party or by which it is bound which would have a material adverse effect on the University or the transaction, or result in, except as contemplated by the Institution Documents, the creation or imposition of any Lien of any nature upon any of the

## *Appendix C*

Property of the University under the terms of any such law, ordinance, charter, by-laws, restriction, agreement or instrument.

(d) There is no action, suit, investigation or proceeding pending or, to the knowledge of the University, threatened against the University or any properties or rights of the University before any court, arbitrator or administrative or governmental body which might result in any materially adverse change in the business, condition or operations of the University or which might materially adversely affect the ability of the University to comply with the Loan Agreement or other Institution Documents.

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

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

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

*(Section 2.2)*

### **Covenants**

The University makes the following covenants:

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

(b) The University shall at all times, to the extent permitted by law, defend, preserve and protect all of the rights of the Authority and the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

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

corporation shall be in compliance with applicable, laws, rules and regulations and each of the provisions of the Loan Agreement and shall meet the requirements of the Act and furnishes such other certificates and documents as the Authority may reasonably request.

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

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

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

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

(iii) The University shall deliver to the Authority each year no later than 120 days after the end of the University's fiscal year a Certificate signed by the Treasurer, Chief Financial Officer or the President of the University in the form attached to the Loan Agreement as Exhibit B (as such form may from time to time be revised by the Authority), together with other statistical information required by the Authority.

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

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

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

(g) The University shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the University, its operations or financial condition or title to its properties in any material respect, and (ii) any requirement of an insurance company providing insurance to the University. Anything contained in this paragraph (g) to the contrary notwithstanding, the University shall have the right to contest the validity of any Governmental Requirement or the application thereof at the University's sole cost and expense. During such contest, compliance with the contested Governmental Requirement may be deferred by the University, provided that prior to commencing any action or proceeding, administrative or judicial, contesting the Governmental

## *Appendix C*

Requirement, the University notifies the Authority of the University's intention to contest such Governmental Requirement and, if the Authority requests, shall furnish to the Authority moneys or other security, satisfactory to the Authority, securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the University to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the University shall be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof, of the contested Governmental Requirement by a governmental authority, and shall be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the University promptly shall comply with any such Governmental Requirement and compliance shall not be deferred if at any time the Project, or any part thereof, to which such contested Governmental Requirement relates, would be in substantial danger by reason of the University's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, lien, charge, fee or penalty that would impair (i) the interests or security of the Authority under the Loan Agreement or under the Resolution, (ii) the ability of the Authority to enforce its rights under the Loan Agreement or under the Resolution, (iii) the ability of the Authority to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Resolution or (iv) the ability of the University to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement.

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

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

(i) With respect to the Project or any portion thereof, so long as any of the Bonds are outstanding, the Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination.

(j) The University shall not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights unless (a) the University provides a Favorable Opinion of Bond Counsel addressed to the Authority and the Trustee relating to such action and (b) the transfer, sale or conveyance is a Permitted Disposition.

(k) The University shall not incur any lien, pledge, charge, encumbrance or security interest in tuition and fees in connection with the incurrence of any indebtedness without granting an equal lien, pledge, charge, encumbrance or security interest as security for the payment of all liabilities and the performance of all obligations of the University pursuant to the Loan Agreement.

*(Section 2.3)*

### **Financing and Refinancing of Project**

(a) The University agrees, and covenants and warrants to the Authority that the proceeds of the Bonds will be used to finance and/or refinance the Costs of the Project and other purposes authorized by the Resolution.

(b) The University agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and under the Loan Agreement, the University shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the description in the Loan Agreement and, if applicable in the Official

Statement or other offering document. The Authority makes no representation, express or implied, that the net proceeds of the Bonds will be sufficient to pay all costs to complete the Project. In the event that the moneys in the Construction Fund are not sufficient to pay in full all costs of the Project, the University agrees to pay all such sums as may be in excess of the moneys available therefor and necessary to complete the Project.

*(Section 3.1)*

### **Loan of Bond Proceeds**

The Authority agrees to loan the proceeds of the Bonds to the University in accordance with the provisions of the Loan Agreement. Such Bond proceeds shall be disbursed to the University in accordance with the provisions of the Loan Agreement and of the Resolution.

*(Section 4.1)*

### **Loan Payments and Other Amounts Payable**

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

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

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

(iii) On each Loan Repayment Date, Loan Repayments in the amount determined in the manner set forth in Schedule D, subject to adjustment from time to time as a result of events including, but not limited to, prepayment.

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

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

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

(vii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (A) for the Issuer Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to paragraph h of the section of the Loan Agreement summarized herein under the heading "Loan Payments and Other Amounts

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Payable” and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (C) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by the Authority under a Remarketing Agreement, a Credit Facility or a Liquidity Facility, (D) for the costs and expenses incurred by the Authority to compel full and punctual performance by the University of all the provisions of the Loan Agreement or the Resolution in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and,

(viii) Promptly upon demand by the Trustee, (a copy of which shall be furnished to the Authority), all amounts required to be paid by the University as a result of an acceleration pursuant to the section of the Loan Agreement summarized herein under “Events of Default and Remedies”.

(b) In addition to the Loan Payments pursuant to paragraph (a) of the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable”, throughout the Loan Term, the University shall pay to the Authority as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Authority actually incurred (i) by reason of the Authority’s financing of the Project, or (ii) in connection with the carrying out of the Authority’s duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement; or (iii) on account of any payments made by the Authority for the purpose of fulfilling the University’s obligations under the Loan Agreement, including, but not limited to, the Loan Agreement.

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

(d) Subject to the provisions of the Loan Agreement and the Resolution, the University shall receive a credit against the amount required to be paid by the University during a Bond Year pursuant to paragraph (a)(iii) of the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable” on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the University delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the written direction of the Authority, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with subdivision Section 5.06(c) of the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

(e) The Authority directs the University, and the University agrees, to make the payments required by paragraphs (a)(iii), (a)(iv), (a)(vi), and (a)(viii) of the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable” directly to the Trustee for deposit and application in accordance with Section 5.05 of the Resolution, the payments required by paragraphs (a)(ii) and (a)(vii)(E) of “Loan Payments and Other Amounts Payable” herein directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Authority, and the payments required by paragraphs (a)(i), (a)(v), (a)(vii) (A),(B),(C) and (D) and (b) of the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable” directly to the Authority.

(f) Notwithstanding any provisions in the Loan Agreement to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee (other than moneys received by the Trustee pursuant to paragraphs (a)(ii) (a)(vi) and (a)(vii)(E)) shall be applied in reduction of the University’s indebtedness to the Authority under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with Section 12.01(b) of the Resolution. Except as otherwise provided in the Resolution and the preceding sentence of this paragraph (f), the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the

Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

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

(h) The Authority shall have the right in its sole discretion to make on behalf of the University any payment required pursuant to the section of the Loan Agreement summarized herein under the heading "Loan Payments and Other Amounts Payable" which has not been made by the University when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under Article VII of the Loan Agreement arising out of the University's failure to make such payment and no payment by the Authority shall be construed to be a waiver of any such right or of the obligation of the University to make such payment.

*(Section 4.2)*

### **Obligations of the University Hereunder Unconditional**

The Loan Agreement and the obligations of the University to make payments under the Loan Agreement are general obligations of the University. The obligations of the University to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against the Authority, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the University to complete the Project or the completion thereof with defects, failure of the University to occupy or use the Project, any declaration or finding that the Bonds are or the Resolution is invalid or unenforceable or any other failure or default by the Authority or the Trustee; provided, however, that nothing in the Loan Agreement shall be construed to release the Authority from the performance of any agreements on its part contained in the Loan Agreement or any of its other duties or obligations, and in the event the Authority shall fail to perform any such agreement, duty or obligation, the University may, subject to the provisions of the Loan Agreement, institute such action as it may deem necessary to compel performance or to recover damages for the Authority's willful misconduct.

*(Section 4.3)*

### **Payment of Additional Moneys in Prepayment of Bonds**

The University, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee provided that the University has given the Authority written notice of its intention to make any such voluntary payment at least two (2) business days prior to making the payment. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with Section 5.06 of the Resolution or held by the Trustee for the payment of Bonds in accordance with Section 12.01(b) of the Resolution. Upon any voluntary payment by the University, the Authority agrees to direct the Trustee in writing to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in writing in accordance with Section 12.01(b) of the Resolution with respect to such Series of Bonds; provided, however, that in the event such voluntary payment is sufficient to pay all amounts then due under the Loan Agreement and the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with Section 12.01(b) of the Resolution, the Authority agrees, in accordance with the instructions of the University, to direct the Trustee in writing to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with Section 12.01(b) of the Resolution.

*(Section 4.4)*

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### **Rights and Obligations of the University upon Prepayment of Bonds**

In the event the Bonds shall have been paid in full prior to the termination of the Loan Agreement, or provision for such payment shall have been made in accordance with the Resolution, the Authority, at the sole cost of the University, shall deliver to the University appropriate terminations, discharges or releases of any security interest relating to the Project or under the Resolution.

*(Section 4.5)*

### **Security Interest**

The University acknowledges that the payments by the University under the Loan Agreement are pledged as security for payment of the principal of, and Redemption Price of and interest on the Bonds. The security interest referred to in this section shall (except with respect to the Authority's Unassigned Rights) be assigned by the Authority to the Trustee pursuant to the section of the Loan Agreement described below under "Assignment to Trustee and University Consent".

*(Section 4.6)*

### **Assignment to Trustee and University Consent**

The Authority will pledge and assign its rights to and interest in the Loan Agreement, and in all amounts payable by the University to the Trustee pursuant to the section of the Loan Agreement summarized herein under the heading "Loan Payments and Other Amounts Payable" and all other provisions of the Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bonds. The University acknowledges and consents to such pledge and assignment by the Authority. Notwithstanding the foregoing, (1) all indemnities contained in the Loan Agreement shall, subsequent to such pledge and assignment, continue to run to the Authority for its benefit; and (2) both the Trustee and the Authority shall each have the right to enforce Events of Default arising from violations of Article 8 of the Loan Agreement.

*(Section 4.7)*

### **Financing Statements**

The University shall file, or cause to be filed, all UCC Financing Statements required to be filed on the date of issuance of the Bonds. The University further irrevocably appoints the Trustee as the University's lawful attorney-in-fact and agent, to prepare and execute any UCC-1 Financing Statements or UCC-3 Amendments or Assignments on the University's behalf in accordance with the requirements of the Resolution to protect the Authority's and the Trustee's security interests in payments made pursuant to the Loan Agreement and any assignment thereof, and on the University's behalf, to file such Financing Statements in any appropriate public office. The University shall be responsible for the reasonable costs incurred by the Trustee and the Authority in filing all continuation statements under the Loan Agreement.

*(Section 4.8)*

### **Maintenance and Modifications of Project by University**

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

purposes permitted under the Tax Certificate or as otherwise permitted in a Favorable Opinion of Bond Counsel delivered by the University to the Authority and the Trustee.

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

*(Section 5.1)*

### **Use and Control of the Project**

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

*(Section 5.2)*

### **Liens, Utilities and Access**

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

*(Section 5.3)*

### **Damage or Condemnation**

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

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

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

*(Section 6.1)*

### **Reliance by Trustee**

The Trustee shall be entitled to rely on any instructions given by the University pursuant to the terms of the Loan Agreement and the University shall indemnify the Trustee for the consequences of all actions taken pursuant to

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any such instructions provided that the Trustee, at the time the instructions were given, reasonably believed in good faith that such instructions were genuine and signed by an Authorized Officer of the University; provided however, that any instructions given by the University pursuant to this section shall relate only to the Loan Agreement and shall not constitute instructions to the Trustee to act or refrain from acting under the Resolution (which latter instructions may be given only by the parties authorized to do so under the Resolution in the manner provided therein).

*(Section 7.3)*

### **Compliance with Resolution**

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

*(Section 7.5)*

### **Investment of Funds**

The University acknowledges that the Authority shall direct the investment of moneys held under the Resolution as provided therein and that no representation or warranty has been made by the Authority with respect to interest rates on, or the amount to be earned as a result of, any such investment. The Authority shall regularly consult with the University regarding any investments of funds being held in the Construction Fund. Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of Article VI of the Resolution in the manner provided therein, for any depreciation in value of any investment or for any loss, direct or indirect, resulting from any such investment. The Authority agrees that it shall direct the making of investments as permitted by the Resolution as soon as practicable when moneys are legally available therefor.

*(Section 7.6)*

### **Tax Representations**

The University represents and warrants that (i) it is an organization described in Section 501(c)(3) of the Code and it is not a “private foundation” as defined in Section 509 of the Code; (ii) it has received a letter from the Internal Revenue Service to that effect; (iii) such letters has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter; (v) the facts and circumstances which form the basis of such letter continue substantially to exist as represented to the Internal Revenue Service; (vi) it is not aware of any action, pending or threatened, that calls its status as represented in clause (i) into question; and (vii) it is exempt from federal income taxes under Section 501(a) of the Code.

*(Section 8.1)*

### **Tax Covenants**

The University covenants and agrees that it shall not perform any act or enter into any agreement or omit to take any action that would adversely affect its status as an organization described in Section 501(c)(3) of the Code and shall conduct its operations in a manner which conforms to the standards necessary to qualify the University as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law.

*(Section 8.2)*

## **Tax Exemption**

(a) The Authority and the University covenant that they (i) will comply with the provisions of the Code required to preserve the exclusion from gross income of interest on the Tax-Exempt Bonds for Federal income tax purposes, and (ii) shall not take or omit to take any action if such action or omission would cause the interest in the Tax-Exempt Bonds to be includable in gross income under Section 103 of Code.

(b) Partly in furtherance of the foregoing, the Authority and the University are entering into a Tax Certificate with respect to matters of federal tax law pertaining to the Tax-Exempt Bonds. The Tax Certificate, including the amendment provisions thereof, will be treated as incorporated by reference in the Loan Agreement. The Authority and the University each covenant that it will not take any action or fail to take any action which would cause any of its representations contained in the Tax Certificate to be untrue and shall comply with all its covenants contained in the Tax Certificate, unless the Authority or the University, as applicable, provides the other party with a Favorable Opinion of Bond Counsel relating to the taking or failing to take such action or the failing to comply with its covenants under the Tax Certificate.

(c) Except with a Favorable Opinion of Bond Counsel addressed to the Authority and the Trustee, neither the University nor any related party to the University (as defined in Treas. Reg. § 1.150-1(b)) shall purchase any of the Tax-Exempt Bonds in an amount related to the obligation represented by the Loan Agreement.

(d) The Authority shall calculate rebate amount and shall retain in the Authority's possession, so long as required by the Code, copies of all documents, reports and computations made by the rebate analyst in connection with the calculation of earnings and the rebate of all or a portion thereof to the Department of the Treasury of the United States of America, which shall be subject at all reasonable times to the inspection of the University and its agents and representatives, any of whom may make copies thereof. Upon written request therefor from the University, the Authority shall as soon as practicable provide the University with a copy of any such document, report or computation. The Authority shall also provide the University with a copy of all documents or reports filed with the Department of Treasury of the United States of America relating to the rebate of earnings.

(e) These provisions shall survive the termination of the Loan Agreement or defeasance of the Bonds.

*(Section 8.3)*

## **Restricted Gifts**

(a) The University agrees that it shall deliver to the Authority a certificate of an Authorized Officer of the University satisfactory to an Authorized Officer of the Authority setting forth and representing (i) the amount of Restricted Gifts theretofore received in connection with the Project, (ii) that all of such amount has been or will be spent on the Project or will be otherwise applied in a manner for which the University provides a Favorable Opinion of Bond Counsel addressed to the Authority and the Trustee; (iii) that such amount shall not be reimbursed from the proceeds of the sale of the Bonds, (iv) whether the University reasonably expects to receive while Bonds are Outstanding any additional Restricted Gifts, and (v) such other matters as may be required to determine whether issuance of the Bonds will comply with the requirements of the Code.

(b) If, prior to completion of construction of the Project, the University receives any Restricted Gift therefor, the University shall, to the extent not inconsistent with the terms of such Restricted Gift, to the extent such moneys will exceed the amount necessary to complete the Project, pay such amount to the Trustee for deposit to the Debt Service Fund (consistent with the requirements of the Tax Certificate, if any) or apply such amount in a manner for which University provides a Favorable Opinion of Bond Counsel addressed to the Authority and the Trustee. If, after completion of the construction of the Project, the University receives any Restricted Gift, the University shall deliver a like amount to the Trustee for deposit to the Debt Service Fund (consistent with the requirements of the Tax Certificate, if any) or apply such amount in a manner for which the University provides the Authority and the Trustee with a Favorable Opinion of Bond Counsel.

(c) The University represents, warrants and covenants that it has expended or will expend on the Project, from sources other than proceeds of the issuance of the Bonds, an amount equal to the amount of Restricted Gifts received and reasonably expected to be received by it in the future from pledges or otherwise and no such

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moneys will be pledged as collateral for the Bonds or is otherwise expected to be used to pay the principal of or interest on the Bonds. For purposes of this paragraph, it is understood that the University may name all or part of the Project in honor of a donor or donors in recognition of pledges, contributions or services of the donor or donors that are unrelated to the Costs of the Project, and amounts pledged or contributed by the donor or donors for purposes unrelated to the Costs of the Project will not be considered to have been raised for purposes of constructing or equipping the Project.

*(Section 8.4)*

### **Events of Default and Remedies**

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

(i) the University shall default in the timely payment of any amount payable pursuant to the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable” or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement and the Resolution, and such default continues for a period in excess of seven (7) days; or

(ii) the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph (i) of this section) or breaches any representation made in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by the Authority or the Trustee; provided, however, that, if in the determination of the Authority such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and is diligently pursued until the default is corrected and in any event, not to exceed ninety (90) days; or

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

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

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

(vi) the charter or certificate of incorporation of the University or any license necessary to operate the Project shall be suspended or revoked; or

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

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

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

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

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the University, shall be rendered against the University and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

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

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

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

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

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

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

(d) At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Authority may annul any declaration made or action taken pursuant to paragraph (b) of this section and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

## ***Appendix C***

(e) Notwithstanding any assignment of this Agreement to the Trustee, the Authority reserves the right to direct the Trustee to take any actions authorized by clauses (ii), (iii) and (iv) of subsection (b) of this section as shall be necessary to enforce the Authority's Unassigned Rights.

*(Section 9.1)*

### **Agreement to Pay Attorneys' Fees and Other Expenses**

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

*(Section 9.2)*

### **No Additional Waiver Implied by One Waiver**

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

*(Section 9.3)*

### **Termination**

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof; provided, however, that Section 7.8 and 9.2 of the Loan Agreement and the liabilities and the obligations of the University to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to Sections 4.2(a)(vii), 4.2(b), 4.2(c), 4.2(h), 5.6, and 7.1 of the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the University to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the University to the Authority pursuant to the Loan Agreement.

*(Section 10.1)*

### **Payments to the University**

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

*(Section 10.2)*

**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**

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## **SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS**

The following is a brief summary of certain provisions of the Resolution and the Series 2021 Resolutions (collectively, the “Resolutions”). This summary does not purport to be complete and reference is made to the Resolutions for full and complete statements of such and all provisions. The headings below are not part of the Resolutions but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

### **Resolution and Bonds Constitute a Contract**

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

*(Section 1.03)*

### **Assignment of Certain Rights and Remedies to the Trustee**

With respect to each Series of Bonds, as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Outstanding Bonds of such Series and for the performance of each other obligation of the Authority under the Resolution and under a Series Resolution, the Authority may, and upon the happening of an Event of Default under the Resolution, shall, grant, pledge and assign to the Trustee all of the Authority’s estate, right, title, interest and claim in, to and under the applicable Loan Agreement or the applicable Mortgage, together with all rights, powers, security interests, privileges, options and other benefits of the Authority under such Loan Agreement or Mortgage, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under such Loan Agreement or Mortgage, and the right to make all waivers and agreements in the name and on behalf of the Authority, as Trustee for the benefit of the Holders of a Series of Bonds, and to perform all other necessary and appropriate acts under such Loan Agreement or Mortgage, including but not limited to the right to declare the indebtedness under such Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon the applicable Pledged Revenues or the Mortgage, subject to the following conditions, that (i) the Holders of such Bonds, if any, shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority and (ii) unless and until the Trustee is assigned the applicable Loan Agreement and Mortgage, the Trustee shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions contained in such Loan Agreement and Mortgage to be performed by the Authority (except to the extent of actions undertaken by the Trustee in the course of its performance of any such covenant or provision), (iii) with respect to a Mortgage granted by the Institution to the Authority in connection with a Series of Bonds, any grant, pledge and assignment to the Trustee of the Authority’s estate, right, title, interest and claim, in, to and under such Mortgage shall secure only the payment of the principal and Redemption Price of and interest on the Outstanding Bonds of such Series. Until such election is made, the Authority shall remain liable to observe and perform all the conditions and covenants, in the applicable Loan Agreement and Mortgage provided to be observed and performed by it. Upon any such grant, pledge or assignment contemplated by the Resolution, the Authority may retain the right to (i) the payment of any fees, costs and expenses of the Authority payable pursuant to the applicable Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any

## ***Appendix D***

right or remedy available under the applicable Loan Agreement or any applicable Mortgage for the enforcement of the obligations of the Institution to which the Authority has retained such right.

Any grant, pledge or assignment made pursuant to these provisions of the Resolution shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by the Authority within thirty (30) days after written notice of the Authority's election to make such grant, pledge or assignment.

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

*(Section 1.04)*

### **Authorization and Issuance of Bonds**

#### **Additional Obligations**

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

*(Section 2.05)*

### **Redemption of Bonds**

#### **Authorization of Redemption**

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

*(Section 4.01)*

#### **Redemption at the Election or Direction of the Authority**

In the case of any redemption of Bonds of a Series other than as summarized in the following paragraph, the Authority shall give to the Trustee and each applicable Facility Provider written notice of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-Series to be redeemed. The Series, Sub-Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Authority shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the applicable Bond Series Certificate. Such notice shall be given to the Trustee and each applicable Facility Provider at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given with respect to Bonds to be redeemed pursuant to provisions of the Resolution summarized herein unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds of such Series to be so redeemed.

*(Section 4.02)*

### **Redemption Other Than at Authority's Election or Direction**

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

*(Section 4.03)*

#### **Selection of Bonds to Be Redeemed**

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

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

*(Section 4.04)*

#### **Notice of Redemption**

Whenever Bonds of a Series are to be redeemed, the Trustee shall give notice of the redemption of such Bonds in the name of the Authority which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) of each such Bond, the principal amount thereof to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (ix) if the Authority's obligation to redeem the Bonds is subject to one or more conditions, a statement to that effect that describes the conditions to such redemption.

Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by the

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Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

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

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

*(Section 4.05)*

### **Payment of Redeemed Bonds**

Notice having been given by mail in the manner provided in the Resolution, the Bonds of a Series or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, Sub-Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bond is surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond of a Series, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of such registered Bond so surrendered, Bonds of like Series, Sub-Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds of a Series or portions thereof of any like Series, Sub-Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date,

shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on such Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

*(Section 4.06)*

#### **Purchase of Purchased Bonds**

Whenever Bonds are to be purchased at the election of the Institution, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by the Institution to the Authority, the Trustee, and each applicable Facility Provider, the Trustee shall select the particular Bonds of such Series and maturity to be so purchased in the same manner as provided in the Resolution for the selection of Bonds to be redeemed in part. Promptly thereafter the Trustee shall give notice of the purchase of the Bonds at the times and in the manner provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, the Institution has caused to be delivered to the Trustee the written consent to such purchase of the Authority. All such purchases may be subject to conditions to the Institution's obligation to purchase such Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required by the Series Resolution authorizing the Bonds to be so purchased or the Bond Series Certificate relating thereto, then, if sufficient money to pay the purchase price of such Bonds is held by the Trustee, the purchase price of the Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase, upon presentation and surrender of such Bonds (other than Book Entry Bonds) to be purchased at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Payment of the purchase price of other than Book Entry Bonds shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be so purchased, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has prior to the purchase date directed in writing the Trustee to wire such purchase price. Bonds so purchased shall be considered to be Outstanding and each such Bond so purchased that is not a Book Entry Bond shall be registered in the name or at the direction of the Institution.

*(Section 4.07)*

#### **Pledge of Revenues; Funds and Accounts; Revenues and Application Thereof**

##### **Pledge of Revenues**

The proceeds from the sale of a Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution, other than the Arbitrage Rebate Fund, are pursuant to the Resolution, subject to the adoption of a Series Resolution, pledged and assigned by the Resolution to the Trustee as security for the payment of the principal and Redemption Price of and interest on such Series of Bonds, all in accordance with the provisions of the Resolution and thereof. The pledge made by the Resolution shall relate only to the Bonds of a Series authorized by such Series Resolution and no other Series of Bonds and such pledge shall not secure any such other Series of Bonds. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of a Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and all funds and accounts established by the Resolution and by a Series Resolution which are pledged by the Resolution shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the applicable Revenues, the Authority's security interest in the applicable Pledged Revenues and the funds and accounts established by the Resolution and

## *Appendix D*

pursuant to a Series Resolution and which are pledged by the Resolution as provided in the Resolution, which pledge shall constitute a first lien thereon, subject only to the applicable Prior Pledges.

*(Section 5.01)*

### **Establishment of Funds and Accounts**

Unless otherwise provided by a Series Resolution, the following funds are authorized to be established and shall be held and maintained for each Series of Bonds by the Trustee separate and apart from any other funds established and maintained pursuant to any other Series Resolution:

Construction Fund;

Debt Service Fund; and

Arbitrage Rebate Fund.

Accounts and subaccounts within each of the foregoing funds may from time to time be established in accordance with a Series Resolution, a Bond Series Certificate or upon the direction of the Authority. All moneys at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by a Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds of a Series, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution, unless otherwise provided in the applicable Series Resolution; provided, however, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price or Redemption Price of such Option Bonds; provided further, that any Debt Service Reserve Fund established by or pursuant to a Series Resolution, the amounts held therein and amounts derived from any Reserve Fund Facility related thereto, shall not be held in trust for the benefit of the Holders of Bonds other than the Bonds of the Series secured thereby as provided in such Series Resolution and are pledged solely thereto and no Holder of the Bonds of any other Series shall have any right or interest therein.

*(Section 5.02)*

### **Application of Moneys in the Construction Fund**

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to provisions of the Resolution summarized under the heading “**Deposit of Certain Moneys in the Construction Fund**” below. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the Institution which by the terms of the Loan Agreement are required to be deposited therein.

(a) Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, moneys deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such Series of Bonds. For purposes of internal accounting, the Construction Fund may contain one or more further subaccounts, as the Authority or the Trustee may deem proper.

(b) Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Payments for Costs of each Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the

Authority, substantiated by a certificate filed with the Authority in accordance with a Loan Agreement naming the Project in connection with which payment is to be made and describing in reasonable detail the purpose for which moneys were used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of such Project, except that payments to pay interest on Bonds of a Series shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Construction Fund to the Debt Service Fund.

(c) Any proceeds of insurance, condemnation or eminent domain awards received by the Trustee, the Authority or the Institution with respect to a Project shall be deposited in the Construction Fund and, if necessary, such fund may be re-established for such purpose.

(d) A Project shall be deemed to be complete upon delivery to the Authority and the Trustee of a certificate signed by an Authorized Officer of the Institution, which certificate shall be delivered as soon as practicable after the date of completion of such Project, or upon delivery to the Institution and the Trustee of a certificate signed by an Authorized Officer of the Authority which certificate may be delivered at any time after completion of such Project. Each such certificate shall state that such Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for occupancy or use, and, in the case of a certificate of an Authorized Officer of the Institution, shall specify the date of completion.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the moneys, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project in connection with such Project which are then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

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

Second: To the Debt Service Reserve Fund, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the applicable Debt Service Reserve Fund Requirement, if any; and

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

*(Section 5.04)*

#### **Deposit of Revenues and Allocation Thereof**

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

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

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and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on and the principal and Sinking Fund Installments of Outstanding Bonds of a Series payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding July 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to the provisions of the Resolution summarized under the heading section entitled “**Debt Service Fund**” in this Appendix D, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse each Facility Provider for Provider Payments which are then unpaid the respective Provider Payments and to replenish each Debt Service Reserve Fund to its respective Debt Service Reserve Fund Requirement, pro rata, in proportion to the amount the respective Provider Payments then unpaid to each Facility Provider and the amount of the deficiency in each Debt Service Reserve Fund bears to the aggregate amount of Provider Payments then unpaid and deficiencies in the respective Debt Service Reserve Funds;

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

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

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

*(Section 5.05)*

### **Debt Service Fund**

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

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

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

(iii) the Sinking Fund Installments, if any, due and payable on all Outstanding Bonds of a Series on such interest payment date.

The amounts paid out pursuant to the provisions of the Resolution summarized herein shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of the Resolution summarized in paragraph (a) above, the Authority may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of a Series to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond purchased by the Institution and delivered to the Trustee in accordance with a Loan Agreement shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; provided, however, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

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

*(Section 5.06)*

#### **Arbitrage Rebate Fund**

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

Moneys on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to a Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee under the Resolution and deposit to the Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to such Series of Bonds and (ii) if and to the extent required by the Code, pay out of the Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

*(Section 5.07)*

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### **Application of Moneys in Certain Funds for Retirement of Bonds**

Notwithstanding any other provisions of the Resolution, if at any time (i) the amounts held in the Debt Service Fund and the Debt Service Reserve Fund, if applicable, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of a Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, (ii) the amounts held in the Debt Service Reserve Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Series secured thereby and the interest accrued and unpaid and to accrue on such Bonds to the next date on which such Bonds may be redeemed or (iii) in either case, to make provision pursuant to the defeasance provisions of the Resolution for the payment of such Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the Institution. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds of a Series, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by a Series Resolution as provided in the redemption provisions of the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the defeasance provisions of the Resolution and make provision for the payment of such Outstanding Bonds at the maturity or redemption dates thereof in accordance with such instruction.

*(Section 5.08)*

### **Transfer of Investments**

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

*(Section 5.09)*

## **Security for Deposits and Investment of Funds**

### **Security for Deposits**

All money held under the Resolution by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of a Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however**, (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to the debt service fund provisions or the defeasance provisions of the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

*(Section 6.01)*

### **Investment of Funds and Accounts**

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

(b) In lieu of the investments of money in obligations summarized in paragraph (a) above, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment, **provided, however,** that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

(c) Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

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

(e) Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in provisions of the Resolution summarized herein. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions summarized in paragraphs (a), (b) and (c) above. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

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

*(Section 6.02)*

## **Particular Covenants**

### **Payment of Principal and Interest**

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

*(Section 7.01)*

### **Further Assurance**

The Authority, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming

## *Appendix D*

all and singular the rights, pledges and assignments by the Resolution and by the Series Resolution created or made or intended to be created or made, or which the Authority may hereafter become bound to pledge or assign.

*(Section 7.04)*

### **Accounts and Audits**

The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of the Institution, the Trustee or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each Facility Provider and to the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each Series Resolution; and complete and correct entries of the Authority's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

*(Section 7.05)*

### **Creation of Liens**

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

*(Section 7.06)*

### **Enforcement of Duties and Obligations of the Institution**

The Authority shall take all legally available action to cause the Institution to perform fully all duties and acts and comply fully with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement; **provided, however**, that the Authority may (i) delay or defer enforcement of one or more provisions of such Loan Agreement (other than provisions requiring the payment of moneys or the delivery of securities to the Trustee for deposit to any fund or account established under the Resolution) if the Authority determines such delay or deferment will not materially adversely affect the interests of the Holders of the Bonds of a Series and (ii) at any time prior to the occurrence of an Event of Default under the Resolution, annul any declaration that the indebtedness under such Loan Agreement is immediately due and payable and, if prior to the entry of a final judgment or decree in any action or proceeding instituted on account of an "Event of Default" under such Loan Agreement, discontinue such action or proceeding if the Institution shall have cured each "Event of Default" under such Loan Agreement.

*(Section 7.07)*

### **Deposit of Certain Moneys in the Construction Fund**

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

*(Section 7.08)*

## **Offices for Payment and Registration of Bonds**

The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with the Resolution, designate an additional Paying Agent or Paying Agents where Bonds of a Series authorized thereby or referred to therein may be presented for payment. The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for registration, transfer or exchange and the Trustee is appointed as its agent to maintain such office or agency for the registration, transfer or exchange of such Bonds. The provisions of the Resolution summarized in this paragraph shall be subject to the provisions of the Resolution relating to place and medium of payment.

*(Section 7.09)*

## **Amendment of Loan Agreement**

A Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds of the applicable Series in any material respect unless consented to in writing by the Holders of at least a majority in aggregate principal amount of the Bonds of such Series then Outstanding; provided, however, that no such amendment, change, modification, alteration, or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of a Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Institution under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to the paragraph summarized herein by the Holders of Bonds shall, except as otherwise provided in the paragraph summarized herein, be given in the same manner required by the portion of the Resolution addressing amendments of the Resolution.

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

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

In addition, the Holder of an Outstanding Auction Rate Bond of a Series shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by the portion of the Resolution addressing amendments of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. The following terms shall have the respective meanings: "Auction Rate Bond" means a Variable Interest Rate Bond of a Series that is not an Option Bond, and that bears

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interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; “Auction Date” means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and “Winning Bid Rate” when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

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

For all purposes of the paragraph summarized herein, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds of a Series then Outstanding in any material respect.

*(Section 7.11)*

### **Notice as to Event of Default under Loan Agreement**

The Authority shall notify the Trustee in writing that an “Event of Default” under the Loan Agreement, as such term is defined in the Loan Agreement, has occurred and is continuing, which notice shall be given as soon as practicable after the Authority has obtained actual knowledge thereof.

*(Section 7.12)*

### **Issuance of Obligations under Previous Resolutions**

The Authority so long as Bonds are Outstanding shall not issue additional bonds or notes pursuant to its “Fordham University Insured Revenue Bond Resolution,” adopted September 25, 2002 or its “Fordham University Insured Revenue Bond Resolution,” adopted March 24, 2004.

*(Section 7.13)*

## **Series Resolutions and Supplemental Resolutions**

### **Modification and Amendment without Consent**

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

- (a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;
- (b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution or under a Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, or any Series Resolution, of the Revenues, or any pledge of any other moneys, securities or funds;

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

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

*(Section 9.01)*

#### **Supplemental Resolutions Effective With Consent**

The provisions of the Resolution or of a Series Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Holders of a Series of Bonds in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

*(Section 9.02)*

#### **General Provisions Relating to Series Resolutions and Supplemental Resolutions**

The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained in the Resolution shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of the Resolution summarized under the heading “**Further Assurance**” above or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere provided or permitted in the Resolution to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution and is valid and binding upon the Authority and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution and each applicable Facility Provider upon its becoming effective.

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The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent or of a Facility Provider shall become effective without the written consent of the Trustee, Paying Agent or Facility Provider affected thereby.

*(Section 9.03)*

### **Amendments of Resolution**

#### **Powers of Amendment**

Any modification or amendment of the Resolution or of any Series Resolution that modifies or amends the rights and obligations of the Authority and of the Holders of a Series of Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution and summarized in the following paragraph, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding of such Series at the time such consent is given or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds of a Series the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the provisions of the Resolution summarized in this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of a particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds of such Series. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

*(Section 10.01)*

#### **Consent of Bondholders**

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding paragraph to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to such Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in provisions of the Resolution summarized in the preceding paragraph and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in the Resolution as provided below. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has

examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee. Any consent given by the Holder of a Bond of a Series shall be binding upon such Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bond issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by such Bondholder giving such consent or a subsequent Holder of such Bond by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in the Resolution is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds of each Series and will be effective as provided in the Resolution, shall be given to such Bondholders by the Trustee at the direction of the Authority by mailing such notice to such Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of such Bonds of a Series shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee provided for in the Resolution is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as provided in the Resolution). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by the Resolution to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of such Series of Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; **provided, however**, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

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

*(Section 10.02)*

#### **Modifications by Unanimous Consent**

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority and the Holders of all of the Bonds then Outstanding of a Series, such consent to be given as provided in the Resolution, except that no notice to the Bondholders either by mailing or publication shall be required.

*(Section 10.03)*

## *Appendix D*

### **Consent of Facility Provider**

Whenever by the terms of the Resolution the consent of any of the Holders of the Bonds of a Series to a modification or amendment of the Resolution made by a Series Resolution or Supplemental Resolution is required, such modification or amendment shall not become effective until the written consent of each applicable Facility Provider has been obtained. No modification or amendment of the Resolution which adversely affects a Facility Provider shall be made without the written consent thereto of the Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each applicable Facility Provider by mail at the times and in the manner provided in the Resolution with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Series Resolution or Supplemental Resolution and of the effectiveness thereof.

*(Section 10.07)*

### **Defaults and Remedies**

#### **Events of Default**

An event of default shall exist under the Resolution and under a Series Resolution (referred to in the Resolution as an “Event of Default”) if:

- (a) With respect to a Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or
- (b) With respect to a Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Authority when the same shall become due and payable; or
- (c) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or
- (d) With respect to a Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds of such Series or in a Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or
- (e) With respect to a Series of Bonds, the Authority shall have notified the Trustee that an “Event of Default” as defined in the Loan Agreement, arising out of or resulting from the failure of the Institution to comply with the requirements of the Loan Agreement shall have occurred and is continuing and all sums payable by the Institution under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

*(Section 11.02)*

### **Acceleration of Maturity**

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

*(Section 11.03)*

### **Enforcement of Remedies**

Upon the happening and continuance of any Event of Default specified in the Resolution, then and in every such case, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of a Series, shall proceed (subject to the provisions of the Resolution relating to the compensation of the Trustee or any Paying Agent) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under the applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power in the Resolution or therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of a Series Resolution or of a Series of Bonds, with interest on overdue payments of the principal of or interest on such Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under a Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution, in a Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

*(Section 11.04)*

## *Appendix D*

### **Limitation of Rights of Individual Bondholders**

No Holder of any of the Bonds of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are declared by the Resolution in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds of a Series secured by the Resolution and by a Series Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of such Series. Notwithstanding any other provision of the Resolution, the Holder of any Bond of a Series shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

*(Section 11.08)*

### **Defeasance**

#### **Defeasance**

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

(b) Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. All Outstanding Bonds of a Series or any maturity within such Series or a portion of a maturity within such Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in provisions of the Resolution summarized in the preceding paragraph (a) if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount which

shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds of a Series on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses, if any, appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select which Bonds of such Series, Sub-Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Resolution summarized in this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date of the Resolution, as the case may be; provided further, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each

## *Appendix D*

Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(d) Option Bonds shall be deemed to have been paid in accordance with provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b) only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to provisions of the Resolution summarized in the preceding paragraph (b), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said moneys is held was due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds; provided, however, that, before being required to make any such payment to the Authority, the Trustee or Paying Agent may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such moneys then unclaimed shall be returned to the Authority.

*(Section 12.01)*

### **Provider Provisions**

#### **Credit Facility Provider as Holder**

If provided in or authorized by the Series Resolution authorizing the issuance of a Series of Bonds, the Authority may provide for the rights of a Facility Provider of a Credit Facility in connection with Bonds of such Series, which rights may include that, whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to any amendment, change, modification or waiver, or request or direct the Trustee to take an action, such Facility Provider may be deemed to be the Holder of such Bonds.

*(Section 14.08)*

**FORM OF APPROVING OPINIONS  
OF CO-BOND COUNSEL**

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**FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL  
RELATING TO THE SERIES 2021 BONDS**

[Date of Issuance]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$67,870,000 aggregate principal amount of the Fordham University Revenue Bonds, Series 2021A (the “Series 2021A Bonds”) and the Fordham University Revenue Bonds, Series 2021B (Federally Taxable) (the “Series 2021B Bonds” and, together with the Series 2021A Bonds, the “Series 2021 Bonds”), by the Dormitory Authority of the State of New York (the “Authority”), a body corporate and politic constituting a public benefit corporation of the State of New York, created and existing under and pursuant to the Constitution and statutes of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2021 Bonds are issued under and pursuant to the Act, the Fordham University Revenue Bond Resolution, adopted on March 26, 2008 (the “Resolution”), the Series 2021A Resolution authorizing the issuance of up to \$205,000,000 of the Authority’s Series 2021A Bonds, adopted October 13, 2021 and the Series 2021B Resolution authorizing the issuance of up to \$205,000,000 of the Authority’s Series 2021B Bonds, adopted October 13, 2021 (the “Series 2021B Resolution” and together with the Series 2021A Resolution, the “Series 2021 Resolutions”). Said resolutions are herein collectively called the “Resolutions.” Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

The Series 2021 Bonds are part of an issue of bonds of the Authority (the “Bonds”), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2021 Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2021 Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will be entitled to the benefit, protection and security of the provisions, covenants and agreements of the Resolution and the applicable Series Resolution.

The Series 2021 Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 or integral multiples thereof. The Series 2021 Bonds are each numbered consecutively from one upward in order of issuance. The Series 2021 Bonds are dated the date hereof and mature on July 1 of the years, and bear interest, payable July 1, 2022 and semiannually thereafter on January 1 and July 1, at the respective principal amounts and rates set forth in the Bond Series Certificates related to the Series 2021 Bonds. The Series 2021 Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as provided in the Resolutions.

The Authority and Fordham University (the “University”) have entered into a Loan Agreement, dated as of November \_\_, 2021, (the “Loan Agreement”), by which the University is required to make payments sufficient to pay,

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when due, the principal and Redemption Price of and interest on the Outstanding Bonds, including the Series 2021 Bonds as well as certain of the Authority's annual administrative expenditures and costs.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2021 Bonds thereunder.

2. The Series 2021 Resolutions have been duly adopted by the Authority in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2021 Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2021 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled to the equal benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Loan Agreement and the Loan Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5. The Internal Revenue Code of 1986 (the "Code") sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Bonds. Pursuant to the Series 2021A Resolution, the Loan Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of the Authority and the University (the "Tax Certificate"), the Authority and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in the Series 2021A Resolution, the Loan Agreement and the Tax Certificate. We have also relied on the opinion of Bond, Schoeneck & King, PLLC, counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law and assuming compliance with the tax covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

6. Under existing law, interest on the Series 2021 Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York or any political subdivision thereof.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series 2021 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

We have examined executed Series 2021 Bonds and, in our opinion, the forms of said bonds and their execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2021 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the University. We have assumed the due authorization, execution and delivery of the Loan Agreement by the University.

Very truly yours,

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**FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE**

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**FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
FORDHAM UNIVERSITY REVENUE BONDS,  
SERIES 2021A AND SERIES 2021B (FEDERALLY TAXABLE)**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of November 17, 2021, is executed and delivered by Fordham University (the “Obligated Person”), The Bank of New York Mellon, as trustee (the “Trustee”) and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

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

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 120 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2022, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

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

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

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

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- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
  - 1. Principal and interest payment delinquencies;
  - 2. Non-Payment related defaults, if material;
  - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - 5. Substitution of credit or liquidity providers, or their failure to perform;
  - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;
  - 7. Modifications to rights of security holders, if material;
  - 8. Bond calls, if material, and tender offers;
  - 9. Defeasances;
  - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
  - 11. Ratings changes;
  - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
  - 13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
  - 15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
  2. “change in obligated person;”
  3. “notice to investors pursuant to bond documents;”
  4. “certain communications from the Internal Revenue Service;”
  5. “secondary market purchases;”
  6. “bid for auction rate or other securities;”
  7. “capital or other financing plan;”
  8. “litigation/enforcement action;”
  9. “change of tender agent, remarketing agent, or other on-going party;”
  10. “derivative or other similar transaction;” and
  11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
  2. “change in fiscal year/timing of annual disclosure;”
  3. “change in accounting standard;”
  4. “interim/additional financial information/operating data;”
  5. “budget;”
  6. “investment/debt/financial policy;”
  7. “information provided to rating agency, credit/liquidity provider or other third party;”

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8. “consultant reports;” and
  9. “other financial/operating data;”
- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

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

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

### SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds in “PART 7 – THE UNIVERSITY” under the headings “OPERATING INFORMATION” and “ANNUAL FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions and enrollment*, similar to that set forth in the tables under the table headings “ADMISSIONS STATISTICS FOR FALL,” “TOTAL ENROLLMENT” and “MEAN SAT SCORES ENTERING FIRST-YEAR UNDERGRADUATE STUDENTS;” (2) *tuition and other student charges*, similar to that set forth in the table under the table heading “STUDENT CHARGES;” (3) *financial aid*, similar to that set forth in the table under the table heading “SCHOLARSHIPS AND GRANTS FROM ALL SOURCES BY SOURCE;” (4) *faculty*, similar to that set forth in the table under the table heading “FACULTY PROFILE;” (5) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (6) *investments*, similar to that set forth under the headings “INVESTMENT VALUES AND RETURNS” and “ANNUAL INVESTMENT RETURNS,” unless such information is included in the Audited Financial Statements; (7) *plant values*, similar to that set forth under the heading “PLANT ASSETS,” unless such information is included in the Audited Financial Statements; and (8) *outstanding long term indebtedness*, similar to that set forth under the heading “Outstanding Indebtedness and Other Obligations,” unless such information is included in the Audited Financial Statements; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

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

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

available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

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

SECTION 4. Reporting of Notice Events.

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

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

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

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

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

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

### SECTION 5. CUSIP Numbers.

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

### SECTION 6. Additional Disclosure Obligations.

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

SECTION 7. Voluntary Filing.

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

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

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

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

SECTION 8. Termination of Reporting Obligation.

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

SECTION 9. Disclosure Dissemination Agent.

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

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The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

### SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

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

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

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

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

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

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

### SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee has undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to

any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4 hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under Section 4 hereof. DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

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

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

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

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

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

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

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

SECTION 14. Beneficiaries.

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

SECTION 15. Governing Law.

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

*Appendix F*

SECTION 16. Counterparts.

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

[remainder of page left intentionally blank]

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

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FORDHAM UNIVERSITY,**  
Obligated Person

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE BANK OF NEW YORK MELLON,**  
as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer: Dormitory Authority of the State of New York  
Obligated Person(s): Fordham University  
Name of Bond Issue: Fordham University Revenue Bonds, Series 2021A and Series 2021B (Federally Taxable)  
Date of Issuance: November 17, 2021  
Date of Official Statement: October 28, 2021

**Series 2021A**

| <u>Maturity</u> | <u>CUSIP No.</u> |
|-----------------|------------------|
| 2023            | 65000BFV5        |
| 2024            | 65000BFW3        |
| 2036            | 65000BFX1        |
| 2037            | 65000BFY9        |
| 2038            | 65000BFZ6        |

**Series 2021B (Federally Taxable)**

| <u>Maturity</u> | <u>CUSIP No.</u> |
|-----------------|------------------|
| 2044            | 65000BGA0        |

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Dormitory Authority of the State of New York  
Obligated Person(s): Fordham University  
Name of Bond Issue: Fordham University Revenue Bonds, Series 2021A and Series 2021B (Federally Taxable)  
Date of Issuance: November 17, 2021  
CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of November 17, 2021, by and among the Obligated Person, The Bank of New York Mellon, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

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

\_\_\_\_\_

cc: Obligated Person

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

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

Issuer's and Obligated Person's Names:

\_\_\_\_\_  
Six-Digit CUSIP Number:

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

\_\_\_\_\_  
Number of pages attached: \_\_\_\_\_

Description of Notice Events (Check One):

1. \_\_\_\_\_ "Principal and interest payment delinquencies;"
2. \_\_\_\_\_ "Non-Payment related defaults, if material;"
3. \_\_\_\_\_ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. \_\_\_\_\_ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. \_\_\_\_\_ "Substitution of credit or liquidity providers, or their failure to perform;"
6. \_\_\_\_\_ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;"
7. \_\_\_\_\_ "Modifications to rights of securities holders, if material;"
8. \_\_\_\_\_ "Bond calls, if material, and tender offers;"
9. \_\_\_\_\_ "Defeasances;"
10. \_\_\_\_\_ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. \_\_\_\_\_ "Rating changes;"
12. \_\_\_\_\_ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. \_\_\_\_\_ "The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. \_\_\_\_\_ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. \_\_\_\_\_ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
16. \_\_\_\_\_ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

\_\_\_\_\_ Failure to provide annual financial information as required.

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

\_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

Date:

**EXHIBIT C-2  
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of November 17, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

\_\_\_\_\_

Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

Description of Voluntary Event Disclosure (Check One):

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

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

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

Date:

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

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of November 17, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

\_\_\_\_\_

Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

Description of Voluntary Financial Disclosure (Check One):

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

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

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

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

Date:



