



DAC Bond

\$153,290,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
THE NEW SCHOOL REVENUE BONDS**

\$143,200,000

**Series 2022A
(Tax-Exempt)**

\$10,090,000

**Series 2022B
(Federally Taxable)**

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

Payment and Security: The New School Revenue Bonds, Series 2022A (Tax-Exempt) (the "Series 2022A Bonds") and The New School Revenue Bonds, Series 2022B (Federally Taxable) (the "Series 2022B Bonds" and, together with the Series 2022A Bonds, the "Series 2022 Bonds") are special limited 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 2022 Bonds, between The New School (the "University" or "The New School") and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the Series 2022 Bonds. The Series 2022 Bonds are to be issued under DASNY's New School Revenue Bond Resolution, adopted October 5, 2016 (the "Resolution"), the Series Resolution Authorizing the Series 2022A Bonds, adopted March 2, 2022 (the "Series 2022A Resolution"), the Series Resolution Authorizing the Series 2022B Bonds, adopted March 2, 2022 (the "Series 2022B Resolution" and, together with the Series 2022A Resolution, the "Series 2022 Resolutions"), the Bond Series Certificate relating to the Series 2022A Bonds (the "Series 2022A Bond Series Certificate") and the Bond Series Certificate relating to the Series 2022B Bonds (the "Series 2022B Bond Series Certificate" and, together with the Series 2022A Bond Series Certificate, the "Series 2022 Bond Series Certificates"). The Resolution, the Series 2022 Resolutions and the Series 2022 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 2022 Bonds. The obligations of the University to make such payments under the Loan Agreement will be secured by a pledge of tuition and fee revenue of the University.

The Series 2022 Bonds will not be a debt of the State of New York (the "State") and the State will not be liable thereon. DASNY has no taxing power.

Description: The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2022 Bonds will bear interest at the rates and will mature at the times and in the respective principal amounts shown on the inside cover hereof. Interest on the Series 2022 Bonds will be payable July 1, 2022 and each January 1 and July 1 thereafter, to the registered owners of the Series 2022 Bonds.

The Series 2022 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 2022 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2022 Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price and Purchase Price of and interest on such Series 2022 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 2022 BONDS – Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2022 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 Squire Patton Boggs (US) LLP and Golden Holley James LLP, Co-Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, (ii) interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes, and (iii) interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Series 2022A Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "PART 12 – TAX MATTERS" herein.*

The Series 2022 Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2022 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 Squire Patton Boggs (US) LLP, New York, New York, and Golden Holley James LLP, New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by its Special Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York, and certain other legal matters will be passed upon for the University by its chief legal officer. 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 2022 Bonds in definitive form in New York, New York, on or about March 29, 2022.

Goldman Sachs & Co. LLC

\$153,290,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
THE NEW SCHOOL REVENUE BONDS

\$143,200,000
Series 2022A (Tax-Exempt)

\$75,135,000 Serial Bonds

<u>Due July 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number[†]</u>	<u>Due July 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number[†]</u>
2023	\$1,060,000	5.000%	1.160%	65000BKT4	2033	\$3,480,000	5.000%	2.540% ^C	65000BLD8
2024	1,160,000	5.000	1.460	65000BKU1	2034	3,655,000	5.000	2.670 ^C	65000BLE6
2025	1,275,000	5.000	1.670	65000BKV9	2035	3,835,000	5.000	2.750 ^C	65000BLF3
2026	1,340,000	5.000	1.800	65000BKW7	2036	4,030,000	5.000	2.810 ^C	65000BLG1
2027	4,005,000	5.000	1.900	65000BKX5	2037	4,230,000	5.000	2.860 ^C	65000BLH9
2028	4,200,000	5.000	2.050	65000BKY3	2038	4,440,000	5.000	2.880 ^C	65000BLJ5
2029	4,415,000	5.000	2.150	65000BKZ0	2039	4,665,000	5.000	2.900 ^C	65000BLK2
2030	5,160,000	5.000	2.240	65000BLA4	2040	4,900,000	5.000	2.920 ^C	65000BLL0
2031	5,425,000	5.000	2.330	65000BLB2	2041	5,145,000	5.000	2.940 ^C	65000BLM8
2032	3,315,000	5.000	2.420	65000BLC0	2042	5,400,000	5.000	2.960 ^C	65000BLN6

\$30,700,000 4.000% Term Bond Due July 1, 2047, to Yield 3.250%^C CUSIP Number[†] 65000BLP1
\$37,365,000 4.000% Term Bond Due July 1, 2052, to Yield 3.320%^C CUSIP Number[†] 65000BLQ9

\$10,090,000
Series 2022B (Federally Taxable)

\$10,090,000 Serial Bonds

<u>Due July 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number[†]</u>	<u>Due July 1</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Number[†]</u>
2023	\$2,420,000	2.550%	100.000	65000BLR7	2025	\$2,555,000	3.100%	100.000	65000BLT3
2024	2,485,000	2.850	100.000	65000BLS5	2026	2,630,000	3.250	100.000	65000BLU0

[†] 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 2022 Bonds only at the time of issuance of the Series 2022 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 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

^C Priced at the stated yield to the first optional call date of July 1, 2032 at a redemption price of 100%.

No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriter to give any information or to make any representations with respect to the Series 2022 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 2022 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 or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2022 Bonds or (3) the value or investment quality of the Series 2022 Bonds.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Series 2022 Project, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondholders’ Risks, Continuing Disclosure and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW SCHOOL AS OF JUNE 30, 2021 AND 2020 AND FOR THE YEARS THEN ENDED WITH INDEPENDENT AUDITORS’ REPORT THEREON.” As a condition to delivery of the Series 2022 Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2022 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, the Loan Agreement and the Pledged Revenues Intercreditor Agreement do not purport to be complete. Refer to the Act, the Resolutions, the Loan Agreement and the Pledged Revenues Intercreditor Agreement for full and complete details of their provisions. Copies of the Resolutions, the Loan Agreement and the Pledged Revenues Intercreditor 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 DASNY or the University have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2022 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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DORMITORY AUTHORITY – STATE OF NEW YORK
REUBEN R. McDANIEL, III – PRESIDENT

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

OFFICIAL STATEMENT RELATING TO
\$153,290,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
THE NEW SCHOOL REVENUE BONDS

\$143,200,000	\$10,090,000
Series 2022A	Series 2022B
(Tax-Exempt)	(Federally Taxable)

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and The New School (the “University” or “The New School”), in connection with the offering by DASNY of \$143,200,000 aggregate principal amount of its The New School Revenue Bonds, Series 2022A (Tax-Exempt) (the “Series 2022A Bonds”) and \$10,090,000 aggregate principal amount of its The New School Revenue Bonds, Series 2022B (Federally Taxable) (the “Series 2022B Bonds” and, together with the Series 2022A Bonds, the “Series 2022 Bonds”).

The following is a brief description of certain information concerning the Series 2022 Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2022 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in “APPENDIX A – CERTAIN DEFINITIONS” attached hereto.

Purpose of the Issue

The Series 2022A Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used by the University to (i) pay a portion of the costs of the Series 2022 Project (as defined below); (ii) refund the outstanding DASNY The New School Revenue Bonds, Series 2011 (the “Series 2011 Bonds”); and (iii) pay the Costs of Issuance of the Series 2022A Bonds.

The Series 2022B Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used by the University to (i) pay a portion of the costs of the Series 2022 Project; and (ii) pay the Costs of Issuance of the Series 2022B Bonds. See “PART 4 – THE SERIES 2022 PROJECT,” “PART 5 – THE REFUNDING PLAN” and “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS” herein.

Authorization of Issuance

The Series 2022 Bonds will be issued under and pursuant to DASNY's The New School Revenue Bond Resolution, adopted October 5, 2016 (the "Resolution"), the Series Resolution authorizing the Series 2022A Bonds, adopted March 2, 2022 (the "Series 2022A Resolution"), the Series Resolution authorizing the Series 2022B Bonds, adopted March 2, 2022 (the "Series 2022B Resolution" and, together with the Series 2022A Resolution, the "Series 2022 Resolutions"), the Bond Series Certificate relating to the Series 2022A Bonds (the "Series 2022A Bond Series Certificate") and the Bond Series Certificate relating to the Series 2022B Bonds (the "Series 2022B Bond Series Certificate" and, together with the Series 2022A Bond Series Certificate, the "Series 2022 Bond Series Certificates") and the Act. The Resolution, the Series 2022 Resolutions and the Series 2022 Bond Series Certificates are collectively referred to herein as the "Resolutions."

In addition to the Series 2022 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 the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the applicable 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 2022 Bonds. See "PART 3 – THE SERIES 2022 BONDS" 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, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Board of Regents of the State of New York (the "State"). The University is located in The City of New York, New York. See "PART 7 – THE UNIVERSITY" herein and "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW SCHOOL AS OF JUNE 30, 2021 AND 2020 AND FOR THE YEARS THEN ENDED WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto.

The Series 2022 Bonds

The Series 2022 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 as set forth on the inside cover page of this Official Statement. See "PART 3 – THE SERIES 2022 BONDS – Description of the Series 2022 Bonds" herein.

Payment of the Series 2022 Bonds

The Series 2022 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 2022 Bonds, between the University and DASNY (the "Loan Agreement"). Pursuant to an assignment, DASNY will assign, transfer and set over to The Bank of New York Mellon, as

trustee (the “Trustee”) all of DASNY’s right, title and interest in any and all moneys due to or to become due to DASNY and any and all other rights and remedies of DASNY (except for the Unassigned Rights and moneys payable to DASNY pursuant to the Unassigned Rights) under or arising out of the Loan Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Payment of the Series 2022 Bonds” herein.

The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2022 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 2022 Resolutions and pledged therefor.

Security for the Series 2022 Bonds

The Series 2022 Bonds will be separately secured from each other Series of Bonds by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Resolution and the Series 2022 Resolutions. The Series 2022 Bonds will also be secured by the assignment by DASNY to the Trustee of the security interest in tuition and fees charged to students for academic instruction and other money, income, rents or revenues of the University (the “Pledged Revenues”) given by the University to DASNY to secure its obligations under the Loan Agreement.

DASNY has previously issued on behalf of the University the (i) \$35,480,000 original principal amount of the Series 2011 Bonds, currently outstanding in the principal amount of \$16,925,000, which outstanding Series 2011 Bonds will be refunded with a portion of the proceeds of the Series 2022 Bonds; (ii) \$124,290,000 original principal amount of Dormitory Authority of the State of New York The New School Revenue Bonds, Series 2015A, currently outstanding in the principal amount of \$106,155,000 (the “Series 2015A Bonds”) and (iii) \$402,460,000 original principal amount of Dormitory Authority of the State of New York The New School Revenue Bonds, Series 2016A and Series 2016B, currently outstanding in the principal amount of \$383,550,000 (the “Series 2016 Bonds” and, collectively with the Series 2011 Bonds and the Series 2015A Bonds, the “Prior Bonds”). The security interest in the Pledged Revenues securing the Series 2022 Bonds will be of equal priority with the security interests in the Pledged Revenues securing the Prior Bonds. The University may in the future incur indebtedness secured by the Pledged Revenues on a parity with the security interest in the Pledged Revenues securing the Series 2022 Bonds and the Prior Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for the Series 2022 Bonds,” “– Security for Prior Bonds and Issuance of Additional Indebtedness,” and “– The Pledged Revenues Intercreditor Agreement” and “PART 7 – THE UNIVERSITY – Outstanding Indebtedness” herein.

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2022 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Pledged Revenues Intercreditor Agreement and the Resolutions. Copies of the Loan Agreement, the Pledged Revenues Intercreditor 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 2022 Bonds

The Series 2022 Bonds will be special obligations of DASNY. The principal of and interest on the Series 2022 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 2022 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2022 Bonds.

The Loan Agreement is a general 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 2022 Bonds. 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 2022 Bonds.

Security for the Series 2022 Bonds

The Series 2022 Bonds will be separately secured from each other Series of Bonds by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Resolution and the Series 2022 Resolutions. As security for its obligations under the Loan Agreement, the University will grant to DASNY a security interest in the Pledged Revenues, subject to any existing and future liens securing Parity Indebtedness. DASNY will pledge and assign to the Trustee for the benefit of the Holders of Series 2022 Bonds its security interest in the Pledged Revenues. In accordance with the Pledged Revenues Intercreditor Agreement (as defined below), the security interest in Pledged Revenues that will secure the Series 2022 Bonds will be of equal priority with the security interests in Pledged Revenues securing the Prior Bonds. See “PART 7 – THE UNIVERSITY – Outstanding Indebtedness” herein.

Pursuant to the Loan Agreement, the University has covenanted not to incur additional debt if the lien securing such debt would constitute a prior pledge relative to the security interest in the Pledged Revenues securing the Series 2022 Bonds. However, the University may in the future incur indebtedness secured by the Pledged Revenues on a parity with the security interest in Pledged Revenues securing the Series 2022 Bonds and the Prior Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for Prior Bonds and Issuance of Additional Indebtedness” herein and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Events of Default and Acceleration

The following are events of default under the Resolution and the Series 2022 Resolutions: (i) with respect to the Series 2022 Bonds, a default by DASNY in the payment of the principal, Sinking Fund Installment or Redemption Price of any Series 2022 Bond; or (ii) with respect to the Series 2022 Bonds, a default by DASNY in the payment of any installment of interest on any Series 2022 Bond; or (iii) with respect to the Series 2022A Bonds, a Determination of Taxability shall have occurred and be continuing; or (iv) with respect to the Series 2022 Bonds, a default by DASNY in the due and punctual performance of any of the covenants, conditions, agreements or provisions contained in the Resolution or in the Series 2022 Bonds or in the Series 2022 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 Series 2022 Bonds) or if such default is not capable of being cured within 30 days, if DASNY fails to commence within 30 days and diligently prosecute the cure thereof; or (v) with respect to the Series 2022 Bonds, DASNY shall have notified the Trustee that an “Event of Default,” as defined in the Loan Agreement, has occurred and is continuing and all sums payable by the University under the Loan Agreement have been declared immediately due and

payable (unless such declaration shall have been annulled). Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Series 2022 Bonds, shall declare the principal of and interest on all the Outstanding Series 2022 Bonds to be due and payable. At any time after the principal of the Series 2022 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 2022 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 2022 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 2022 Bonds.

Security for Prior Bonds and Issuance of Additional Indebtedness

In addition to the Series 2022 Bonds, the Resolution authorizes the issuance of other Series of Bonds to, among other things, pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the applicable 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 2022 Bonds.

As security for its obligations under each of the loan agreements entered into in connection with the Prior Bonds, the University granted to DASNY a security interest in the Pledged Revenues. The security interest in Pledged Revenues securing the Series 2022 Bonds will be of equal priority with the security interests in Pledged Revenues securing the Prior Bonds in accordance with the Pledged Revenues Intercreditor Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – The Pledged Revenues Intercreditor Agreement” herein.

As further security for its obligations under the loan agreements entered into in connection with the Series 2011 Bonds and the Series 2015A Bonds, the University granted to DASNY mortgages on certain real property of the University and security interests in certain fixtures, furnishings and equipment used in connection with such real property. There is no such mortgage securing the University’s obligations under the Loan Agreement.

The University may in the future incur indebtedness secured by the Pledged Revenues on a parity with the security interest in the Pledged Revenues securing the Series 2022 Bonds and the Prior Bonds. The University may also incur indebtedness secured by a mortgage or lien on real or personal property of the

University without granting to DASNY any such mortgage or lien to secure the University's obligations under the Loan Agreement.

The Pledged Revenues Intercreditor Agreement

In connection with the issuance of the Series 2022 Bonds, DASNY and the Trustee will enter into an intercreditor agreement with the applicable trustee for each series of the Prior Bonds any portion of which remains outstanding after the issuance of the Series 2022 Bonds (the "Pledged Revenues Intercreditor Agreement"). Pursuant to the Pledged Revenues Intercreditor Agreement, the parties will agree that each security interest in, pledge of and lien upon the Pledged Revenues made or given to secure the University's obligations under any of the applicable loan agreements shall be of equal priority with each other. Each secured party may declare or decline to declare, to the extent it has the right to do so under the applicable loan agreements, an event of default under any loan agreement to which it is a party, including by assignment. All readily identifiable proceeds of the Pledged Revenues shall be treated as being subject to and disposed of in accordance with the priorities established by the Pledged Revenues Intercreditor Agreement. The Pledged Revenues Intercreditor Agreement provides that the proceeds of any Pledged Revenues received by a secured party shall be held in trust, in a segregated account, for the benefit of the secured parties. Any such proceeds will be distributed, after reimbursement for any costs and expenses of foreclosing, realizing upon or preserving or protecting the Pledged Revenues, to each secured party, pro rata, based on the unpaid principal amount of the indebtedness and interest due and payable at the time of calculation under each of the loan agreements, but not in excess of the principal of and interest on such indebtedness, or other financial obligations then due and unpaid thereunder.

General

The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2022 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 2022 Resolutions and pledged therefor.

PART 3 — THE SERIES 2022 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2022 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 2022 Bonds.

General

The Series 2022 Bonds will be issued pursuant to the Resolution and the Series 2022 Resolutions, as applicable. The Series 2022 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 2022 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 2022 Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2022 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 2022 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 2022 Bonds, the Series 2022 Bonds will be exchangeable for fully registered Series 2022 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 2022 BONDS – Book-Entry Only System” herein and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Description of the Series 2022 Bonds

The Series 2022 Bonds will be dated their date of delivery and will bear interest from such date at the rates set forth on the inside cover page of this Official Statement. The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2022 Bonds will be payable July 1, 2022 and each January 1 and July 1 thereafter, to the registered owners of the Series 2022 Bonds as of the close of business on the fifteenth day of the month next preceding an interest payment date (the “Record Date”).

Interest on the Series 2022 Bonds will be payable by check or draft mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2022 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five Business Days prior to the Record Date for such Series 2022 Bonds immediately preceding the interest payment date. If the Series 2022 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2022 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.

For a more complete description of the Series 2022 Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Redemption and Purchase in Lieu of Redemption Provisions

The Series 2022 Bonds are subject to redemption and to purchase in lieu of optional redemption, as described below. For a more complete description of the redemption and other provisions relating to the Series 2022 Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Optional Redemption

Series 2022A Bonds

The Series 2022A Bonds maturing on or before July 1, 2032 are not subject to optional redemption prior to maturity. The Series 2022A Bonds maturing after July 1, 2032 are subject to redemption prior to maturity at the option of DASNY upon direction of the University, on or after July 1, 2032, 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 2022A Bonds to be redeemed, plus accrued interest to the redemption date.

Series 2022B Bonds

The Series 2022B Bonds are subject to redemption prior to maturity on any Business Day, in any order at the option of DASNY upon direction of the University, in whole or in part (and, if in part, in authorized

denominations and on a pro rata basis, subject to the provisions described below under “– Selection of Bonds to be Redeemed – Series 2022B Bonds”), at the Make-Whole Redemption Price described below.

“*Make-Whole Redemption Price*” means the greater of (i) 100% of the principal amount of a Series 2022B Bond to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2022B Bond, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2022B Bond is to be redeemed, discounted to the date on which such Series 2022B Bond is to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate (as defined below) plus twenty (20) basis points, plus, in each case, accrued and unpaid interest on such Series 2022B Bond to 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 determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the Trustee, DASNY, the University and the Holders of the Series 2022B Bonds, and neither the Trustee nor DASNY nor the University will have any liability for their reliance thereon.

“*Treasury Rate*” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

As used in connection with the above definition of “Treasury Rate” the following capitalized terms have the following meanings: (a) “*Comparable Treasury Issue*” means the United States Treasury security or securities selected by a Designated Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Series 2022B Bonds; (b) “*Comparable Treasury Price*” means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation; (c) “*Designated Investment Banker*” means a Primary Treasury Dealer appointed by the University; (d) “*Primary Treasury Dealer*” means one or more entities appointed by the University, which, in each case, is a primary U.S. Government securities dealer in The City of New York, New York, and its successors; and (e) “*Primary Treasury Dealer Quotations*” means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time on the third Business Day preceding such redemption date.

Mandatory Redemption

Series 2022A Bonds

The Series 2022A Bonds maturing July 1, 2047 and July 1, 2052 are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of Series 2022A Bonds to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2022A Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolutions permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2022A Bonds maturing on July 1 of each of the years set forth in the following table, the amount set forth opposite such year:

Series 2022A Bonds
Maturing July 1, 2047

2043	\$5,670,000
2044	5,895,000
2045	6,130,000
2046	6,375,000
2047 [†]	6,630,000

Series 2022A Bonds
Maturing July 1, 2052

2048	\$6,900,000
2049	7,175,000
2050	7,460,000
2051	7,760,000
2052 [†]	8,070,000

[†] Final maturity.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2022A Bonds entitled to such Sinking Fund Installment (A) purchased with moneys in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2022A Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2022A Bonds so purchased payable on the next succeeding July 1. Series 2022A Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2022A Bonds of the maturity so purchased will be reduced for such year.

Special Redemption of the Series 2022A Bonds

The Series 2022A Bonds are subject to redemption prior to maturity at the option of DASNY in any order, as a whole or in part on any interest payment date, at a Redemption Price equal to 100% of the principal amount of Series 2022A 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 2022 Project.

Selection of Bonds to be Redeemed

Series 2022A Bonds

In the case of redemptions of less than all of the Series 2022A Bonds, DASNY will select the maturities of the Series 2022A Bonds to be redeemed. If less than all of the Series 2022A Bonds of a maturity are to be redeemed, the Series 2022A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Series 2022B Bonds

If the Series 2022B Bonds are registered in book-entry only form and so long as Cede & Co (or such other DTC nominee) is the sole registered owner of such Series 2022B Bonds, if less than all of the Series 2022B Bonds of a maturity are called for prior redemption, the particular Series 2022B Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Series 2022B Bonds are held in book-entry form, the selection for redemption of such Series 2022B Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the Securities Depository operational arrangements

do not allow for redemption on a pro rata pass-through distribution of principal basis, the Series 2022B Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

DASNY intends that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither DASNY nor the Underwriter can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Series 2022B Bonds on such basis.

In connection with any repayment of principal, the Trustee will direct DTC to make a pro rata pass-through distribution of principal to the holders of the Series 2022B Bonds.

For purposes of calculation of the pro rata pass-through distribution of principal, "pro rata," means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Series 2022B Bonds where (a) the numerator is equal to the amount due to the respective bondholders on a payment date, and (b) the denominator is equal to the total original par amount of the respective Series 2022B Bonds.

If the Series 2022B Bonds are no longer registered in book-entry-only form, each owner will receive an amount of Series 2022B Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Series 2022B Bonds will continue to be paid to the registered owners of such Series 2022B Bonds on a pro-rata basis, based on the portion of the original face amount of any such Series 2022B Bonds to be redeemed.

Notice of Redemption

The Trustee is to give notice of the redemption of the Series 2022 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 2022 Bonds which are to be redeemed, at their last known addresses appearing on the registration books of DASNY not more than ten Business Days prior to the date such notice is given. Each notice of redemption, other than a notice of "Mandatory Redemption" or "Special Redemption," may 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 2022 Bonds to be redeemed. The failure of any owner of a Series 2022 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2022 Bond.

If on the redemption date moneys for the redemption of the Series 2022 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 2022 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2022 Bonds will no longer be considered to be Outstanding.

Purchase in Lieu of Optional Redemption

The Series 2022 Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the option of the University with the consent of DASNY, on any day on which such Series 2022 Bonds are subject to optional redemption, in any order, in whole or in part, at a purchase price equal to (i) in the case of the Series 2022A Bonds, 100% of the principal amount of the Series 2022A Bonds to be purchased, and (ii) in the case of the Series 2022B Bonds, the Make-Whole Redemption Price, plus, in each case, accrued interest to the date set for purchase (the "Purchase Date").

Notice of Purchase in Lieu of Optional Redemption and its Effect

Notice of purchase of the Series 2022 Bonds will be given in the name of the University to the registered owners of the Series 2022 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 2022 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2022 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2022 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 2022 Bonds. Such Series 2022 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 2022 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 2022 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 2022 Bonds to be purchased, the former registered owners of such Series 2022 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 2022 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 2022 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2022 Bonds of a Series and maturity are to be purchased, the Series 2022 Bonds of such Series and maturity to be purchased will be selected in the same manner as Series 2022 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 2022 Bonds, see "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See also "PART 3 – THE SERIES 2022 BONDS – Book-Entry Only System" herein for a description of the notices of redemption to be given to Beneficial Owners of the Series 2022 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 2022 Bonds. The Series 2022 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 2022 Bond certificate will be issued for each maturity of each Series of the Series 2022 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S.

securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2022 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 2022 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 2022 Bonds, except in the event that use of the book-entry system for such Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 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 2022 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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 2022 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 2022 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 2022 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 2022 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 2022 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2022 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2022 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 2022 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 2022 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 securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2022 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2022 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct Participant or Indirect Participant acquires an interest in the Series 2022 Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, and may desire to make arrangements with such Direct Participant or Indirect Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Direct Participant or Indirect Participant and to have notification made of all interest payments. **NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2022 BONDS.**

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2022 Bonds (other than under “PART 12 – TAX MATTERS” herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2022 Bonds.

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

For every transfer and exchange of Series 2022 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2022 Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2022 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is no longer in effect, Series 2022 Bond certificates will be delivered as described in the Resolution.

NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2022 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 2022 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 2022 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2022 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 Prior Bonds, the principal of and interest on the Series 2022 Bonds, and the total debt service on the Prior Bonds and the Series 2022 Bonds.

12 Month Period Ending June 30,	<u>Series 2022A Bonds</u>		<u>Series 2022B Bonds</u>		<u>Total Debt Service on the Series 2022 Bonds</u>	<u>Debt Service on Prior Bonds ⁽¹⁾</u>	<u>Total Debt Service</u>
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>			
2022	--	\$1,655,834	--	\$75,954	\$1,731,788	\$30,560,023	\$32,291,812
2023	\$1,060,000	6,479,350	\$2,420,000	297,213	10,256,563	30,412,901	40,669,463
2024	1,160,000	6,426,350	2,485,000	235,503	10,306,853	30,942,825	41,249,678
2025	1,275,000	6,368,350	2,555,000	164,680	10,363,030	32,634,702	42,997,732
2026	1,340,000	6,304,600	2,630,000	85,475	10,360,075	32,638,362	42,998,437
2027	4,005,000	6,237,600	--	--	10,242,600	32,774,546	43,017,146
2028	4,200,000	6,037,350	--	--	10,237,350	32,778,469	43,015,819
2029	4,415,000	5,827,350	--	--	10,242,350	32,767,845	43,010,195
2030	5,160,000	5,606,600	--	--	10,766,600	32,247,001	43,013,601
2031	5,425,000	5,348,600	--	--	10,773,600	32,239,977	43,013,577
2032	3,315,000	5,077,350	--	--	8,392,350	35,030,810	43,423,160
2033	3,480,000	4,911,600	--	--	8,391,600	35,038,080	43,429,680
2034	3,655,000	4,737,600	--	--	8,392,600	35,585,275	43,977,875
2035	3,835,000	4,554,850	--	--	8,389,850	35,575,296	43,965,146
2036	4,030,000	4,363,100	--	--	8,393,100	35,574,760	43,967,860
2037	4,230,000	4,161,600	--	--	8,391,600	35,579,682	43,971,282
2038	4,440,000	3,950,100	--	--	8,390,100	35,582,349	43,972,449
2039	4,665,000	3,728,100	--	--	8,393,100	35,584,150	43,977,250
2040	4,900,000	3,494,850	--	--	8,394,850	35,584,650	43,979,500
2041	5,145,000	3,249,850	--	--	8,394,850	35,575,500	43,970,350
2042	5,400,000	2,992,600	--	--	8,392,600	35,800,050	44,192,650
2043	5,670,000	2,722,600	--	--	8,392,600	35,791,700	44,184,300
2044	5,895,000	2,495,800	--	--	8,390,800	19,487,750	27,878,550
2045	6,130,000	2,260,000	--	--	8,390,000	19,448,000	27,838,000
2046	6,375,000	2,014,800	--	--	8,389,800	19,431,250	27,821,050
2047	6,630,000	1,759,800	--	--	8,389,800	8,858,100	17,247,900
2048	6,900,000	1,494,600	--	--	8,394,600	8,797,850	17,192,450
2049	7,175,000	1,218,600	--	--	8,393,600	8,749,400	17,143,000
2050	7,460,000	931,600	--	--	8,391,600	8,666,400	17,058,000
2051	7,760,000	633,200	--	--	8,393,200	--	8,393,200
2052	8,070,000	322,800	--	--	8,392,800	--	8,392,800
TOTAL	\$143,200,000	\$117,367,384	\$10,090,000	\$858,824	\$271,516,208	\$839,737,702	\$1,111,253,910

¹ Excludes debt service on the outstanding Series 2011 Bonds which are expected to be refunded with a portion of the proceeds of the Series 2022 Bonds.

PART 4 — THE SERIES 2022 PROJECT

A portion of the proceeds of the Series 2022 Bonds will be used to finance the costs of the acquisition, renovation, and equipping of a 12-story building located at 318 East 15th Street New York, New York, to provide residential living space for the University's students (the "Series 2022 Project").

PART 5 — THE REFUNDING PLAN

A portion of the proceeds of the Series 2022A Bonds, together with other available monies, are expected to be used to provide for the payment of the outstanding Series 2011 Bonds. Simultaneously with the issuance and delivery of the Series 2022A Bonds, such proceeds will be deposited with the trustee for the Series 2011 Bonds, and together with other available funds, will be used to purchase investment securities permitted for the defeasance of bonds by the resolution pursuant to and under which the Series 2011 Bonds were issued (the "Defeasance Securities"), the principal of and interest on which, when due, together with uninvested cash, will provide moneys sufficient to pay the redemption price of 100% of the principal amount of the outstanding Series 2011 Bonds, plus accrued interest on the outstanding Series 2011 Bonds to and including April 14, 2022, the date of redemption. See "PART 17 – VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

In connection with the refunding, Squire Patton Boggs (US) LLP will render its opinion that, upon making such deposits with the trustee for the Series 2011 Bonds and the issuance of certain irrevocable instructions to the trustee for the Series 2011 Bonds, the outstanding Series 2011 Bonds will, under the terms of the resolution pursuant to and under which the Series 2011 Bonds were issued, be deemed to have been paid and will no longer be Outstanding.

PART 6 — ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows

	<u>Series 2022A</u>	<u>Series 2022B</u>	<u>Total</u>
Sources of Funds			
Principal Amount	\$143,200,000	\$10,090,000	\$153,290,000
Plus: Premium	18,223,981	--	18,223,981
Other Available Money	<u>1,420,455</u>	<u>--</u>	<u>1,420,455</u>
Total Sources of Funds ¹	<u>\$162,844,436</u>	<u>\$10,090,000</u>	<u>\$172,934,436</u>
Uses of Funds			
Deposit to Construction Fund	\$144,500,000	\$10,000,000	\$154,500,000
Deposit to Refunding Escrow	17,155,031	--	17,155,031
Costs of Issuance ²	662,655	52,141	714,796
Underwriter's Discount	<u>526,751</u>	<u>37,859</u>	<u>564,610</u>
Total Uses of Funds ¹	<u>\$162,844,436</u>	<u>\$10,090,000</u>	<u>\$172,934,436</u>

¹ Totals may not foot due to rounding.

² Includes legal fees and associated costs relating to the Series 2022 Bonds.

PART 7 — THE UNIVERSITY

GENERAL INFORMATION

History and Academic Background

The New School is an independent, nonprofit, coeducational institution of higher education. The main campus area is located in Greenwich Village in The City of New York.

The New School was founded in 1919 by a group of scholars, journalists, and civic leaders who imagined an educational venue where they could freely discuss their ideas and where dialogue could take place between intellectuals and the public. The New School's founders saw a need for academic freedom and the right to explore and examine whatever it was one wanted to study. They looked at learning as a higher calling and wanted to create a setting that allowed for new ideas unencumbered by traditional rules. They envisioned a place that was a refuge for unorthodox ideas. They set the stage for interest in new thoughts and a commitment to solving the problems of the day, the social issues that required intellectual and ethical learning to spark creative solutions.

In the early 1930s, The New School demonstrated it was willing to take the risk of moving from ethical teaching into ethical action by becoming a refuge for German intellectuals who were endangered by the political beliefs of the National Socialist Party. Against the wishes of the U.S. Department of State, The New School became a part of the Emergency Rescue Committee and established a safe home for German Jewish intellectuals who were saved from the near certainty of death. Through this effort, the University became known as the "University in Exile." The University is proud of this progressive tradition.

Equally important is the central educational belief and innovation of its founders: the need to educate men and women who were already educated. The New School began as a school for people who already had degrees but recognized they had much more they needed to learn. The New School offered an opportunity to listen and learn from distinguished intellectuals in the social sciences and later the arts. It began without credits or degrees, without tenure, and without endowment. Originally devoted to exploring the pressing social, political, and economic problems of the day, The New School has since expanded its focus to embrace the arts and culture. Today, the University offers bachelors and masters programs in the visual and performing arts in addition to bachelors, masters, doctorate and certificate programs in the liberal arts, social sciences, and management and urban policy.

Academic Programs

The New School is a globally-minded university with students from all 50 states, the District of Columbia, Guam, the U.S. Virgin Islands, Puerto Rico and more than 100 countries. To prepare students to meet the challenges of globalization, the curriculum emphasizes cross-disciplinary studies, art and design, and social sciences. The New School is an urban university and New York City serves as a resource for students and faculty, and the University itself.

The New School comprises five colleges that encompass over 126 undergraduate and graduate degree programs, each with its own history and program offerings (described below), which are: Parsons School of Design; The New School for Social Research; Eugene Lang College of Liberal Arts; College of Performing Arts; Schools of Public Engagement. The University also offers the Parsons Paris and the Continuing and Professional Education (CPE) programs.

Parsons School of Design (“Parsons”)

Parsons School of Design is one of the premier degree-granting colleges of art and design in the nation. Parsons offers interdisciplinary programs ranging from fashion and technology to urban design, fine art, and management. Students master established disciplines and develop emerging ones in an environment designed to foster innovation and advancing industry, sustainability, and social justice.

Degrees Offered: AAS in Communication Design, Fashion Design, Fashion Marketing and Communication, and Interior Design; BBA in Strategic Design & Management; BFA in Architectural Design, Communication Design, Design & Technology, Design History & Practice, Fashion Design, Fine Arts, Illustration, Integrated Design, Interior Design, Photography, and Product Design; MArch in Architecture, MA in Fashion Studies, History of Design and Curatorial Studies; MFA in Design & Technology, Fashion Design and Society, Fine Arts, Industrial Design, Interior Design, Lighting Design, Photography, Textiles, and Transdisciplinary Design; MArch/MFA in Architecture and Lighting Design; MS in Data Visualization, Design and Urban Ecologies, Strategic Design for Global Leadership (Global Executive MS - joint with Parsons Paris), and Strategic Design and Management; MPS in Communication Design, Fashion Management.

The New School for Social Research (“Social Research”)

Founded in 1933, The New School for Social Research is the graduate center for the core social sciences and philosophy programs. Social Research began as the “University in Exile,” a haven for refugee European scholars, and today continues that tradition as students engage in deep intellectual inquiry as a means of understanding and addressing today's most pressing problems.

Degrees Offered: MA and PhD in Anthropology, Philosophy, Politics, Psychology, and Sociology; MA, MS and PhD in Economics; MA in Creative Publishing and Critical Journalism, Global Political Economy and Finance, Historical Studies, and Liberal Studies; PhD in the Social Sciences with a Specialized Minor: Historical Studies; and an Advanced Certificate in Gender and Sexuality Studies.

Eugene Lang College of Liberal Arts (“Lang”)

At the core of the curriculum at Eugene Lang College of Liberal Arts is critical thinking - a skill practiced and honed in small discussion-based classes. Students pursue courses of study anchored in intensive reading and writing and designed with faculty connecting scholarly work to project-based learning opportunities.

Degrees Offered: BA in Anthropology, Contemporary Dance, Contemporary Music, Culture and Media, Economics, Environmental Studies, Global Studies, History, Interdisciplinary Science, Journalism + Design, Liberal Arts, Literary Studies, Philosophy, Politics, Psychology, Screen Studies, Sociology, The Arts, Theater, and Urban Studies; BS in Liberal Arts.

College of Performing Arts (“CoPA”)

The College of Performing Arts (CoPA) united the century-old conservatory, Mannes School of Music; the School of Jazz and Contemporary Music; and the School of Drama in 2015. Programs in the CoPA are designed so students work closely with faculty to gain the entrepreneurial skills needed to become 21st-century performers.

Degrees Offered: BFA in Dramatic Arts; BFA in Jazz and Contemporary Music; BM in Composition, Guitar, Instrumental Performance, Piano, Theory, and Voice; MM in Collaborative Piano, Composition,

Guitar, Instrumental Performance, Orchestral Conducting, Performer-Composer, Piano, Theory, and Voice; MA in Arts Management and Entrepreneurship; MFA in Contemporary Theatre and Performance; and Professional Diplomas in Collaborative Piano: Vocal, Composition, Guitar, Instrumental Performance, Orchestral Conducting, Piano, Theory, and Voice.

Schools of Public Engagement (“Public Engagement” or “SPE”)

The undergraduate and graduate degree programs offered by the Schools of Public Engagement are guided by a focus on social justice and equity. Students engage in interdisciplinary programs, meeting academic and professional needs through full-time, part-time, or online study. SPE brings together the Milano School of International Affairs, Management, and Urban Policy; School of Languages; Bachelor’s Program for Adult and Transfer Students; and the Creative Writing Program.

Degrees offered: AAS in Food Studies, BA in Environmental Studies, Global Studies, Psychology, and Urban Studies; BA or BS in Food Studies, Liberal Arts, and Management, Leadership, and Entrepreneurship; BA, BS, and MA in Media Studies; BFA in Musical Theater; MFA in Creative Writing; MA or MS in International Affairs; MS in Environmental Policy and Sustainable Management, Media Management, and Public and Urban Policy; Advanced Certificate in Documentary Media Studies; Advanced Certificate in Media Management; and a PhD in Public and Urban Policy.

Accreditation

The University is a member of the Association of American Colleges and Universities (AAC&U), the Council of Graduate Schools (CGS, as New School for Social Research), the Association of Independent Colleges of Art and Design (AICAD, as Parsons), a participating institution in the National Council for State Authorization Reciprocity Agreements (NC-SARA) and is accredited by the Middle States Commission on Higher Education (MSCHE). The Middle States’ Mid-Point Peer Review was conducted and no further evidence was required in March 2021. The next evaluation visit for reaffirmation of accreditation is scheduled for 2023-2024.

Parsons Paris is a registered branch campus of The New School and is accredited by MSCHE. In addition, Parsons Paris has the authorization of the French Ministry of Education to operate in France.

The Master’s program in Architecture has been accredited by the National Architectural Accrediting Board since 1994. The graduate Clinical Psychology program has been accredited by the American Psychological Association since 1981. The Master’s Program in Public and Urban Policy has been accredited by the National Association of Schools of Public Affairs and Administration since 1988.

Governance

The University is governed by a Board of Trustees (the “Board”) consisting of at least 22 and not to exceed 60 members and the University’s President. The Board currently consisting of 36 Trustees and the University’s President, and reflects a broad range of expertise and a wide reach into the New York City community. The Board conducts its affairs through eight committees: Executive, Academic Affairs, Audit and Risk, Compensation, Finance, Governance, Investment, and Trusteeship. Ad hoc committees are established to address special issues. The Board participates in the formulation and approval of University policies, and approves all operating and capital budgets. The Board meets four times per year and its Committees meet two to six times per year or as necessary. Trustees serve four-year terms with no limits on the number of terms a Trustee may serve.

Below is a list of the Trustees.

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* Executive Committee Members

In addition to the Board, five Boards of Governors representing the five colleges of the University give advice on academic programs, help raise financial resources, and expand the outreach of each college. Links between the Boards of Governors and the Board are assured by having Trustees chair most Boards of Governors and by the participation of Trustees on a Board of Governors.

Administration

The President of the University is appointed by the Board of Trustees. Subject to the control of the Board and the Executive Committee, the President administers the academic and business affairs of the University. The officers of the University are:

President – Dwight A. McBride became President of The New School in April 2020. Prior to his appointment at The New School, Dr. McBride was Provost and Executive Vice President for Academic Affairs at Emory University. He also previously served at Northwestern University, as Dean of The Graduate School, Associate Provost for Graduate Education, and Daniel Hale Williams Professor of African American Studies, English, and Performance Studies. He has been the Dean of the College of Liberal Arts & Sciences at the University of Illinois at Chicago, and was on the faculty at the University of Pittsburgh. Dr. McBride received his AB in English with a certificate in African American Studies from Princeton University, and his MA and PhD in English from the University of California, Los Angeles.

Provost & Executive Vice President for Academic Affairs – Renée T. White joined The New School as Provost and Executive Vice President for Academic Affairs in August 2021. Dr. White previously served as Provost and was a Professor of Sociology at Wheaton College. Dr. White holds an AB with honors from Brown University and an M.A. and Ph.D. from Yale University, where she was awarded a Mellon Foundation Doctoral Fellowship.

Executive Vice President for Business and Operations – Tokumbo Shobowale was appointed Chief Operating Officer in November 2013. Prior to that, he served the City of New York as Chief Business Operations Officer, the Bloomberg administration's lead official for implementing business-friendly practices. He holds an MBA from MIT's Sloan School of Management, an MA from Columbia University's School of International and Public Affairs, and an AB from Stanford University.

Senior Vice President and General Counsel – Jerry Cutler joined The New School in 2017 as the Senior Vice President for Human Resources and was appointed General Counsel in 2019. Mr. Cutler has had a distinguished career in higher education, public service and private practice, having served as lead counsel in federal labor and employment law cases, in matters before the National Labor Relations Board and Equal Employment Opportunity Commission, and in arbitration and contract negotiations. A past recipient of the American Jurisprudence Award in Trial Practice, Mr. Cutler is co-chair of the American Bar Association's Section of Litigation, Employment and Labor Relations Law Committee. Mr. Cutler holds an academic appointment at Columbia University, and has a BA degree from the Pennsylvania State University, and a JD degree with honors from the University of Maryland School of Law.

Senior Vice President for Marketing and Business Development – Anne Adriance was appointed Senior Vice President for Marketing and Business Development in October 2013. She brings to her job more than 25 years of experience in marketing communications and strategic brand development in commercial, nonprofit, government, and media settings. Ms. Adriance has a bachelor's degree from Princeton University.

Senior Vice President for Equity, Inclusion, and Social Justice and Chief Diversity Officer – Melanie Hart was appointed Senior Vice President for Equity, Inclusion, and Social Justice and Chief Diversity Officer in 2020. She is an alumnus of The New School's MA program in Public and Urban Policy

at the Milano School, where she is presently completing her PhD. She received her JD from the University of Virginia School of Law and practiced law as a corporate and securities attorney before returning to public service in the nonprofit and philanthropic sectors and with city agencies. Most recently, she served as the Deputy Commissioner for Workforce Development at the New York City Department of Small Business Services. Before that, she was the Executive Vice President of Community Programs and Development at the New York City Housing Authority.

Jennifer E. Hobbs, University Secretary and Senior Vice President for Administration and Chief of Staff – Jennifer E. Hobbs joined The New School in April 2020 as Senior Vice President for Administration and Chief of Staff. Before coming to The New School, she served as Chief of Staff and Vice Provost in the Office of the Provost at Emory University. She obtained her BS in Biology from Loyola University Chicago and her PhD from Northwestern University through the Driskill Graduate Program in the Life Sciences at the Feinberg School of Medicine.

Senior Vice President for Development and Alumni Engagement – Jonah Nigh joined The New School in September 2021 as Senior Vice President of Development and Alumni Engagement. Mr. Nigh comes to The New School from the Jewish Museum, where he served as the Director of Major Gifts, Senior Director of Individual Giving, and Acting Deputy Director of Development before being appointed Chief Development Officer in February 2020. He earned his undergraduate degree at Lawrence University and a Master of Music degree from the New England Conservatory.

Executive Dean of College of Performing Arts & Dean, Mannes School of Music – Richard Kessler joined The New School in September 2011. He now holds a dual appointment as the Executive Dean for the College of Performing Arts at The New School and Dean of Mannes School of Music. Dean Kessler's work in arts education has led to awards from the United Federation of Teachers, ASCAP, and Music at the Anthology. Dean Kessler received his undergraduate and graduate degrees at The Juilliard School.

Dean of The New School for Social Research – William Milberg joined The New School in January 1991 as Dean and Professor of Economics at the New School for Social Research and Co-Director of the Heilbroner Center for Capitalism Studies. He has worked as a consultant to the UNDP, the ILO, the UNCTAD and the World Bank and recently delivered the WTO Staff Lecture Series on global value chains and trade policy. He received his PhD at Rutgers University.

Dean of Eugene Lang College – Jennifer Wilson joined The New School as a faculty member at Eugene Lang College in 2003. She served as Lang's Associate Dean of Faculty Affairs, and then as Interim Dean before becoming Dean in 2021. She holds a MA and PhD from Princeton University and a BSc. from the University of British Columbia.

Executive Dean of Parsons School of Design – Dr. Rachel Schreiber joined The New School as Executive Dean of Parsons School of Design in July 2019, following more than 22 years in senior leadership and faculty roles at the San Francisco Art Institute, California College of the Arts, Maryland Institute College of Art, and other institutions. Most recently, Dr Schreiber served as Provost and Senior Vice President, and as Interim President, at SFAI. She holds a PhD in History from Johns Hopkins University, an MFA in Art and Critical Writing from the California Institute of the Arts, and a BFA in Graphic Design from Rhode Island School of Design.

Executive Dean, Schools of Public Engagement – Mary R. Watson was appointed Executive Dean of the Schools of Public Engagement in January 2001. During her time as Executive Dean, she has integrated university-wide projects and centers into the core academic offerings of the college. She is a recipient of The New School's Distinguished University Teaching Award. Dean Watson holds a PhD in Organization Studies from Vanderbilt University.

Senior Vice President and Chief Information Officer – Dr. Lin Zhou joined The New School as Senior Vice President and Chief Information Officer, in January 2019. Prior to The New School, Dr. Zhou was the program director and innovation leader for IBM Watson Education. He was recognized by IBM as a Master Inventor and Corporate Technology Achievement Award. Dr. Zhou has a PhD degree from the University of Glasgow, UK.

Employees

The New School employs more than 1,300 full-time personnel in academic, professional, administrative, clerical, and service positions. The table below sets forth the full-time positions at the University over the past five years:

	Full-time Positions				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Faculty	421	408	409	404	394
Administrative & professional staff	619	655	689	740	638
Clerical and secretarial	133	128	127	106	92
Maintenance, security, & service	199	211	213	208	201
Total	1372	1402	1438	1458	1325

Approximately 71 full-time and part-time clerical employees are represented by Local 1205, International Brotherhood of Teamsters, under a contract with the University. A successor contract was ratified on January 19, 2022 and will be in effect until June 30, 2024. Approximately 86 full-time and part-time maintenance employees are represented by Local 32BJ, Service Employees International Union, AFL-CIO, under a contract with the Realty Advisory Board on Labor Relations, Inc. that expires on December 31, 2023. Approximately 74 full-time and part-time security guards are represented by Local 32BJ, Service Employees International Union under a contract with the University that expires on June 30, 2022. Approximately 8 full- and part-time staff building engineers are represented by Local 94-94A-94B, International Union of Operating Engineers, AFL-CIO, under a contract with the Realty Advisory Board on Labor Relations, Inc. that expires on December 31, 2022. Approximately 106 part-time faculty members in the Jazz and Contemporary Music Program are represented by Local 802, AFM, Associated Musicians of Greater New York, under a contract with the University that expired on June 30, 2020 but had been extended via side letter agreement through the 2020-2021 academic year due to the pandemic. Contract negotiations are currently underway for a successor contract. The ACT-UAW unit of the United Auto Workers represents approximately 3,534 part-time faculty throughout the University (except for part-time faculty in the Jazz and Contemporary Music Program) under a contract with the University that expired on August 31, 2019; a side letter contract extension is in place through the 2020-2021 and 2021-2022 academic years. Contract negotiations for a successor contract will begin in Fall 2022. Approximately 97 full-time and part-time professional employees are represented by Local 1205, International Brotherhood of Teamsters, under a contract with the University that expired on December 31, 2021. A side letter contract extension is in place until ratification of a successor contract and contract negotiations are currently underway. Approximately 883 part-time academic student workers are represented by SENS-UAW, United Auto Workers, under a contract with the University that expires on August 31, 2023. And approximately 17 full-time and part-time employees in the University's Student Health unit are represented by SHENS-UAW, United Auto Workers, under a contract with the University that expires on June 30, 2023. The University maintains strong and cooperative relationships with the unions representing its employees.

Principal Facilities

The New School's five schools are sited within the primary campus area, between Fifth and Sixth Avenues and between 11th and 16th Streets, near the northern boundary of Greenwich Village. The residential facilities are located both on and off the primary campus area. Over the past few years, the University has consolidated its academic, administrative and residential real estate around the central Greenwich Village campus area. The strategy has included the purchase of a five-story commercial building located within the current campus area at 39 West 13th Street in fiscal year 2017 and the sale of the University's properties in the Upper West Side and Midtown Manhattan in fiscal years 2014 and 2015. The University has also been proactive in reducing its exposure to operating leases to improve the predictability and stability of operations.

As of January 1, 2022, The New School occupies approximately 1,713,532 gross square feet of academic and residential space. Broken down by category, this total represents 1,147,915 square feet in owned facilities and 565,617 square feet in leased facilities (including 112,500 square feet of leased facilities relating to the residential facility that will be purchased with the Series 2022 Bonds). Summarized below are owned and leased non-residential and residential facilities, approximate square footage and the primary use of each building.

See also" – ANNUAL FINANCIAL STATEMENT INFORMATION – Physical Plant" herein.

Owned Facilities					
Academic/Administrative Facilities			Residential/Dormitory		
Location	Square Feet	Use	Location	Square Feet	Use
66 West 12th Street	88,997	Academic/Administrative	135 East 12th Street	58,000	Student Housing
65 West 11th Street	35,871	Academic	Zeckendorf Towers	2,000	Faculty Housing
25 East 13th Street	54,600	Academic	21 West 11th Street	4,500	Residence
65 Fifth Avenue	379,430	Academic/Student Housing	300 West 20th Street	40,000	Student Housing
72 Fifth Avenue	50,000	Academic/Administrative			
55 West 13th Street	92,000	Mixed Use			
2 West 13th Street	118,414	Academic			
70 Fifth Avenue	3,813	Academic			
68 Fifth Avenue	7,033	Academic			
39 West 13th Street	154,000	Mixed Use			
66 Fifth Avenue	59,257	Academic			
Total square feet	1,043,415		Total square feet	104,500	
Leased Facilities					
Academic/Administrative Facilities			Residential/Dormitory		
Location	Square Feet	Use	Location	Square Feet	Use
64 West 11th Street	8,456	Academic	318 East 15th Street*	112,500	Student Housing
79 Fifth Avenue/6 East 16th Street	212,500	Academic/Administrative	301 First Avenue	144,161	Student Housing
80 Fifth Avenue	32,000	Academic/Administrative			
113 University Place	6,500	Academic/Administrative			
55 West 13th St. Annex	18,000	Mixed Use			
151 Bank Street	18,500	Academic			
71 Fifth Avenue	13,000	Administrative			
Total square feet	308,956		Total square feet	256,661	

* The New School has contracted to purchase this facility and will use the proceeds of the Series 2022 Bonds for such purchase.

OPERATING INFORMATION

Student Applications, Acceptances and Enrollments

The University has experienced relatively stable enrollment for the fiscal years from 2018 through 2022, except a significant decline in fiscal year 2021 (Fall 2020), due to the impacts of COVID-19. Enrollment rebounded in fiscal year 2022 (Fall 2021). The New School's strategic plan calls for the University to continue to maintain student enrollment at approximately 10,000 students, reducing the size of some programs while growing strategically in areas where there is strength, capacity, and demand. Rather than pursuing overall growth, the emphasis will be on rebalancing the enrollment distribution to optimize strengths and improve quality through selectivity, while diversifying the revenue base through global and distributed education and non-tuition based activities. The following table presents fall enrollments for the current and past five fiscal years.

Fall Enrollments						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Undergraduate Head Count	7,277	7,325	7,660	7,630	6,668	7,632
Graduate Head Count	3,241	3,309	3,197	3,094	2,832	3,158
Total Head Count	10,518	10,634	10,857	10,724	9,500	10,790
Undergraduate FTE	6,665	6,757	7,113	7,145	6,158	7,232
Graduate FTE	2,793	2,906	2,878	2,820	2,563	2,936
Total FTE	9,458	9,663	9,991	9,965	8,721	10,168

The following table presents the number of degrees awarded in each of the past five fiscal years.

Degrees Awarded			
Fiscal Year	Undergraduate	Advanced	Total
2017	1,826	1,268	3,094
2018	1,618	1,376	2,994
2019	1,615	1,352	2,967
2020	1,854	1,310	3,164
2021	1,660	1,156	2,816

The following table shows the number of freshman applications, acceptances, enrollment, and average ACT and SAT scores for the current and past five fiscal years.

Freshman						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Applied	9,139	9,130	10,095	9,413	9,011	9,984
Accepted	5,512	5,693	5,746	5,404	6,164	6,634
Enrolled	1,693	1,670	1,901	1,583	1,370	2,095
Acceptance Ratio (%)	60.3%	62.4%	56.9%	57.4%	68.4%	66.4%
Matriculation Ratio (%)	30.7%	29.3%	33.1%	29.3%	22.2%	31.6%
Freshman SAT Average	1,158	1,208	1,256	1,287	1,255	1,296
Freshman ACT Average	25	26	27	27	28	27

The following table shows the number of transfer applications, acceptances, and enrollment for the current and past five fiscal years.

Transfer						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Applied	2,132	2,005	1,880	1,927	1,619	1,720
Accepted	1,392	1,317	1,147	1,176	1,233	1,147
Enrolled	702	657	567	573	500	493
Acceptance Ratio (%)	65.3%	65.7%	61.0%	61.0%	76.2%	66.7%
Matriculation Ratio (%)	50.4%	49.9%	49.4%	48.7%	40.6%	43.0%

The following table shows the number of graduate applications, acceptances, and enrollment for the current and past five fiscal years.

Graduate						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Applied	5,053	4,996	5,241	5,256	6,047	5,663
Accepted	3,271	3,240	3,088	2,948	3,862	3,630
Enrolled	1,198	1,288	1,225	1,188	1,164	1,475
Acceptance Ratio (%)	64.7%	64.9%	58.9%	56.1%	63.9%	64.1%
Matriculation Ratio (%)	36.6%	39.8%	39.7%	40.3%	30.1%	40.6%

The following table shows the number of applications, acceptances, and enrollment for the University's credit seeking students for the current and past five fiscal years.

Total University						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Applied	16,324	16,131	17,216	16,596	16,677	17,367
Accepted	10,175	10,250	9,981	9,528	11,259	11,411
Enrolled	3,593	3,615	3,693	3,344	3,034	4,063
Acceptance Ratio (%)	62.3%	63.5%	58.0%	57.4%	67.5%	65.7%
Matriculation Ratio (%)	35.3%	35.3%	37.0%	35.1%	26.9%	35.6%

The following table presents the fall degree and diploma enrollment by in-state, out-of-state, and international students for the current and past five fiscal years.

Student Enrollment (Degree, Diploma & Graduate Certificate Programs Only)				
Fiscal Year	New York	Out-of-State	International	Total
2017	2,230	4,690	3,598	10,518
2018	2,212	4,796	3,626	10,634
2019	2,091	5,014	3,752	10,857
2020	1,897	5,075	3,752	10,724
2021	1,841	4,474	3,185	9,500
2022	1,471	5,572	3,747	10,790

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The following table shows the number of credit-seeking students by school for the current and past five fiscal years.

Enrollment of All Credit-Seeking Students by School						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
CoPA	868	965	986	1,023	813	1,034
Lang	1,684	1,730	1,889	1,894	1,602	1,512
Social Research	832	844	809	783	753	778
Parsons	5,274	5,256	5,370	5,299	4,661	5,968
Public Engagement	1,706	1,635	1,514	1,418	1,378	1,169
Parsons Paris	154	204	289	307	293	329
Total Headcount	10,518	10,634	10,857	10,724	9,500	10,790
Full-Time Equivalent	9,458	9,663	9,991	9,965	8,721	10,168

The following table presents the first-time freshman retention rate after one year for the current and past five fiscal years.

Freshman Retention After One Year					
Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
81.4%	81.4%	82.4%	82.6%	71.4%	83.2%

Enrollment in the University's continuing education (non-credit) programs is open to the public. There are no formal admissions requirements for these programs, although certain courses do have prerequisites or a basic application to ensure students are capable of completing course work. The following table presents the enrollment of non-credit seeking students for the current and past five fiscal years.

Enrollment of Non-Credit Seeking Students by Academic Year						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Total Enrollment	2,528	2,369	2,554	2,504	2,075	2,043

Tuition and Fees

The University's degree programs include more traditional undergraduate and graduate programs, where students typically attend on a full-time basis. These programs include Lang's, Parsons' and CoPA's bachelor degree and master degree programs. The table below provides the tuition, fees, and room and board charges for the current fiscal year for such programs.

Tuition and Fees for Full Time Students, Fiscal Year 2022							
	Lang	Parsons BFA	Parsons MFA	Mannes/ Jazz/ Drama Undergraduate	Mannes MM	Drama MFA	
Tuition & Fees	\$ 49,980	\$51,722	\$53,044	\$49,980	\$48,718	\$50,400	
Required Fees	1,200	1,200	1,200	1,200	1,200	1,200	
Room & Board	18,200	18,200	18,200	18,200	18,200	18,200	
Academic Year Cost	\$ 69,380	\$71,122	\$72,444	\$69,380	\$68,118	\$69,800	

Financial Aid and Scholarships

The University has greatly increased the availability of financial aid over the past decade. The ability to attract qualified students from underrepresented groups is enhanced significantly through the availability of financial aid and scholarships to students in need. The New School places a priority on financial aid to ensure a diverse student body that brings a variety of talents and experiences to the educational community. To respond to the varied needs of this population, The New School has sought to provide access to different forms of aid (loans, work opportunities, and grants) and to establish a flexible plan to distribute available resources.

Financial assistance provided by The New School to its students is designed to supplement the contribution that a student/family can make toward the payment of tuition and other expenses. The following table shows the sources of financial aid funds provided to students of the University for the five-year period ended June 30, 2021.

Sources of Financial Aid						
<i>Dollars in Thousands</i>						
Fiscal Year	2017	2018	2019	2020	2021	
Operating Funds	\$ 106,634	\$115,326	\$130,017	\$137,324	\$140,170	
Donor-funded External Assistance	7,300	8,028	6,298	7,175	7,008	
	\$ 113,934	\$123,354	\$136,315	\$144,499	\$147,178	

The University's tuition discount rate remained relatively stable over the past five fiscal years, with an increase for the fiscal year ending June 30, 2021 due to additional student support during the pandemic. Gross tuition and tuition discount for the past five fiscal years is as follows:

Tuition Discount						
<i>Dollars in Thousands</i>						
Fiscal Year		2017	2018	2019	2020	2021
Tuition & fees	\$	396,494	\$418,651	\$450,350	\$473,625	\$402,627
Student aid		113,934	123,354	136,315	144,499	147,178
Tuition discount		29%	29%	30%	31%	37%

Academic Faculty

The University employs over 2,000 full and part-time faculty to teach credit-bearing courses. About 33.8% of the full-time faculty is tenured. The table below provides the number of full and part-time faculty for the last five fiscal years.

Faculty Profile			
Fiscal Year	Full-time	Part-time	Total
2017	421	1,834	2,255
2018	408	1,881	2,289
2019	409	2,067	2,476
2020	404	1,474	1,878
2021	394	1,649	2,043

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ANNUAL FINANCIAL STATEMENT INFORMATION

Financial Information

As required by accounting principles generally accepted in the United States of America (“GAAP”), the consolidated financial condition of the University is presented in the consolidated Balance Sheet, the consolidated Statement of Activities, and the consolidated Statement of Cash Flows. The consolidated Balance Sheet reports on the amounts of the University’s assets, liabilities and net assets at the end of a reporting period. The consolidated Statement of Activities reports the amount of change in the University’s unrestricted net assets, temporarily restricted net assets, permanently restricted net assets, and total net assets for the period. The consolidated Statement of Cash Flows provides relevant information about the University’s cash flows from operating, investing, and financing activities for the period. The selected data below under the captions “Statements of Activities” and “Balance Sheets” are derived from the consolidated financial statements of the University as of and for the years ended June 30, 2017, 2018, 2019, 2020 and 2021.

Independent Auditors

The consolidated financial statements of The New School as of June 30, 2021 and 2020, and for the years then ended, included in this Official Statement in Appendix B, have been audited by KPMG LLP, the University’s independent auditors, as stated in their report therein.

KPMG has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the consolidated financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

Impact of COVID-19

In response to the outbreak of COVID-19, The New School has taken many steps to ensure the safety of its community. In March 2020, The New School transitioned to remote learning, resulting in pro-rata refunds for housing and dining of approximately \$8.8 million. The University also established a COVID Coordination Group to strategically navigate the unprecedented issues presented by an ongoing global pandemic and begin preparations for an eventual return of its students to in person learning.

As described more particularly in “ENROLLMENT” herein, the University experienced decreases in applications and enrollment for Fall 2020 (fiscal year 2021) as a direct result of COVID-19. The University reported a -20.8% operating margin in FY21 due to the decrease in tuition and auxiliary revenues resulting from the reduction in enrollment. This reduction in revenue was partially offset by significant expense savings from minimal campus operations and several financial oversight measures, including hiring freezes, staff furloughs, elimination of positions, temporary salary reductions, and a pause of University retirement contributions.

The University successfully reopened its campus to students for the fall 2021 semester with increased health measures implemented on campus to ensure the safety of its faculty, staff, and students. To date since the beginning of the pandemic, The New School has expended approximately \$8.2 million dollars in COVID-19 mitigation efforts, including surveillance testing and personal protective equipment. The New School also required its returning students, faculty, and staff to be vaccinated prior to returning to campus.

The University has been awarded a total of \$27.4 million in federal grants under COVID-19 legislation enacted over the past two years. \$12.2 million of such funding was restricted for student grants and was used to provide emergency relief to students through direct grants based on financial need. Of the \$15.2

million in federal COVID-19 aid designated for institutional support, \$6.3 million was utilized in fiscal years 2020 and 2021, with the remaining \$8.8 allocated to support fiscal year 2022. A \$5.5 million request was submitted to reimburse the University's COVID-19 mitigation costs through the Federal Emergency Management Agency (FEMA); the request is still in progress.

Fiscal Year 2022 Operating Budget

The University's adopted operating budget for fiscal year 2022 is balanced with budgeted operating revenues of \$433.6 million and budgeted operating expenses of \$419.8 million, which reflects increases over the fiscal year 2021 final budget of 34.7% and 13.6%, respectively. The budget incorporates a tuition rate increase of 2.5% for undergraduate and graduate programs and a tuition discount of 33.4% or \$148.1 million. It also incorporates a decrease of 3.9% in the average residence hall rates. Since the adopted budget was prepared during a time of great uncertainty regarding enrollment due to the COVID-19 pandemic, the University included a contingency of \$13.8 million in the budget.

The University is currently projecting balanced operating results for fiscal year 2022. Both revenues and expenses are running higher than budget. The increase in revenues is due primarily to higher enrollment and federal funding and the increase in expenses is due primarily to the costs associated with higher enrollment and COVID related measures. Fall enrollment for degree-seeking students was more than 700 students (8%) more than assumed in the budget, which was driven by over 500 entering students who enrolled this year after deferring last year because of the COVID-19 pandemic.

Fiscal Year 2022 Capital Budget

The University's capital budget for fiscal year 2022 was developed within the context of a multi-year plan. As in prior years, the fiscal year 2022 capital budget includes expenditures for construction and renovation, equipment, information technology and debt principal payments. The construction and renovation portion of the capital budget includes necessary critical maintenance projects to ensure the integrity of the physical plant and address health and life safety issues, for enhancing classrooms and other facilities, and for major repair and renovation.

Capital expenditures for the last five fiscal years and the fiscal year 2022 budget are provided below:

Capital Expenditures					
<i>Dollars in Thousands</i>					
FY 2017*	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Budget**
\$26,569	\$20,374	\$17,718	\$15,625	\$7,996	\$14,600

* Excludes purchase of property at 39 West 13th Street with the proceeds of the Series 2016 Bonds.

** Excludes purchase of property at 318 East 15th Street with the proceeds of the Series 2022 Bonds

The New School
Consolidated Statements of Activities
Fiscal Years Ended June 30,
(Dollars in Thousands)

	2017	2018	2019	2020	2021
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:					
OPERATING REVENUES:					
Student tuition and fees	\$396,494	\$418,651	\$450,350	\$473,625	\$402,627
Less, university sponsored financial aid	(106,634)	(115,326)	(130,017)	(137,324)	(140,170)
Less, externally funded financial aid	(7,300)	(8,028)	(6,298)	(7,175)	(7,008)
Net tuition and fees	282,560	295,297	314,035	329,126	255,449
Contributions	4,014	1,749	2,107	2,014	1,448
Grants and contracts	7,884	3,892	5,274	3,295	3,556
Endowment return appropriated for operations	9,399	9,500	9,924	9,729	9,767
Auxiliary activities	45,973	47,100	48,014	31,048	5,116
Other income	12,888	19,765	18,672	17,581	14,128
Net assets released from restrictions	22,365	34,267	29,378	33,627	29,593
Total operating revenues	385,083	411,570	427,404	426,420	319,057
OPERATING EXPENSES:					
Instruction and departmental research	150,914	153,876	155,790	153,673	129,491
Sponsored research and public services	14,138	15,908	17,272	16,859	15,043
Academic support	79,291	82,746	91,312	95,336	82,086
Student services	30,860	31,188	33,341	39,352	33,181
Auxiliary activities	47,563	48,188	52,152	43,579	48,142
Institutional support	61,701	71,422	70,602	79,028	77,448
Total operating expenses	384,467	403,328	420,469	427,827	385,391
Change in net assets from operating activities before insurance recovery on casualty loss	616	8,242	6,935	(1,407)	(66,334)
Insurance recovery on casualty loss	-	-	952	467	-
Change in net assets from operating activities	616	8,242	7,887	(940)	(66,334)
NON-OPERATING ACTIVITIES:					
Endowment return	32,287	18,000	11,354	2,337	58,718
Endowment return appropriated for operations	(9,399)	(9,500)	(9,924)	(9,729)	(9,767)
Debt defeasement	(47,384)	-	-	-	-
Other, net	27	629	(376)	(423)	1,192
Total non-operating activities	(24,469)	9,129	1,054	(7,815)	50,143
Change in net assets without donor restrictions	(23,853)	17,371	8,941	(8,755)	(16,191)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:					
Contributions	29,064	30,206	28,940	20,817	27,806
Grants and contracts	-	4,831	5,485	9,035	9,556
Endowment return	18,440	10,774	6,584	1,670	38,498
Other, net	17	21	(30)	(599)	(518)
Net assets released from restrictions	(22,365)	(34,267)	(29,378)	(33,627)	(29,593)
Change in net assets with donor restrictions	25,156	11,565	11,601	(2,704)	45,749
Change in net assets	1,303	28,936	20,542	(11,459)	29,558

The New School
Consolidated Balance Sheets
as of June 30,
(Dollars in Thousands)

	2017	2018	2019	2020	2021
ASSETS					
Cash and cash equivalents	\$ 1,434	\$ 6,834	\$ 1,476	\$ 7,767	\$ 6,171
Student accounts receivable, net	9,930	10,104	11,419	15,949	17,359
Contributions receivable, net	29,441	27,927	31,892	30,585	30,125
Investments	380,787	403,590	425,657	430,096	486,849
Deferred charges and other assets*	14,859	18,717	20,659	21,712	19,265
Funds held by bond trustees	21,063	22,515	22,946	23,190	23,782
Student loans receivable, net	2,883	2,920	2,571	2,350	1,998
Operating right-of-use assets*	—	—	—	—	386,054
Land, buildings and equipment, net	764,625	756,525	745,004	788,577	715,247
Total assets	1,225,022	1,249,132	1,261,624	1,320,226	1,686,850
LIABILITIES AND NET ASSETS					
Accounts payable and accrued liabilities	68,073	71,029	74,007	72,437	67,866
Deferred revenue	11,399	12,956	12,922	9,402	21,548
Federal Perkins student loan advances	1,651	1,636	1,601	1,290	968
Short-term debt	—	—	—	30,000	14,421
Operating lease liabilities*	—	—	—	—	413,015
Other long-term liability**	—	—	—	55,000	—
Long-term debt, net	615,726	606,402	595,443	585,905	573,282
Total liabilities	696,849	692,023	683,973	754,034	1,091,100
Net Assets					
Without donor restrictions	334,430	352,009	360,950	352,195	336,004
With donor restrictions	193,743	205,100	216,701	213,997	259,746
Total net assets	528,173	557,109	577,651	566,192	595,750
Total liabilities and net assets	\$ 1,225,022	\$ 1,249,132	\$ 1,261,624	\$ 1,320,226	\$ 1,686,850

* Reflects the adoption by the University in fiscal year 2021 of Standards Update (ASU) No. 2016-02, Leases (Topic 842), requiring the recognition of right-of-use assets and lease liabilities on the consolidated balance sheets.

** Reflects capitalized costs of construction during fiscal year 2020 relating to a building that was completed in fiscal year 2021.

Management Discussion of Recent Financial Performance

The University strives to maintain a state of “financial equilibrium,” defined as (a) a balanced operating budget that provides resources available for investment in University priorities; (b) preservation and enhancement of physical assets; and (c) growth of financial assets. The University’s annual operating budget, capital budget, long-range financial plan, financial operations, investment management, and fund raising efforts are all directed toward maintaining an appropriate balance between these three objectives.

The University has been successful in meeting these objectives over the five-year period ending June 30, 2021 and has committed resources to the preservation and enhancement of its physical plant. The endowment investment’s fair value has grown to \$477.1 million as of June 30, 2021 from \$367.1 million as of June 30, 2017. Total net assets have grown to \$595.8 million as of June 30, 2021. This growth is

primarily due to increased contributions and favorable endowment returns. See “PART 7 – THE UNIVERSITY – Physical Plant” herein.

Key financial highlights for fiscal year 2021 follow.

Changes in Net Assets Fiscal Year 2021 <i>Dollars in Thousands</i>			
	Operating	Non- operating	Total
Change in net assets without donor restrictions	(\$66,334)	\$50,143	(\$16,191)
Change in net assets with restrictions	-	45,749	45,749
Total change in net assets	(\$66,334)	\$95,892	\$29,558

During fiscal year 2021, unrestricted net assets from operating activities decreased by approximately \$66.3 million, a (20.8)% operating margin. Unrestricted operating revenues for fiscal year 2021, as compared to fiscal year 2020, decreased 25.2% to \$319.1 million. This was primarily due to decreased net tuition and fees and auxiliary revenue during the COVID pandemic. Net tuition and fees revenue for fiscal year 2021, as compared to fiscal year 2020, decreased by 22%, while the tuition discount rate increased from 30.5% to 36.6% due to additional student support during the pandemic. Operating expenses for fiscal year 2021, as compared to fiscal year 2020, decreased 10% to \$385.4 million due to COVID related savings discussed above.

Unrestricted contributions were \$1.4 million in fiscal year 2021, compared to \$2 million in fiscal year 2020. Net assets increased \$95.9 million from non-operating activities, the result of increased total contributions and of favorable endowment returns.

Total assets as of June 30, 2021, as compared to June 30, 2020, grew by \$386.6 million, or 28%, to \$1.7 billion; net assets increased by \$29.6 million or 5%. Liabilities as of June 30, 2021, as compared to June 30, 2020, increased by \$337.1 million, primarily due to the adoption of the lease accounting standard ASC-842.

Cash and cash equivalents as of June 30, 2021, as compared to June 30, 2020, decreased by \$1.6 million, or 21%, to \$6.2 million. The University’s endowment investment fair value was \$477.1 million as of June 30, 2021; 24.3% of the endowment portfolio had daily liquidity and an additional 23% could be liquidated within one month. Operating investments totaled \$9.8 million, of which 100% had daily liquidity.

Long-term debt as of June 30, 2021, as compared to June 30, 2020, decreased 2% to \$573.3 million, due to scheduled payments on long-term debt.

As of June 30, 2020, the University had \$30 million short-term borrowing outstanding. The University had drawn on its line of credit during fiscal year 2020 to have liquidity to fund operations if needed, which

was not used. At fiscal year-end 2021, the University had \$15 million short-term borrowing outstanding used to temporarily cover operating expenses due to COVID related reductions in tuition revenues.

Endowment Portfolio

Investments are composed of endowment, operating, and other assets. The University's investment program operates under an investment policy statement and guidelines established by the Board, which delegates direct oversight for the investment program to the Investment Committee of the Board. Total fair value of the endowment investments at June 30, 2021 was \$477.1 million and at December 31, 2021 it was \$489.9 million (reflecting the value of marketable securities as of December 31, 2021 and alternative investments as of September 30, 2021). Investments were comprised as follows:

University Investments	
As of June 30, 2021	
<i>Dollars in Thousands</i>	
Endowment	\$477,060
Operating	9,789
Total investments	\$486,849

In fiscal year 2021, the endowment paid out approximately \$16.4 million in support of operations, from investments with and without donor restrictions.

The University's endowment values for the past five fiscal years are as follows.

Endowment Values				
As of June 30,				
<i>Dollars in Millions</i>				
2017	2018	2019	2020	2021
\$367.1	\$388.6	\$398.5	\$393.4	\$477.1

The University's endowment annual returns net of all fees, for the past five fiscal years were as follows.

Endowment Annual Returns				
As of June 30,				
2017	2018	2019	2020	2021
15.8%	8.2%	4.8%	1.2%	25.2%

The following table sets forth the composition of the endowment portfolio asset allocation as of June 30, 2021:

Endowment Portfolio Asset Allocation by Percentage	
As of June 30, 2021	
Public Equity	25.4%
Private Fixed Income	2.0%
Cash and Cash Equivalents	20.0%
Hedge Funds	32.1%
Private Equity	13.5%
Real Assets	7.0%
	100.0%

The University's outstanding commitment to alternative investment funds, including hedge funds, real estate, and private equity, as of June 30, 2021 was \$65 million.

The University uses a total return approach in its endowment management. Under this approach, investment managers invest for maximum return, whether it is in securities with high current yields or in growth stocks. In order to balance the preservation and enhancement of the endowment's future purchasing power and spending for current needs, the University has an endowment spending policy. For each of the past five fiscal years, the University applied a 4% spending rate against the average of the previous 16 quarters' fair value of the endowment portfolio. For fiscal year 2022, the University has budgeted a 5% spending rate against the average of the previous 12 quarters' fair value of the endowment portfolio. For fiscal years 2023 and 2024, the University plans to apply a spending rate of 4.5% and 4%, respectively. The purpose of using a moving average is to smooth out any wide fluctuations in the year-end market value. Endowment earnings in excess of the spending rate are added back to the principal of the endowment investments.

As of June 30, 2021, approximately 40.1% of the endowment value is permanently restricted endowment with the remaining 59.9% representing quasi-endowment.

Fundraising

Fundraising at The New School is coordinated by the Senior Vice President of Development and Alumni Engagement who has an office of 22 employees. In the last five years, the University has raised more than \$168 million in support. The chart below outlines fundraising totals compared to University goals during the past five fiscal years. The fundraising totals below include conditional pledges and bequest intentions that have not been reported in the University's consolidated financial statements.

University Fundraising

Dollars in Thousands

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Funds raised	\$	38,434	33,587	34,190	26,511	36,209
University goal		37,700	32,500	33,000	33,000	30,000
Percent of Goal		102%	103%	104%	80%	121%

Physical Plant

Set forth below are the book values of the University's land, buildings and equipment as of June 30 of each of the fiscal years 2017-2021. On September 9, 2021, The New School sold its 118 West 13th Street facility, for the purchase price of \$22.9 million; the location was formerly used as student housing. The New School has contracted to purchase the facility at 318 East 15th Street that it currently leases and will use the proceeds of the Series 2022 Bonds to pay the purchase price.

Land, Buildings and Equipment					
As of June 30					
<i>Dollars in Thousands</i>					
	2017	2018	2019	2020	2021
Land and air rights	\$81,107	\$81,107	\$81,107	\$81,107	\$81,107
Buildings and building improvements	735,801	748,694	754,823	771,957	778,465
Leasehold improvements	78,340	78,858	79,219	80,683	84,397
Furniture and equipment	51,498	54,982	56,426	40,658	39,053
Construction in progress	5,530	5,978	13,635	62,525	2,948
	952,276	969,619	985,210	1,036,930	985,970
Less accumulated depreciation	-187,651	-213,094	-240,206	-248,353	-270,723
	\$764,625	\$756,525	\$745,004	\$788,577	\$715,247

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Outstanding Indebtedness

As of June 30, 2021, the University had long-term indebtedness relating to tax-exempt revenue bonds issued by DASNY of \$585.9 million, net of bond issuance costs, discounts and premiums, and a promissory note. Long-term debt consisted of the following at June 30, 2021 and June 30, 2020:

Long-term Indebtedness <i>Dollars in Thousands</i>				
Description	Final Maturity Date	Interest % Rate	Principal Balance As of June 30, 2021	Principal Balance As of June 30, 2020
Series 2016A	7/1/2050	3.00%-5.00%	\$316,040	\$316,040
Series 2016B	7/1/2038	3.00%-5.00%	75,665	78,705
Series 2015	7/1/2050	3.00%-5.00%	116,025	117,830
Series 2011	7/1/2031	4.00%-5.00%	23,985	25,550
Series 2010	7/1/2020	5.00%-6.00%	-	4,325
Promissory Note	1/1/2023	1.00%	1,504	2,000
			<u>\$533,219</u>	<u>\$544,450</u>
Less:				
Unamortized Closing Costs			(3,387)	(3,534)
Unamortized Discount			(278)	(291)
Add Unamortized Premium			43,728	45,280
			<u>\$573,282</u>	<u>\$585,905</u>

The Series 2011 and 2015 loan agreements entered into with DASNY in connection with such long-term debt require the University to maintain an asset maintenance ratio, in which the percentage of unrestricted net assets, excluding net investment in plant, plus temporarily restricted net assets (spendable net assets) to total long term debt outstanding must be at least 40%. The University has always been in compliance with the asset maintenance ratio test. Each series of bonds listed above is secured by pledges of the Pledged Revenues. The security interest in the Pledged Revenues given to secure the Loan Agreement executed in connection with the Series 2022 Bonds will be of equal priority with such existing pledges.

Short Term Debt

On June 10, 2016, the University entered into a margin agreement with its investment custodian to loan up to 92% of custodial liquid investments with interest payable at a rate equal to Federal Funds Rate plus 0.75%. The University has no outstanding margin borrowing as of the date of this Official Statement.

The University established a \$25 million unsecured line of credit with Bank of America, N.A. in May 2011, renewable annually. Amounts borrowed under the credit line are payable within one year with interest payable at a rate equal to Bloomberg Short Term Bank Yield Index (BSBY) Rate plus 1%. The

BSBY rate is one, three or six months as selected by the University. The loan will automatically convert to a prime rate if the University does not select a BSBY duration at least three business days prior to the date of borrowing. The University had no outstanding credit line borrowing as of the date of this Official Statement.

Pension Plan

The University has a defined contribution retirement plan which covers substantially all employees except certain union employees and which is funded through direct payments to the Teachers' Insurance and Annuity Association and/or College Retirement Equities Fund for the purchase of various types of investment contracts. For each eligible employee, the University's contribution is determined as a percentage of salary, taking into account age and length of accrued service.

Insurance

The University maintains fire and extended coverage insurance, including boiler explosion, vandalism and service interruption insurance, on substantially all of its properties in the amount of approximately \$750 million under a blanket University-wide policy (and on a repair or replacement basis), with a \$25,000 per loss deductible.

LITIGATION

Two separate lawsuits were filed against The New School in United District Court for the Southern District of New York, one in May 2020 by students of the University and another in June 2021 by students of Parsons, in each case seeking to act as representatives of purported classes of other students and seeking refunds of a portion of tuition, fees, and room/board charges for the period when instruction was provided online during the Spring 2020 semester due to the COVID-19 pandemic. The lawsuits seek damages of at least \$5 million and attorneys' fees. The University prevailed in a motion to dismiss the first suit and the plaintiffs were permitted to file, and have filed, amended pleadings. Similar lawsuits have been filed against other universities throughout the United States and are at various stages and with a range of outcomes. The University has filed motions to dismiss both lawsuits and intends to continue to defend itself vigorously against these claims. Because these lawsuits are in their earliest stages, it is difficult to determine at this time the likely outcome.

In addition to the litigation described in the preceding paragraph, the University in the normal course of its operations is a defendant in various legal proceedings. While it is not feasible to predict the ultimate outcomes of such other matters, it is the opinion of management and the chief legal officer of the University that resolution of these actions will not have a material adverse effect on the University's financial position, including its ability to pay debt service on the Series 2022 Bonds.

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PART 8 — BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2022 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 2022 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 2022 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 2022 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, the impact of the COVID-19 pandemic, economic developments in the New York area and competition from other educational institutions, together with changes in costs, including but not limited to increased costs resulting from severe weather events and the impact of climate change on University facilities and operations, cost of compliance with laws and regulations, and increased costs of energy, materials and other supplies, 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 – Impact of COVID-19” herein for a discussion of the University’s response to the COVID-19 pandemic and the impact of the COVID-19 pandemic on the University’s operations and financial condition.

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 2022 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 2022 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. Typically, 85% of the University's enrolled students receive some form of financial assistance through the University. For fiscal year 2021, that percentage increased to almost 98% as a result of assistance provided through programs addressing the COVID-19 pandemic. 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

Although the unrestricted portion of the University's endowment funds and the payout therefrom are available for debt service payments on the Series 2022 Bonds, no assurance can be given that developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fund Raising

The 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 combines 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. The University maintains cyber insurance.

Change 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 Related Risks

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 2022A Bonds and defaults in covenants regarding the Series 2022A 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 2022A Bonds nor would it cause a change in the interest rates on the Series 2022A 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. The IRS has indicated that it is giving greater scrutiny to certain tax-exempt organizations, including colleges and universities.

Risk of Audit

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the IRS will not commence an audit of the Series 2022A Bonds. Bondholders of the Series 2022A Bonds are advised that, if an audit of the Series 2022A Bonds were commenced, in accordance with its current published procedures, the IRS is likely to treat DASNY as the taxpayer, and the Bondholders of the Series 2022A Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2022A Bonds during the pendency of the audit, regardless of the ultimate outcome.

Additional Indebtedness

Additional Bonds may be issued under the Resolution to finance one or more projects and for other specified purposes, and although separately secured, each applicable loan agreement may be secured by a lien of Pledged Revenues on a parity with the Series 2022 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 2022 Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS” herein and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT” attached hereto. The University may also incur other indebtedness that constitutes Parity Indebtedness, which would be secured equally and ratably with the Series 2022 Bonds by the lien of Pledged Revenues.

In addition, the University may incur indebtedness secured by a mortgage or lien on real or personal property of the University without granting to DASNY any such mortgage or lien to secure the University’s obligations under the Loan Agreement. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument will have the right to foreclose the lien on such property, other than the Pledged Revenues, and apply the money so collected to the payment of amounts due under such debt instrument. Any money so collected and applied will not be available for satisfying any of the University’s obligations under the Loan Agreement.

No Mortgage Securing the University’s Obligations under the Loan Agreement

As further security for its obligations under the loan agreements entered into in connection with the Series 2011 Bonds and the Series 2015A Bonds, the University granted to DASNY mortgages on certain real property of the University and security interests in certain fixtures, furnishings and equipment used in connection with such real property. There is no such mortgage securing the University’s obligations under the Loan Agreement.

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 commenced a proceeding under the federal Bankruptcy Code, the bankruptcy court could authorize the University to obtain credit secured by a senior, priming lien on property of the bankruptcy estate already encumbered by existing liens, but only if the bankruptcy court determines that there is adequate protection of the interests of the holders of those existing liens on the property of the estate on which the senior or equal lien is proposed to be granted. Similarly, the bankruptcy court could approve a plan modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. Although the University may be able to confirm a plan that modifies the terms of the Series 2022 Bonds, if the owners of the Series 2022 Bonds, as a class, vote to reject a plan and object to confirmation of a plan, the plan cannot be confirmed unless the plan (1) allows the owners of the Series 2022 Bonds to retain their lien on the assets that secure their claim and makes payments to the owners of the Series 2022 Bonds equal to the total value of such assets that secure their claim, as of the effective date of the plan; or (2) proposes to sell the assets that secure the owners of the Series 2022 Bonds, subject to the bondholders’ rights, if any, to bid on their claim at the sale, and provided that the bondholders’ lien will attach to the proceeds of the sale; or (3) provides for the owners of the Series 2022 Bonds to receive what the bankruptcy court determines to be the indubitable equivalent of their claim. Regardless of any decision made by a court, the fact that a bankruptcy case has been commenced by the University could have an adverse effect on the liquidity and value of the Series 2022 Bonds.

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 bankruptcy court has determined that the Plan is in the best interests of creditors, is feasible and has been accepted by one 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.

Enforceability of Security Interest in Pledged Revenues

The Series 2022 Bonds will be separately secured from each other Series of Bonds by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Resolution and the Series 2022 Resolutions. As security for its obligations under the Loan Agreement, the University will grant to DASNY a security interest in the Pledged Revenues, subject to any existing and future liens securing Parity Indebtedness. DASNY will pledge and assign to the Trustee for the benefit of the Holders of Series 2022 Bonds its interest in the Pledged Revenues. The security interest in Pledged Revenues will be of equal priority with the security interests in Pledged Revenues securing the Prior Bonds. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for the Series 2022 Bonds" and "– Security for Prior Bonds and Issuance of Additional Indebtedness." The value of the security interest in the Pledged Revenues may not be sufficient to repay all of the outstanding indebtedness under the Series 2022 Bonds.

In the event of bankruptcy of the University, transfers of property by the University, including the payment of debt or the transfer of any collateral, including receivables and Pledged Revenues, on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court may be subject to avoidance or recovery as preferential transfers. Under certain circumstances a court may have the power to direct the use of Pledged Revenues to meet expenses of the University before paying the Series 2022 Bonds then Outstanding, including if then Outstanding, the Series 2022 Bonds and, in turn, the debt service on the Series 2022 Bonds.

Pursuant to the Uniform Commercial Code, the perfection of a security interest in Pledged Revenues may cease if such proceeds are not paid over to the Trustee (or an agent for the Trustee) by the University under certain circumstances. In addition, the security interest in Pledged Revenues may not extend to revenues coming into existence after commencement of a bankruptcy.

The University will perfect its grant of a security interest in its Pledged Revenues to the extent, and only to the extent, that such security interest may be perfected under the Uniform Commercial Code of the State of New York by the filing of a financing statement naming the University as debtor and DASNY as secured party. At the time of issuance of the Series 2022 Bonds, the University will not be entering into any control agreement, deposit account control agreement or any similar agreement under the Uniform Commercial Code with respect to collections or proceeds of the Pledged Revenues. The University has agreed that, upon the occurrence of an event of default for nonpayment of Series 2022 Bonds under the Loan Agreement, the University will transfer within five business days collections of its Pledged Revenues it receives to the Trustee for deposit in an account to be held under the Loan Agreement. Unless such event were to occur, the Pledged Revenues will not be held in segregated funds but will be commingled with other monies of the University. A security interest in the proceeds of the University's Pledged Revenues

will not be perfected until such a transfer occurs and the University executes an agreement giving the Trustee control over such proceeds. It may not be possible to perfect a security interest in any manner whatsoever in certain types of Pledged Revenues (e.g., gifts, donations and certain insurance proceeds). The grant of a security interest in Pledged Revenues may be subordinated to the interest and claims of others in several circumstances (for instance, statutory liens, liens in favor of the United States or an agency thereof, where assignment violates existing or future prohibitions on assignment under statute, liens imposed through the exercise by courts of equitable powers, and rights arising under federal bankruptcy or state insolvency laws).

The value of the security interest in the Pledged Revenues could be diluted by future liens securing Parity Indebtedness, which are secured equally and ratably with the Series 2022 Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Security for Prior Bonds and Issuance of Additional Indebtedness” herein. In the event of the liquidation or bankruptcy of the University, there can be no assurance that the proceeds of the Pledged Revenues will be adequate. In the event that a bankruptcy case is commenced by the University, if the value of the Pledged Revenues is less than the amount due to the bondholders and holders of other Parity Indebtedness, interest may cease to accrue on the Series 2022 Bonds from and after the date the bankruptcy petition is filed. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the Pledged Revenues may not be sufficient to pay the obligations due under the Series 2022 Bonds and any other obligations secured by a lien on the Pledged Revenues. Any such judicial discretion or interpretations may cause a delay in enforcement proceedings or may limit or modify the rights and remedies available to the bondholders and/or the University. As a result, the bondholders may not be able to realize sufficient value from the Pledged Revenues to be repaid all of the outstanding indebtedness under the Series 2022 Bonds.

Secondary Market for the Series 2022 Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2022 Bonds. From time to time there may be no market for the Series 2022 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 2022 Bonds

The Series 2022 Bonds are secured as provided in “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 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 2022 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 2022 Bonds.

PART 9 — DASNY

Background, Purposes and Powers

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

DASNY provides financing services to its clients in three major areas: public facilities; not-for-profit healthcare; and independent higher education and other not-for-profit institutions. DASNY issues State-supported debt, including State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds, on behalf of public clients such as the State University of New York, the City University of New York, the Department of Health, the New York State Education Department, 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 December 31, 2021, DASNY had approximately \$59.7 billion aggregate principal amount of bonds and notes outstanding.

DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement, 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 475 employees located in four main offices (Albany, New York City, Buffalo and Rochester) and at approximately 39 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 Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Ronski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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.

MARY T. BASSETT, MD, MPH., Commissioner of Health of the State of New York, Albany; ex-officio.

Mary T. Bassett, MD, MPH., was appointed Commissioner of Health on December 1, 2021. She previously served as Director of the François-Xavier Bagnoud (FXB) Center for Health and Human Rights at Harvard University and FXB Professor of the Practice of Health and Human Rights in the department of Social and Behavioral Sciences at the Harvard T.H. Chan School of Public Health. Prior to that, she served as Commissioner of the New York City Department of Health and Mental Hygiene, Director for the Doris Duke Charitable Foundation's African Health Initiative and Child Well-Being Prevention Program; and as Deputy Commissioner of Health Promotion and Disease Prevention at the New York City Department of Health and Mental Hygiene. Early in her career, Dr. Bassett served on the medical faculty at the University of Zimbabwe and went on to serve as Associate Director of Health Equity at the Rockefeller Foundation's Southern Africa Office. After returning to the United States, she served on the faculty of Columbia University, including as Associate Professor of Clinical Epidemiology in the Mailman School of Public Health. Dr. Bassett received a B.A. in History and Science from Harvard University, an M.D. from Columbia University's College of Physicians and Surgeons, and an M.P.H. from the University of Washington.

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-seven years of combined legal experience in the private and public sector.. 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 coordinates policy and operations across all of DASNY's business lines and serves as chief advisor on all DASNY operations. In addition, Ms. Griffin directly manages DASNY's work in communications, marketing, and intergovernmental affairs. She previously served in leadership roles for three New York State governors, managing and overseeing government operations and intergovernmental affairs, as well as serving as chief liaison for the governor's office with federal, state and local elected officials. Ms. Griffin 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 2022 Bonds nor (ii) challenging the validity of the Series 2022 Bonds or the proceedings and authority under which DASNY will issue the Series 2022 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 2022 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2022 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 2022 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 2022 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 2022 Bonds.

PART 12 — TAX MATTERS

Series 2022A Bonds

In the opinion of Squire Patton Boggs (US) LLP and Golden Holley James LLP, Co-Bond Counsel, under existing law: (i) interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax; and (ii) interest on the Series 2022A Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2022A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of DASNY and the University contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2022A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. In addition, Co-Bond Counsel has relied on, among other things, the opinion of Orrick, Herrington & Sutcliffe LLP, Special Counsel to the University, regarding, among other matters, the current status of the University as an organization described in

Section 501(c)(3) of the Code and the use of the facilities financed with the Series 2022A Bonds in activities that are not considered “unrelated trade or business” activities of the University, as defined in Section 513(a) of the Code, which opinion is subject to a number of qualifications and limitations. Failure of the University to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2022A Bonds in a manner that is substantially related to the University’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2022A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2022A Bonds. Co-Bond Counsel will not independently verify the accuracy of DASNY’s and the University’s representations and certifications or the continuing compliance with DASNY’s and the University’s covenants and will not independently verify the accuracy of the opinion of the University’s counsel.

The opinion of Co-Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Co-Bond Counsel’s legal judgment as to exclusion of interest on the Series 2022A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (the “IRS”) or any court. Co-Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by DASNY or the University may cause loss of such status and result in the interest on the Series 2022A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2022A Bonds. The University and, subject to certain limitations, DASNY have each covenanted to take the actions required of it for the interest on the Series 2022A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2022A Bonds, Co-Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Co-Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2022A Bonds or the market value of the Series 2022A Bonds.

Interest on the Series 2022A Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2022A Bonds. Co-Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2022A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2022A Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Co-Bond Counsel's engagement with respect to the Series 2022A Bonds ends with the issuance of the Series 2022A Bonds, and, unless separately engaged, Co-Bond Counsel is not obligated to defend DASNY, the University or the owners of the Series 2022A Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2022A Bonds, under current IRS procedures, the IRS will treat DASNY as the taxpayer and the beneficial owners of the Series 2022A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2022A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2022A Bonds.

Prospective purchasers of the Series 2022A Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2022A Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2022A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2022A Bonds will not have an adverse effect on the tax status of interest on the Series 2022A Bonds or the market value or marketability of the Series 2022A Bonds. These adverse effects could result, for example, 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 repeal (or reduction in the benefit) of the exclusion of interest on the Series 2022A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Series 2022A Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Series 2022A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Series 2022A Bonds may be affected and the ability of holders to sell their Series 2022A Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2022A Bonds ("Discount Tax-Exempt Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Tax-Exempt Bond. The issue price of a Discount Tax-Exempt Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Tax-Exempt Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Tax-Exempt Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the

owner). The portion of OID that accrues during the period of ownership of a Discount Tax-Exempt Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2022A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Tax-Exempt Bond. A purchaser of a Discount Tax-Exempt Bond in the initial public offering at the issue price (described above) for that Discount Tax-Exempt Bond who holds that Discount Tax-Exempt Bond to maturity will realize no gain or loss upon the retirement of that Discount Tax-Exempt Bond.

Certain of the Series 2022A Bonds ("Premium Tax-Exempt Bonds") may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Tax-Exempt Bond, based on the yield to maturity of that Premium Tax-Exempt Bond (or, in the case of a Premium Tax-Exempt Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Tax-Exempt Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Tax-Exempt Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Tax-Exempt Bond, the owner's tax basis in the Premium Tax-Exempt Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Tax-Exempt Bond for an amount equal to or less than the amount paid by the owner for that Premium Tax-Exempt Bond. A purchaser of a Premium Tax-Exempt Bond in the initial public offering who holds that Premium Tax-Exempt Bond to maturity (or, in the case of a callable Premium Tax-Exempt Bond, to its earlier call date that results in the lowest yield on that Premium Tax-Exempt Bond) will realize no gain or loss upon the retirement of that Premium Tax-Exempt Bond.

Owners of Discount and Premium Tax-Exempt Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Tax-Exempt Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Series 2022B Bonds

In the opinion of Squire Patton Boggs (US) LLP and Golden Holley James LLP, Co-Bond Counsel, under existing law: (i) interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes; and (ii) interest on the Series 2022B Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Co-Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2022B Bonds. The legal defeasance of the Series 2022B Bonds might result in a deemed sale or exchange of the Series 2022B Bonds under certain circumstances; owners of the Series 2022B Bonds should consult their tax advisors as to the federal income tax consequences of such an event. Prospective purchasers of the Series 2022B Bonds should consult their tax advisors as to the federal, state and local, and foreign tax consequences of their acquisition, ownership, and disposition of the Series 2022B Bonds.

The following discussion is generally limited to "U.S. owners," meaning beneficial owners of Series 2022B Bonds that for United States federal income tax purposes are either individual citizens or residents of the United States or corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia). ***Partnerships (including entities treated as partnerships for United States federal income tax purposes) holding Series***

2022B Bonds, and partners in such partnerships, and estates or trusts holding Series 2022B Bonds, and beneficiaries of such estates or trusts, should consult their tax advisors regarding the tax consequences of an investment in the Series 2022B Bonds (including their status as U.S. owners).

Prospective purchasers of the Series 2022B Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2022B Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Co-Bond Counsel expresses no opinion.

Payment of Interest

In general, interest paid or accrued on the Series 2022B Bonds, including qualified stated interest on Discount Taxable Bonds (as defined below), if any, will be treated as ordinary income to U.S. owners. A U.S. owner using the accrual method of accounting for U.S. federal income tax purposes must include interest paid or accrued on the Series 2022B Bonds in ordinary income as the interest accrues, while a U.S. owner using the cash receipts and disbursements method of accounting for U.S. federal income tax purposes must include interest in ordinary income when payments are received or constructively received by the owner, except as described below under the section entitled “Original Issue Discount and Original Issue Premium.”

Original Issue Discount and Original Issue Premium

Certain of the Series 2022B Bonds (“Discount Taxable Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Taxable Bond, provided that excess equals or exceeds a statutory *de minimis* amount (one-quarter of one percent of the Discount Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, if required by applicable Treasury Regulations, to an earlier call date)). The issue price of a Discount Taxable Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Taxable Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Taxable Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the time a U.S. owner owns a Discount Taxable Bond (i) is interest includable in the U.S. owner’s gross income for federal income tax purposes, and (ii) is added to the U.S. owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of the Discount Taxable Bond. The effect of OID is to accelerate the recognition of taxable income for a U.S. owner who uses the cash method of accounting during the term of the Discount Taxable Bond.

Certain of the Series 2022B Bonds (“Premium Taxable Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). If a U.S. owner purchases a Premium Taxable Bond, that owner will be considered to have purchased such Premium Taxable Bond with “amortizable bond premium” equal in amount to such excess. The U.S. owner may elect (which election shall apply to all securities purchased at a premium by such U.S. owner), in accordance with the applicable provisions of Section 171 of the Code, to amortize that premium as an offset to the interest payments on the Premium Taxable Bond using a constant yield to maturity method over the remaining term of the Premium Taxable Bond (or, if required by applicable Treasury Regulations, to an earlier call date). Pursuant to Section 67(b)(11) of the Code, the amortization of that premium is not considered a miscellaneous itemized deduction. Any amortization of bond premium will reduce the basis of the Premium Taxable Bond pursuant to Section 1016(a)(5) of the Code.

Owners of Discount and Premium Taxable Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Taxable Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Sale, Exchange, Retirement or Other Taxable Disposition of Series 2022B Bonds

Upon the sale, exchange, retirement or other taxable disposition of a Series 2022B Bond, a U.S. owner will recognize gain or loss equal to the difference between the amount realized from the sale, exchange, retirement or other disposition and the owner's adjusted basis in the Series 2022B Bond or applicable portion of the adjusted basis. The owner's adjusted basis generally will equal the cost of the Series 2022B Bond to the owner, increased by any OID includible in the owner's ordinary income for the Series 2022B Bond and reduced by any principal payments on the Series 2022B Bond previously received by the owner (including any other payments on the Series 2022B Bond that are not qualified stated interest payments) and by any amortizable bond premium allowed as a deduction as described above under the section entitled "Original Issue Discount and Original Issue Premium." Any gain or loss recognized upon a sale, exchange, retirement or other disposition of a Series 2022B Bond (excluding amounts attributable to accrued interest or OID) will generally be capital gain or loss and will be long-term capital gain or loss if the U.S. owner's holding period in the Series 2022B Bond exceeds one year. Long-term capital gains of individuals are currently eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations

Information Reporting and Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on the Series 2022B Bonds and the proceeds of the sale of Series 2022B Bonds to non-corporate holders of the Series 2022B Bonds, and "backup withholding," currently at a rate of 24%, will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of Series 2022B Bonds that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Medicare Tax Affecting U.S. Owners

A U.S. owner that is an individual is subject to a 3.8% Medicare tax on the lesser of (1) the U.S. owner's "net investment income" for the taxable year and (2) the excess of the U.S. owner's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. owner's net investment income generally includes interest income on, and net gains from the disposition of, Series 2022B Bonds, unless such interest income or net gains are derived in the ordinary course of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual should consult its tax advisor regarding the applicability of the Medicare tax.

Non-U.S. Owners

Under the Code, interest and OID on any Series 2022B Bond whose beneficial owner is not a U.S. owner is generally not subject to United States income tax or withholding tax (including backup withholding) if the non-U.S. owner provides the payor of interest on the Series 2022B Bonds with an appropriate statement as to its status as a non-U.S. owner. This statement can be made on IRS Form W-

8BEN or a successor form. If, however, the non-U.S. owner conducts a trade or business in the United States and the interest or OID on the Series 2022B Bonds held by the non-U.S. owner is effectively connected with such trade or business, that interest or OID will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding). The foregoing is a brief summary of certain federal income tax consequences to a non-U.S. owner. ***Non-U.S. owners should consult their tax advisors regarding the tax consequences of an investment in the Series 2022B Bonds.***

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (“FATCA”) generally imposes a 30% withholding tax on interest payments to (i) certain foreign financial institutions (including certain investment funds) that fail to certify their FATCA status and (ii) non-financial foreign entities if certain disclosure requirements related to direct and indirect United States shareholders are not satisfied. Proposed Treasury Regulations, which may be relied upon until final Treasury Regulations are promulgated, suspend the requirement to apply the 30% withholding tax to gross proceeds from the sale or other disposition of Series 2022B Bonds. This requirement otherwise would have applied to a sale or other disposition of Series 2022B Bonds made on or after January 1, 2019.

In the case of payments made to a “foreign financial institution” (generally including an investment fund), as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a “FATCA Agreement”) or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an “IGA”), in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity either provides the withholding agent with a certification that it does not have any “substantial” U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity) or identifies its “substantial” U.S. owners.

If Series 2022B Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold the 30% FATCA tax on payments of interest as described above made to (i) a person (including an individual) that fails to comply with certain information requests or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding in cases where the withholding described above in “**Non-U.S. Owners**” or “**Information Reporting and Backup Withholding**” also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on Series 2022B Bonds as a result of a failure by an investor (or by an institution through which an investor holds the Series 2022B Bonds) to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms of the Series 2022B Bonds, be required to pay additional amounts with respect to any Series 2022B Bond as a result of the deduction or withholding of such tax. ***Non-U.S. owners should consult their tax advisors regarding the application of FATCA to the ownership and disposition of Series 2022B Bonds.***

PART 13 — STATE NOT LIABLE ON THE SERIES 2022 BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State, nor shall the State be liable thereon 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 2022 Bonds are not a debt of the State and that the State is not liable thereon.

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 2022 Bonds by DASNY are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York, and Golden Holley James LLP, New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2022 Bonds. The proposed forms of Co-Bond Counsel's opinions are set forth in "APPENDIX E – FORM OF APPROVING OPINION OF CO-BOND COUNSEL" attached hereto.

Certain legal matters will be passed upon for the University by its Special Counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York, and certain other legal matters will be passed upon for the University by its chief legal officer. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

PART 16 — UNDERWRITING

Goldman Sachs & Co. LLC, as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2022 Bonds from DASNY and to make a public offering of Series 2022 Bonds at prices that are not in excess of the public offering prices (or at yields not less than the yields) set forth on the inside cover page of this Official Statement. The purchase price for the Series 2022A Bonds shall be \$160,897,230.50 (representing the principal amount of the Series 2022A Bonds plus original issue premium of \$18,223,981.20 and less an underwriting discount of \$526,750.70). The purchase price for the Series 2022B Bonds shall be \$10,052,141.05 (representing the principal amount of the Series 2022B Bonds less an underwriting discount of \$37,858.95). The Underwriter will be obligated to purchase all such Series 2022 Bonds if any are purchased.

The Series 2022 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other

financial and non-financial activities and services. The Underwriter and its affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

PART 17 — VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C. (“Causey”), a firm of independent public accountants, will deliver to DASNY, on or before the date of issuance of the Series 2022A Bonds, its verification report prepared in accordance with standards established by the American Institute of Certified Public Accountants, indicating that it has verified certain information provided by DASNY and the Underwriter with respect to the outstanding Series 2011 Bonds and the Series 2022A Bonds. Included in the scope of Causey’s procedures will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Defeasance Securities deposited with the trustee under the resolution pursuant to and under which the Series 2011 Bonds were issued, to pay, when due, the redemption price of and interest on the outstanding Series 2011 Bonds to and including the redemption date.

The verification performed by Causey will be solely based upon data, information and documents that DASNY and the Underwriter caused to be provided to Causey and Causey will express no opinion as to the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the outstanding Series 2011 Bonds will be paid as described in the schedules provided to them, or the exclusion of the interest on the Series 2022A Bonds from gross income for federal income tax purposes.

PART 18 — CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the University will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2022 Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent and the Trustee. The proposed form of the Continuing Disclosure Agreement is attached as “APPENDIX F – FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” hereto.

PART 19 — RATINGS

Moody’s Investors Service (“Moody’s”) has assigned a rating of “A3” (stable outlook) to the Series 2022 Bonds. S&P Global Ratings, a division of S&P Global, Inc. (“S&P”) has assigned a rating of “BBB+” (stable outlook) to the Series 2022 Bonds. Such ratings reflect only the views of such rating agencies and any desired explanation of the significance of such rating 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 2022 Bonds.

PART 20 — MISCELLANEOUS

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

The agreements of DASNY with Holders of the Series 2022 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2022 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2022 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 or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2022 Bonds or (3) the value or investment quality of the Series 2022 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 OPINION OF CO-BOND COUNSEL” have been prepared by Squire Patton Boggs (US) LLP, New York, New York, and Golden Holley James LLC, New York, New York, Co-Bond Counsel.

“APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW SCHOOL AS OF JUNE 30, 2021 AND 2020 AND FOR THE YEARS THEN ENDED WITH INDEPENDENT AUDITORS’ REPORT THEREON” contains the consolidated financial statements of the University as of and for the years ended June 30, 2021 and 2020 and the report thereon of KPMG LLP, the University’s independent auditors.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Series 2022 Project, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondholders’ Risks, Continuing Disclosure and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW SCHOOL AS OF JUNE 30, 2021 AND 2020 AND FOR THE YEARS THEN ENDED WITH INDEPENDENT AUDITORS’ REPORT THEREON”. The University, as a condition to issuance of the Series 2022 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

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APPENDIX A

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution or the Loan Agreement and used in the Official Statement and Appendix C and Appendix D hereto.

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

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

“Annual Administrative Fee” means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority as more particularly described in Schedule B 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 the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

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

“Auction Date” shall have the meaning given to such term in Section 7.11 of the Resolution.

“Auction Rate Bond” shall have the meaning given to such term in Section 7.11 of 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 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 Management, the Managing Director of Construction, the Deputy Chief Financial Officer, the Assistant Director, Financial Management, the General Counsel and the Deputy General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the Institution, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Institution to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized

Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

“Available Money” means:

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

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

- (A) the proceeds of such Bonds;
- (B) money obtained by the Trustee pursuant to the Letter of Credit for such Bonds;
- (C) money derived from the remarketing of such Bonds which is directly paid to and held by the Trustee for the payment of the Purchase Price of such Bonds;
- (D) money which has been on deposit with the Trustee for at least one hundred twenty-four (124) days (or, if there are any affiliates of the Institution, three hundred sixty-six (366) days) prior to and during which no petition by or against the Authority or the Institution, under the United States Bankruptcy Code of 1978, as amended, 11 U.S.C. Sec. 101 et seq. (the “Bankruptcy Code”) shall have been filed or any bankruptcy or similar proceeding shall have been commenced, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal; or
- (E) any other money the application of which to the payment of the principal, Redemption Price or purchase price of or interest on such Bond would not, in the opinion of Bond Counsel, constitute a voidable preference in the case of a filing for protection of the Authority or the Institution under the Bankruptcy Code; and
- (F) the proceeds from the investment of money described in clauses (A) through (E) above.

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

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

“Bond Counsel” means Squire Patton Boggs (US) LLP and Golden Holley James LLP, or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

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

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

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

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

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

“*Collateral*” means the Pledged Revenues as described in Section 4.8 of the Loan Agreement.

“*Collateral Security*” means a security interest in or pledge or any personal property, tangible or intangible, or mortgage on any real property or interest therein, given or made by the Institution to secure the Institution’s obligations under a Loan Agreement.

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

“*Continuing Disclosure Agreement*” means the agreement entered into in connection with the issuance of the Series 2022A Bonds and the Series 2022B Bonds, by and among the Institution 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 the Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants’ fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Letter of Credit, a financial guaranty insurance policy, a Liquidity Facility, a Hedge Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

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

“*Cost*” or “*Costs of the Project*” means when used in relation to a Project the costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institution shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the Institution or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the Institution), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after

completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreements, a Letter of Credit, a financial guaranty insurance policy in connection with Bonds, a Liquidity Facility or a remarketing agreement in connection with Option Bonds or Variable Interest Rate Bonds.

“*Debt Service Fund*” means, when used in connection with a Series of Bonds, the fund so designated, created and established by or pursuant to the Series Resolution authorizing the issuance of the Series 2022 Bonds.

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

“*Defeasance Security*” means:

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

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

(iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation; **provided, however**, that for purposes of (i), (ii) and (iii) above, such term shall not include (1) any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof; and

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

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

“*Deferred Income Bond*” means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year (unless otherwise provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds).

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

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

“Determination of Taxability” means, when used with respect to a Tax Exempt Bond, a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Authority shall consent or from which no timely appeal shall have been taken, in each case to the effect that interest on such Bond is includable in the gross income of the Holder thereof for purposes of federal income taxation.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2022 Bonds, or any successor Depository for any Series 2022 Bonds.

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

“Exempt Obligation” means:

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

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

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

“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.

“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 Bonds, will not impair the exclusion of interest on the 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 registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a - 7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

“*Fiscal Year*” means a twelve month period beginning July 1 of a calendar year and ending on June 30 of the next subsequent calendar year, or such other twelve month period as the Institution may elect as its Fiscal Year.

“*Government Obligation*” means:

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

“*Governmental Requirements*” means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to the Project, 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 The New School, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

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

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

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

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

“*Issuer*” means the Authority.

“*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 Issuer attributable to the issuance of the Bonds, as more particularly described in Schedule C attached to the Loan Agreement.

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

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

“*Liens*” means any mortgage, pledge, lien, charge, security interest, other encumbrance or lease in the nature thereof (including any conditional sale agreement, equipment trust agreement or other title retention agreement) that, in and of itself, would have a material adverse effect on the ability of the Issuer to enforce its remedies under this Loan Agreement or any other Institution Document, or would have a material adverse effect on the Institution’s ability to comply with its obligations under this Loan Agreement or any other Institution Document.

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

“*Liquidity Facility Provider*” means, when used in connection with any particular Bonds, the issuer or provider of a Liquidity Facility related to such Bond.

“*Loan Agreement*” means the Loan Agreement, dated as of March 29, 2022 by and between the Authority and the Institution, as the same may from time to time be amended, supplemented or otherwise modified as permitted by the Resolution and by the 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 Section 4.2 of the Loan Agreement.

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

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

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

“*Official Statement*” means an official statement, prospectus, offering circular, offering memorandum or other offering document relating to and in connection with the sale of the Series 2022 Bonds.

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

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

“*Ordinary 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, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any applicable Series Resolution except:

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the Resolution;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and
- (iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond.

“*Parity Indebtedness*” means any indebtedness for borrowed money issued, incurred, assumed or guaranteed by the Institution that is secured by Collateral Security that, pursuant to an Intercreditor Agreement or otherwise, is of equal priority with the lien of such Collateral Security securing the Institution’s obligations under one or more Loan Agreements and for purposes of Appendix C, means any other indebtedness incurred by the Institution, which is secured by a security interest in all or any portion of the Pledged Revenues.

“*Permitted Collateral*” means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category;
- (iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category; and

(v) bankers' acceptances issued by a bank rated in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged.

"Permitted Investments" means any of the following:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;
- (v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter of credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;
- (vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not long than two hundred seventy (270) days from the date of purchase;
- (vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;
- (viii) Investment Agreements that are fully collateralized by Permitted Collateral;

and

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

"Pledged Revenues" means tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof.

"Project" means a "dormitory" as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Schedule A of the Loan Agreement.

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

- (i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of

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

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

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

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

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

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

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

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

“Refunded Bonds” means all or a portion of the outstanding principal amount of the Authority’s The New School Revenue Bonds, Series 2011, issued on October 20, 2011 pursuant to the Authority’s The New School Revenue Bond Resolution, adopted October 5, 2016.

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

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

“Resolution” means The New School Revenue Bond Resolution, adopted by the Authority on October 5, 2016, 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, when used in connection with the Bonds of any particular Series:

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

(ii) all amounts received as a consequence of the enforcement of a Loan Agreement, including but not limited to amounts derived from the foreclosure or sale of or other realization upon any Collateral Security.

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

“Series Resolution” means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution and for purposes of Appendix C, Series Resolutions means, collectively, the Series 2022A Resolution and the Series 2022B Resolution.

“Series 2022A Bonds” means the Bonds authorized by Article II of the Series 2022A Resolution.

“Series 2022B Bonds” means the Bonds authorized by Article II of the Series 2022B Resolution.

“Series 2022A Resolution” means the Authority’s Series 2022A Resolution Authorizing Up To \$186,925,000 The New School Revenue Bonds, Series 2022A adopted March 2, 2022 with respect to the Project, as the same may be amended, supplemented or otherwise modified pursuant to the terms of the Loan Agreement.

“Series 2022B Resolution” means the Authority’s Series 2022B Resolution Authorizing Up To \$186,925,000 The New School Revenue Bonds, Series 2022B adopted March 2, 2022 with respect to the Project, as the same may be amended, supplemented or otherwise modified pursuant to the terms of the Loan Agreement.

“*Shared Collateral*” means the lien of any Collateral Security securing the Institution’s obligations under a Loan Agreement that, in accordance with an Intercreditor Agreement or otherwise, is of equal priority with the lien on such Collateral Security that secures the Institution’s obligations under one or more other Loan Agreements or on Parity Indebtedness.

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

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

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

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

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

“*Tax Certificate*” means the certificate executed by an Authorized Officer of the Authority and an Authorized Officer of the Institution, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Series 2022A Bonds in which the Authority and the Institution make 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.

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

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

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

“*Unassigned Rights*” means the rights of the Issuer to (a) execute and deliver supplements and amendments to the Resolution and the Loan Agreement, pursuant to Articles VII and IX of the Resolution, (b) be held harmless and indemnified pursuant to Section 7.1 of the Loan Agreement, (c) receive any funds for its own use, whether as administration fees pursuant to Section 4.2 of the Loan Agreement, amounts payable to the Issuer pursuant to Sections 4.2(a)(v), 4.2(b), 4.2(h), 5.6 or 9.2, or indemnification pursuant to Section 7.1 of the Loan Agreement, (d) receive notices, Favorable Opinions of Bond Counsel and other documents as required under the Loan Agreement to be

delivered to the Issuer; (e) require the Institution to take actions necessary to comply with Article VIII of the Loan Agreement; and (f) enforce any of the foregoing pursuant to Article IX of the Loan Agreement.

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

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

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

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

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

“*Verification Report*” means, when used in connection with any Bonds for the payment of which Defeasance Obligations and money has been deposited with the Trustee in accordance with the Resolution, a letter or other written report verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose.

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

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APPENDIX B

**CONSOLIDATED FINANCIAL STATEMENTS OF THE NEW SCHOOL
AS OF JUNE 30, 2021 AND 2020 AND FOR THE YEARS THEN
ENDED WITH INDEPENDENT AUDITORS' REPORT THEREON**

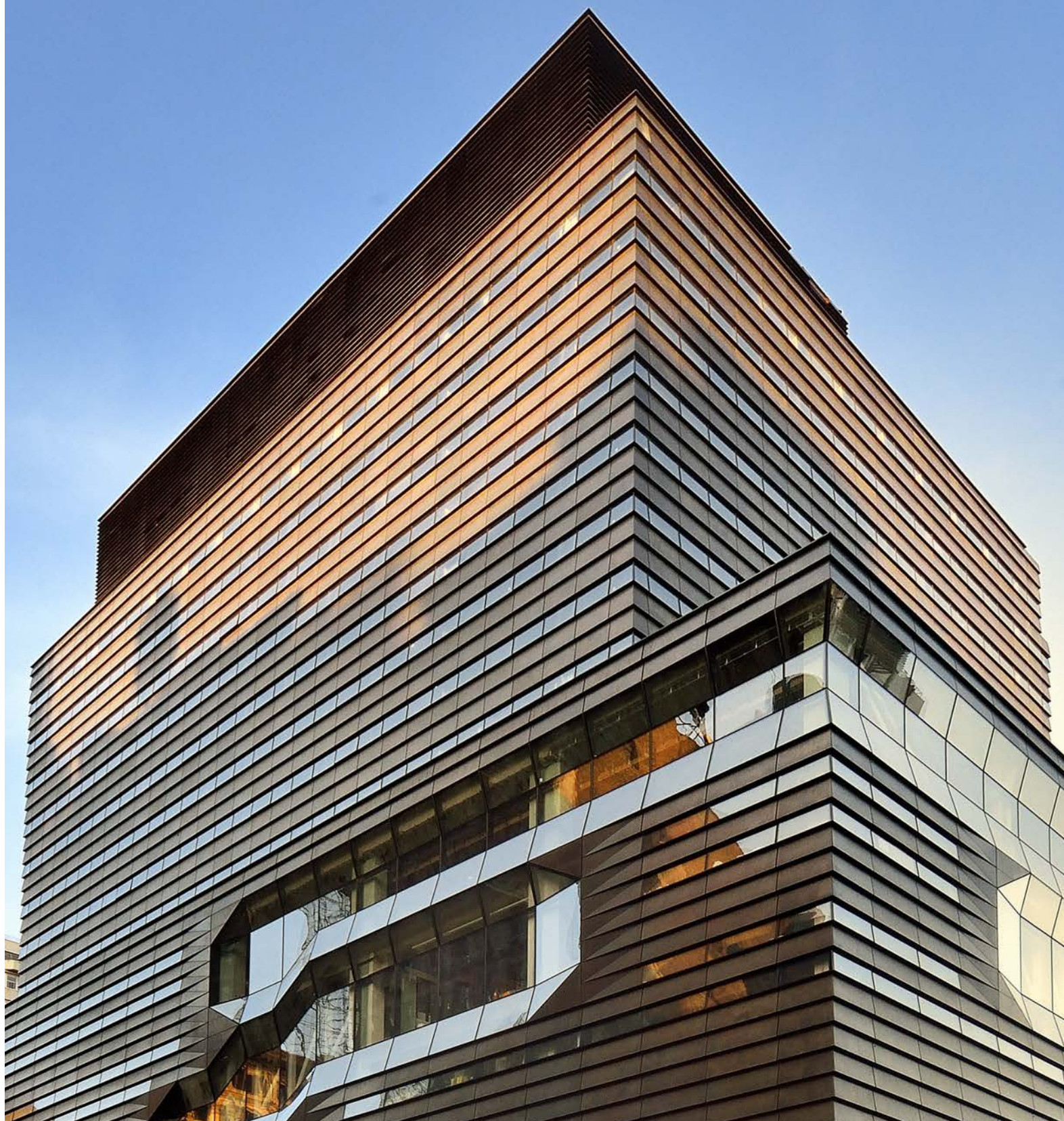
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FINANCIAL STATEMENTS

July 1, 2020 through June 30, 2021

(With Independent Auditors' Report Thereon)





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

Independent Auditors' Report

The Board of Trustees
The New School:

We have audited the accompanying consolidated financial statements of The New School (the university), which comprise the consolidated balance sheets as of June 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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

Opinion

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



Emphasis of Matter

As discussed in note 2(m) to the consolidated financial statements, in 2021 the university adopted new accounting guidance, Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

KPMG LLP

October 28, 2021

THE NEW SCHOOL

Consolidated Balance Sheets

June 30, 2021 and 2020

(Dollars in thousands)

Assets	2021	2020
Cash and cash equivalents	\$ 6,171	7,767
Student accounts receivable, net (note 4)	17,359	15,949
Contributions receivable, net (note 6)	30,125	30,585
Investments (note 5)	486,849	430,096
Deferred charges and other assets	19,265	21,712
Funds held by bond trustees (note 9)	23,782	23,190
Student loans receivable, net (note 4)	1,998	2,350
Operating right-of-use assets (note 12)	386,054	—
Land, buildings, and equipment, net (notes 7, 8 and 14)	715,247	788,577
Total assets	<u>\$ 1,686,850</u>	<u>1,320,226</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities (notes 8, 12, and 13)	\$ 67,866	72,437
Deferred revenue (notes 3 and 4)	21,548	9,402
Federal Perkins student loan advances	968	1,290
Short-term debt (note 8)	14,421	30,000
Operating lease liabilities (note 12)	413,015	—
Other long-term liability (note 14)	—	55,000
Long-term debt, net (note 8)	573,282	585,905
Total liabilities	<u>1,091,100</u>	<u>754,034</u>
Commitments and contingencies (notes 5, 8, 12, and 13)		
Net assets (note 10):		
Without donor restrictions	336,004	352,195
With donor restrictions	259,746	213,997
Total net assets	<u>595,750</u>	<u>566,192</u>
Total liabilities and net assets	<u>\$ 1,686,850</u>	<u>1,320,226</u>

See accompanying notes to consolidated financial statements.

THE NEW SCHOOL

Consolidated Statements of Activities

Years ended June 30, 2021 and 2020

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Change in net assets without donor restrictions:		
Operating revenues:		
Student tuition and fees (net of scholarship allowance of \$147,178 and \$144,499 for the years ended June 30, 2021 and 2020, respectively) (note 4)	\$ 255,449	329,126
Contributions	1,448	2,014
Grants and contracts	3,556	3,295
Endowment return appropriated for operations (notes 5 and 10)	9,767	9,729
Auxiliary activities (note 4)	5,116	31,048
Other income	14,128	17,581
Net assets released from restrictions (note 10)	<u>29,593</u>	<u>33,627</u>
Total operating revenues	<u>319,057</u>	<u>426,420</u>
Operating expenses (note 11):		
Instruction and departmental research	129,491	153,673
Sponsored research and public services	15,043	16,859
Academic support	82,086	95,336
Student services	33,181	39,352
Auxiliary activities	48,142	43,579
Institutional support	<u>77,448</u>	<u>79,028</u>
Total operating expenses	<u>385,391</u>	<u>427,827</u>
Change in net assets from operating activities before insurance recovery on casualty loss	(66,334)	(1,407)
Insurance recovery on casualty loss (note 7)	<u>—</u>	<u>467</u>
Change in net assets from operating activities	<u>\$ (66,334)</u>	<u>(940)</u>

THE NEW SCHOOL

Consolidated Statements of Activities

Years ended June 30, 2021 and 2020

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
Change in net assets from operating activities, brought forward	\$ (66,334)	(940)
Nonoperating activities:		
Endowment return (notes 5 and 10)	58,718	2,337
Endowment return appropriated for operations (notes 5 and 10)	(9,767)	(9,729)
Other, net	<u>1,192</u>	<u>(423)</u>
Change in net assets without donor restrictions	<u>(16,191)</u>	<u>(8,755)</u>
Change in net assets with donor restrictions:		
Contributions	27,806	20,817
Grants and contracts	9,556	9,035
Endowment return (notes 5 and 10)	38,498	1,670
Other, net	(518)	(599)
Net assets released from restriction (note 10)	<u>(29,593)</u>	<u>(33,627)</u>
Change in net assets with donor restrictions	<u>45,749</u>	<u>(2,704)</u>
Change in net assets	29,558	(11,459)
Net assets at beginning of year	<u>566,192</u>	<u>577,651</u>
Net assets at end of year	<u>\$ 595,750</u>	<u>566,192</u>
Certain amounts disaggregated above are presented below in the aggregate:		
Contributions	\$ 29,254	22,831
Endowment return	97,216	4,007
Endowment return appropriated for operations	16,412	16,227

See accompanying notes to consolidated financial statements.

THE NEW SCHOOL
Consolidated Statements of Cash Flows
Years ended June 30, 2021 and 2020
(Dollars in thousands)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 29,558	(11,459)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	26,326	27,052
Provision for uncollectible student receivables	5,936	3,141
Amortization of net bond premium and deferred charges	(1,392)	(1,218)
Net realized and unrealized gain on investments	(102,774)	(9,429)
Insurance recovery on casualty loss	—	(467)
Amortization of interest net of interest expense	42,630	—
Contributions and grants restricted for:		
Investment in endowment	(7,671)	(5,338)
Changes in operating assets and liabilities:		
Student accounts receivable	(7,346)	(7,671)
Contributions receivable	(582)	2,778
Deferred charges and other assets	2,447	(1,066)
Lease liability payments	(33,864)	—
Accounts payable and accrued liabilities	12,377	(1,529)
Deferred revenue	13,404	(3,520)
Net cash used in operating activities	<u>(20,951)</u>	<u>(8,726)</u>
Cash flows from investing activities:		
Purchase of investments	(215,104)	(185,086)
Proceeds from sales of investments	257,820	202,427
Purchase of fixed assets	(7,996)	(15,625)
Proceeds from insurance recoveries	—	480
Change in accounts payable for fixed assets	(11)	(41)
Student loans collected, net	352	221
Net cash provided by investing activities	<u>35,061</u>	<u>2,376</u>
Cash flows from financing activities:		
(Payments) proceeds from short-term debt	(15,579)	30,000
Proceeds from long-term debt	—	2,000
Payments on long-term debt	(11,231)	(10,320)
Change in funds held by bond trustees	(14,378)	22,943
Change in contributions receivable restricted for endowment	1,042	(1,521)
Change in contributions receivable restricted for capital projects	—	50
Contributions restricted for endowment	7,671	5,338
Change in Federal Perkins student loan advances	(322)	(311)
Net cash (used in) provided by financing activities	<u>(32,797)</u>	<u>48,179</u>
Net change in cash, cash equivalents, and restricted cash	(18,687)	41,829
Cash, cash equivalents, and restricted cash – beginning of year	43,305	1,476
Cash, cash equivalents, and restricted cash – end of year	<u>\$ 24,618</u>	<u>43,305</u>
Reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	\$ 6,171	7,767
Restricted cash included in investments	9,043	12,348
Restricted cash included in bonds held by trustees	9,404	23,190
Total cash, cash equivalents, and restricted cash shown above	<u>\$ 24,618</u>	<u>43,305</u>
Supplemental information:		
Interest paid	\$ 23,053	23,732
Right-of-use assets obtained in exchange for operating lease liabilities	429,656	—
Deferred rent liability and tenant improvement allowance included in operating lease right-of-use assets	(18,206)	—
Financed leasehold interest in construction in progress (note 14)	—	55,000

See accompanying notes to consolidated financial statements.

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

(1) The University

The New School was founded in 1919 by a group of scholars, journalists, and civic leaders who imagined an educational venue where they could freely discuss their ideas and where dialogue could take place between intellectuals and the public. Originally devoted to exploring the pressing social, political, and economic problems of the day, The New School has since expanded its focus to embrace the arts and culture. Today, The New School offers bachelors and masters programs in the visual and performing arts in addition to bachelors, masters, doctorate, and certificate programs in the liberal arts, social sciences, and management and urban policy.

The New School comprises five colleges. They are Parsons School of Design, Eugene Lang College of Liberal Arts, College of Performing Arts, The New School for Social Research, and Schools of Public Engagement.

During 2014, The New School formed an entity, TNS Parsons, for its campus in Paris, France. The consolidated financial statements of The New School include the accounts of this affiliate (collectively referred to as the university).

The university is accredited by the Middle States Association of Colleges and Schools.

(2) Summary of Significant Accounting Policies

(a) *Net Asset Classifications*

The university's consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All material intercompany transactions and balances have been eliminated. While the underlying accounts of the university are maintained in accordance with the principles of fund accounting to facilitate observance of specific restrictions placed on the resources available to the university and to reflect how the university manages resources, the accompanying consolidated financial statements present the financial position, activities, and cash flows of the university as a whole. The university's resources are classified and reported in the accompanying consolidated financial statements within separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

With donor-restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the university to use the income from the resources for either specified or unspecified purposes. Also included in this category are net assets that permit the university to use or expend the assets as specified by the donor. The restrictions are satisfied either by the passage of time or by action of the university.

Without donor-restricted net assets are not restricted by donors, or the donor-imposed restrictions have been satisfied or expired. The university's Board of Trustees has designated a portion of the net assets without donor restrictions for long-term investment (quasi-endowment) and other purposes. In addition, from time to time, the Board of Trustees may designate a portion of net assets without donor restrictions for a specified use.

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions are reported as net assets released from restrictions.

(b) Cash Equivalents

Cash equivalents consist of money market funds and highly liquid financial instruments with an initial maturity of three months or less, except for those held by the university's investment managers as part of their long-term investment strategies.

(c) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost or, if acquired by gift, at appraised value at date of donation. Costs of building alterations are capitalized. Costs of repairs and maintenance are expensed.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the related assets as follows:

	Estimated useful life
Buildings	40–75 years
Building improvements	15–30 years
Leasehold improvements	Lease term
Furniture and equipment	5 years
Computer equipment	3 years

(d) Art Collection

The university's art collection consists of works of art, including prints, paintings, photographs, and sculptures that are held for the purposes of public exhibition, education, and research. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed by the university's curators.

The art collection, which was acquired through purchases and contributions since the university's inception, is not recognized as an asset in the consolidated balance sheets. Purchases of collection items are recorded as expenses and contributed collection items are not reported as contributions. Proceeds from sales are reflected as increases in net assets without donor restrictions.

(e) Contributions and Contributions Receivable

Contributions, including grants, contracts, and unconditional promises to give (pledges), are recognized as revenues in the period received. Contributions with purpose or time restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed stipulations that the corpus be maintained permanently are also recognized as increases in net assets with donor restrictions. Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discount is recorded as additional contribution revenue.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to the transferred assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met. At June 30, 2021 and 2020, the university received conditional promises to give of approximately \$32,000 and \$31,000, respectively, in the form of measurable performance related or other barriers and a right of return that have not been reflected in the accompanying consolidated financial statements because the barriers on which they depend have not been met.

(f) Split Interest Agreements

The university is the beneficiary of several split interest arrangements that require the instruments be recorded as revenue and net assets at the present value of the university's interest.

At June 30, 2021 and 2020, assets associated with split interest gifts approximate \$409 and \$390 respectively.

(g) Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are as follows:

Level 1 – Valuation inputs include published net asset value (NAV) or quoted prices (unadjusted) in active markets for identical assets or liabilities that the university has the ability to access at measurement date.

Level 2 – Valuation inputs other than published NAV or quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – Valuation inputs are unobservable inputs for the assets or liabilities.

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

Assets, which the university reports at fair value on a recurring basis are investments and funds held by bond trustees.

(h) Advertising Costs

Advertising expenses reflected in the consolidated statements of activities totaled \$3,675 and \$4,219 for fiscal years 2021 and 2020, respectively.

(i) Estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates made in the preparation of the consolidated financial statements include valuation of investments at fair value, estimated net realizable value of receivables and incremental borrowing rate. Actual results could differ from those estimates.

(j) Income Taxes

The university is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities. The university recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The university evaluates, on an annual basis, the effects of any uncertain tax positions on its consolidated financial statements. The university has not identified or provided for any such positions as of June 30, 2021 and 2020.

(k) Operations

The consolidated statements of activities present the changes in net assets, distinguishing between operating and nonoperating activities. Operating activities principally include all revenue and expenses that relate to the university's educational programs, research, training, and supporting activities. Operating revenues include the investment return pursuant to the university's spending policy and earned on working capital funds. Operating revenues also include all contributions, except those that contain donor-imposed restrictions.

The university has defined nonoperating activities principally to include endowment investment return net of amounts distributed to support operations in accordance with the endowment spending policy (note 10), contributions subject to donor-imposed restrictions, net assets released from restrictions for capital expenditure, and activity related to annuity and unitrust agreements. Certain other gains, losses, or transactions considered to be of a more unusual or nonrecurring nature are also included as part of nonoperating activities.

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

(l) Leases

The university determines if an arrangement is a lease at inception and classifies leases as either operating or financing depending on the terms and conditions set forth in the contract. The university uses an incremental borrowing rate to determine the present value of lease payments when the lessor's implicit rate in the lease is not readily available.

The university amortizes a lease's cost in the consolidated statement of activities on a straight-line basis over its term. On the consolidated balance sheets, operating lease right-of-use assets (ROU) 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. Operating ROU assets and liabilities are recognized at lease inception based on the present value of lease payments over the lease term. Operating lease ROU 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 liabilities utilizing the effective interest method.

(m) New Accounting Pronouncements

The university adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as amended by ASU No. 2019-01. This guidance, and ASU No. 2020-05: *Revenue from Contracts with Customers and (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, effective for the university's fiscal year ending June 30, 2021, is designed to increase transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the consolidated balance sheets and disclosing key information about leasing arrangements.

The university elected the package of practical expedients permitted under the transition guidance within 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 No. 2016-02, *Leases (Topic 842)* for all leases, and therefore, leases with an initial term of 12 months or less are not included in the consolidated balance sheets.

The university has also elected to apply the provisions of the standard to the period of adoption. The university recognized operating lease ROU assets and lease liabilities of \$411,450 and 429,656, respectively, on July 1, 2020.

(n) Reclassifications

Certain reclassifications of 2020 amounts have been made to conform to 2021 presentation.

(3) Impact of COVID-19

The COVID-19 pandemic has impacted global, national, state, and local economies, as well as the higher education landscape. As a result of the pandemic, the university transitioned the delivery of its instruction to online starting in mid-March of 2020 and provided refunds to students of \$8,821 for room and board fees for services it could no longer provide for the remainder of the fiscal year 2020 spring semester. In

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

Spring 2020, in anticipation of the outbreak's adverse effects, the university implemented temporary expenditure reductions, which continued throughout fiscal year 2021.

As a result of the pandemic, the university experienced a significant reduction in revenues in fiscal 2021 and implemented additional reductions in operating costs.

In fiscal year 2020, the university received an allocation from the Higher Education Emergency Relief Fund (HEERF) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of \$4,996, which included \$2,498 to provide emergency aid to eligible students and \$2,498 to mitigate the financial losses associated with COVID-19 disruptions to the university. In fiscal year 2021, the university received allocations from the HEERF II established under the Coronavirus Response and Supplemental Act (CRRSA Act) and the HEERF III established under the American Rescue Plan (ARP). These allocations totaled \$22,379, of which \$9,689 was to provide student aid and \$12,690 was to be used to cover lost revenue and university expenses associated with the pandemic. As of June 30, 2021 and 2020, \$8,819 and \$328 was included in deferred revenue on the consolidated balance sheets, respectively.

There continues to be significant uncertainty around the breadth and duration of business disruptions related to COVID-19 as well as its impact on the U.S. and international economies. As such, the university is unable to determine if it will have a material impact to its financial statements in the future.

(4) Student Services

(a) Tuition and Auxiliary Activities

Tuition and fees, and room and board revenues are recognized in the fiscal year in which the academic programs and residential services are delivered. Institutional scholarships awarded to students reduce the amount of tuition and fees revenue recognized. Room and board revenues are reported in auxiliary activities in the accompanying consolidated statements of activities. Payments for tuition and fees and residential services are generally due prior to the start of the academic term in accordance with the university's due dates. Generally, students who adjust their course load or withdraw completely within one to four weeks of the academic term may receive a full or partial refund in accordance with the university's refund policy. Refunds issued reduce the amount of revenue recognized.

The university provided academic baccalaureate degrees to domestic and international students as follows (unaudited):

	2021	2020
Undergraduates	7,049	7,771
Graduates	3,021	3,199
	<u>10,070</u>	<u>10,970</u>
New York	33 %	19 %
Other domestic	20	47
Other countries	47	34
	<u>100 %</u>	<u>100 %</u>

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

(b) Scholarship Allowance

Student tuition and fees are presented net of amounts awarded to students to defray their costs of attending the university as follows:

	<u>2021</u>	<u>2020</u>
University support	\$ 140,170	137,324
Sponsored support	<u>7,008</u>	<u>7,175</u>
	<u>\$ 147,178</u>	<u>144,499</u>

University support includes tuition discounts, financial aid, and merit scholarships awarded to students from operating resources with no donor restrictions. Sponsored support includes financial aid and scholarships funded from restricted and external sources.

(c) Student Accounts and Loans Receivable

Student accounts and loans receivables consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Student accounts receivable:		
Student accounts receivable	\$ 42,373	35,815
Less allowance for uncollectible accounts	<u>(25,014)</u>	<u>(19,866)</u>
	<u>\$ 17,359</u>	<u>15,949</u>
Student loans receivable:		
Student loans (Perkins loans)	\$ 4,077	4,288
Less allowance for uncollectible loans	<u>(2,079)</u>	<u>(1,938)</u>
	<u>\$ 1,998</u>	<u>2,350</u>

(d) Deferred Revenue

The university recognizes revenue from student tuition and fees within the fiscal year in which the academic term is conducted as performance obligations are satisfied. Amounts collected in advance of such revenue recognition are deferred. Deferred revenues are typically recognized as revenue in the subsequent fiscal year.

Other liabilities primarily include amounts received in advance for services, which are recognized as performance obligations are satisfied, and tenant improvement allowances from a landlord (as of June 30, 2020), which are recognized over the life of the contract.

THE NEW SCHOOL

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

As of June 30, deferred revenues and other liabilities consisted of the following:

	2021	2020
Deferred student tuition and fees	\$ 10,033	5,760
Higher Education Emergency Relief Fund	8,819	328
Other liabilities	2,696	3,314
	<u>\$ 21,548</u>	<u>9,402</u>

(5) Investments

Investments at fair value consisted of the following at June 30, 2021 and 2020:

	2021	2020
Endowment investments:		
Cash and cash equivalents	\$ 38,332	60,046
Public equity	121,223	72,342
Fixed income	66,315	45,152
Hedge funds	153,555	157,008
Private equity	64,365	29,691
Real assets	33,270	29,132
	<u>477,060</u>	<u>393,371</u>
Operating and other investments:		
Cash and cash equivalents	9,393	35,206
Public equity	300	327
Fixed income	96	92
Real assets	—	1,100
	<u>9,789</u>	<u>36,725</u>
	<u>\$ 486,849</u>	<u>430,096</u>

Investments in debt and equity securities with readily determinable fair values are reported at fair value based upon quoted market prices or published NAV for investments in funds with characteristics similar to a mutual fund.

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In addition to traditional equities and fixed income securities, the university holds shares or units in alternative investment funds involving fixed income, hedged, private equity, public equity and real asset strategies. The estimated fair values of these investments are, as a practical expedient, based on NAV provided by the fund managers. These values are reviewed and evaluated by the university's management. The reported value may differ significantly from the values that would have been reported had a ready market for these investments existed. Information with respect to investment strategies, redemption terms, and funding commitments for these investments is as follows:

Fixed Income – Fixed income includes limited liability partnerships that invest primarily in domestic middle market companies, a bond fund composed of shorter-duration U.S. government, agencies, and instrumentality obligations and U.S. treasuries. The redemption periods for these fixed income funds range from daily to no redemption. Remaining commitments to funds in this category total \$5,952 as of June 30, 2021.

Hedge Funds – Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Hedged strategies generally seek to benefit from opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies. The university's hedge funds are mostly long/short but also include diversifying and equity oriented. The redemption periods for these hedge funds range from monthly to no redemption. There are no remaining commitments to funds in this category total as of June 30, 2021.

Private Equity – Private equity funds employ buyout and venture capital strategies and may focus on investments in turn-around situations. Positions focus on the purchase, development, improvement, and management of companies that are not publicly traded on a stock exchange. These investments are made through limited partnerships that have a limited existence, generally 10 years. Under the terms of the agreements, the university is obligated to remit additional funding periodically as capital calls are exercised by the manager. Distributions are made to investors through the liquidation of the underlying assets. There are no redemptions for private equity funds. Remaining commitments to funds in this category total \$43,576 as of June 30, 2021.

Public Equity – Public equities funds include domestic, global, and emerging market strategies. The redemption periods range from monthly to semi-annual. There are no remaining commitments to funds in this category total as of June 30, 2021.

Real Assets – The university's real assets are comprised of real estate investments. The real estate investment strategies include the purchase and management of global residential, commercial, and industrial real estate with value attempted to be realized through both improved operations and gains on eventual sale. The redemption periods for real assets range from annual to no redemption. Remaining commitments in this category total \$15,452 as of June 30, 2021.

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The university uses foreign currency spots/forward contracts to manage risks generally associated with foreign exchange rate market volatility. The hedge is designed to protect against a material rise in the euro. At June 30, 2021 and 2020, the fair market value of these contracts which is included in other income on the consolidated statements of activities resulted in an unrealized loss of \$29 and \$400, respectively.

Investment return on endowment, euro hedge positions, operating, and other investments; funds held by the bond trustees; and cash equivalents, and its classification in the consolidated statements of activities, is as follows:

2021			
	Without donor restrictions	With donor restrictions	Total
Investment return has been allocated as follows:			
Operating, pursuant to the university's endowment spending policy	\$ 9,767	6,645	16,412
Operating, other income	69	—	69
Nonoperating investment activity	48,951	31,853	80,804
Total investment return, net	<u>\$ 58,787</u>	<u>38,498</u>	<u>97,285</u>
2020			
	Without donor restrictions	With donor restrictions	Total
Investment return has been allocated as follows:			
Operating, pursuant to the university's endowment spending policy	\$ 9,729	6,498	16,227
Operating, other income	461	10	471
Nonoperating investment activity	(7,392)	(4,828)	(12,220)
Total investment return, net	<u>\$ 2,798</u>	<u>1,680</u>	<u>4,478</u>

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The following tables summarize investments at June 30. Certain investments that are reported using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets:

2021				Redemption/ liquidation
	Level 1	Level 3	Total	
Cash and cash equivalents	\$ 47,725	—	47,725	Daily
Equity securities:				
Domestic	501	—	501	Daily
	501	—	501	
Fixed income:				
U.S. government – backed	57,087	—	57,087	Daily
	57,087	—	57,087	
Real assets:				
Commodities	20,698	—	20,698	Daily
	20,698	—	20,698	
Investments measured at net asset value:				
Fixed income	—	—	9,324	Annual to no redemptions
Hedge funds	—	—	153,555	Monthly to no redemptions
Private equity	—	—	64,365	No redemptions
Public equity	—	—	121,022	Monthly to semi-annual
Real estate	—	—	12,572	No redemptions
	—	—	360,838	
Total	\$ 126,011	—	486,849	

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2020				
	Level 1	Level 3	Total	Redemption/ liquidation
Cash and cash equivalents	\$ 95,252	—	95,252	Daily
Equity securities:				
Domestic	480	—	480	Daily
	480	—	480	
Fixed income:				
U.S. government – backed	22,083	—	22,083	Daily
	22,083	—	22,083	
Real assets:				
Commodities	23,598	—	23,598	Daily
Real estate	—	1,100	1,100	N/A
	23,598	1,100	24,698	
Investments measured at net asset value:				
Fixed income	—	—	23,161	Annual to no redemptions
Hedge funds	—	—	157,008	Monthly to no redemptions
Private equity	—	—	29,691	No redemptions
Public equity	—	—	72,189	Quarterly to semi-annual
Real estate	—	—	5,534	No redemptions
	—	—	287,583	
Total	\$ 141,413	1,100	430,096	

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Investments at June 30, 2021 and 2020 are summarized in the following tables by their investment liquidity profile:

	2021			2020		
	Endowment	Operating	Total	Endowment	Operating	Total
Daily	\$ 116,221	9,789	126,010	139,261	35,625	174,886
Monthly	108,287	—	108,287	101,138	—	101,138
Quarterly	91,939	—	91,939	43,435	—	43,435
Semi-annual	16,712	—	16,712	10,150	—	10,150
Annual	13,699	—	13,699	9,634	—	9,634
Illiquid	130,202	—	130,202	89,753	1,100	90,853
Total	\$ 477,060	9,789	486,849	393,371	36,725	430,096

(6) Contributions Receivable

Contributions receivable are expected to be collected as follows at June 30, 2021 and 2020:

	2021	2020
Amounts expected to be collected:		
In one year or less	\$ 21,318	15,756
In one year to five years	12,550	12,486
In more than five years	8,727	10,380
	42,595	38,622
Less:		
Allowance for uncollectible amounts	(11,227)	(6,413)
Discount to present value (at rates ranging from .07% to 5.15%)	(1,243)	(1,624)
	\$ 30,125	30,585

The amounts receivable from 10 donors represent approximately 82% and 74% of the gross receivables as of June 30, 2021 and 2020, respectively.

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(7) Land, Buildings, and Equipment

Land, buildings, and equipment consisted of the following at June 30, 2021 and 2020:

	2021	2020
Land and air rights	\$ 81,107	81,107
Buildings and building improvements	778,465	771,957
Leasehold improvements	84,397	80,683
Furniture and equipment	39,053	40,658
Construction in progress (note 14)	2,948	62,525
	985,970	1,036,930
Less accumulated depreciation	(270,723)	(248,353)
Total land, buildings, and equipment – net	\$ 715,247	788,577

On April 2, 2018, a fire occurred at one of the university's properties. The assets lost in the fire were fully depreciated. Following the incident, the university filed insurance claims. The university received claim advances totaling \$467 during the year ended June 30, 2020, resulting in a gain from casualty loss.

(8) Debt

Long-term debt consisted of the following at June 30, 2021 and 2020:

Description	Maturity date	Interest rate	2021	2020
Dormitory Authority of the State of New York Revenue Bonds:				
Series 2016A	July 1, 2050	3.00%–5.00%	\$ 316,040	316,040
Series 2016B	July 1, 2038	3.00%–5.00%	75,665	78,705
Series 2015	July 1, 2050	3.00%–5.00%	116,025	117,830
Series 2011	July 1, 2031	4.00%–5.00%	23,985	25,550
Series 2010	July 1, 2020	5.00%–6.00%	—	4,325
Promissory note	January 1, 2023	1.00%	1,504	2,000
			533,219	544,450
Less:				
Unamortized bond issuance costs			(3,387)	(3,534)
Unamortized discount			(278)	(291)
Add unamortized premium			43,728	45,280
			\$ 573,282	585,905

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In November 2016, the university issued \$316,040 Series 2016A tax-exempt serial and term bonds, and \$86,420 Series 2016B taxable serial and term bonds through the Dormitory Authority of the State of New York (the Dormitory Authority). The bonds financed the acquisition of a commercial building for use by the university and advance refund Series 2010 bonds (\$244,000) with maturities in fiscal years 2021 through 2050. Net premiums received at the time of issuance of the 2016 bonds totaled \$34,172 (\$29,435 unamortized at June 30, 2021). The Series 2016A serial bonds are due in varying annual installments commencing in fiscal years 2022 through 2038. The term bonds are due in fiscal years 2042, 2044, 2047 and 2051. The Series 2016B serial bonds are due in varying annual installments commencing in fiscal years 2018 through 2027. The one term bond is due in fiscal year 2039. The university pledged tuition and fee revenue in connection with the issuance. There are no related mortgage pledges or financial covenants.

In May 2015, the university issued \$124,290 Series 2015 tax-exempt serial and term bonds through the Dormitory Authority to current refund Series 1999, Series 2001 and Series 2005 bonds and advance refund Series 2006 and a portion of Series 2010 bonds. The serial bonds are due in varying annual installments through fiscal year 2036. Net premiums received at the time of issuance of the 2015 bonds totaled \$16,132 (\$13,157 unamortized at June 30, 2021). Term bonds are due in fiscal years 2041, 2046, and 2051. The university pledged tuition revenues and executed mortgages on properties located at 22-26 East 14th Street, 72 Fifth Avenue and 116-118 West 13th Street, and a security interest in certain fixtures, furnishings, and equipment located in or used in connection with these properties. This collateral is shared on a pro-rata basis among the Series 2015 bonds and the remaining outstanding Series 2011 bonds.

In October 2011, the university issued \$35,480 Series 2011 tax-exempt serial and term bonds through the Dormitory Authority to cash defease a portion of the outstanding Series 1999 and Series 2001 issues. The serial bonds are due in varying annual installments through fiscal year 2027. Net premiums received at the time of issuance of the 2011 bonds totaled \$1,789 (\$858 unamortized at June 30, 2021). Term bonds are due in fiscal years 2024, 2026, and 2032.

In November 2010, the university entered into a loan agreement with the Dormitory Authority to issue \$301,055 in tax-exempt serial and term bonds to finance the construction of the University Center, which is an academic building and a 617-bed dormitory on top of the academic floors, located at 65 Fifth Avenue. The remaining serial bonds are due in varying annual installments through 2021. The university executed a mortgage on 65 Fifth Avenue as collateral for the loan.

The Series 2015, 2011, and 2010 loan agreements require the university to maintain an asset maintenance ratio in which a percentage of net assets without donor restrictions, excluding net investment in plant, plus spendable net assets to total long-term debt outstanding must be at least 40%. At June 30, 2021, the university was in compliance.

In June 2020, the university entered into a \$2,000 unsecured promissory note with a lender. Principal is due within 30 months with interest payable at a rate of 1% annually. \$1,504 and \$2,000 was outstanding as of June 30, 2021 and 2020, respectively.

For the years ended June 30, 2021 and 2020, interest expense totaled \$22,827 and \$23,523, respectively. At June 30, 2021 and 2020, interest payable included in accounts payable and accrued liabilities was \$12,055 and \$12,281, respectively.

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At June 30, 2021, aggregate principal maturities of long-term debt for each of the next fiscal years and thereafter are as follows:

Fiscal year ending June 30:	
2022	\$ 12,685
2023	10,769
2024	10,560
2025	11,540
2026	13,730
Thereafter	<u>473,935</u>
	<u>\$ 533,219</u>

Short-Term Debt

On June 10, 2016, the university entered into a margin agreement with its investment custodian to loan up to 92% of custodial liquid investments with interest payable at a rate equal to the Federal Funds Rate (LIBOR) plus 0.75% to be secured by treasuries, money market and exchange-traded funds. \$14,421 borrowings were outstanding as of June 30, 2021 and \$15,000 borrowings were outstanding as of June 30, 2020.

The university established a \$25,000 unsecured line of credit with a bank in May 2011, renewable annually. Amounts borrowed under the credit line are payable within one year with interest payable at a rate equal to LIBOR plus 1%. The LIBOR is one, two, three, or six months as selected by the university. The loan will automatically convert to a prime rate if the university does not select a LIBOR duration at least three business days prior to the date of borrowing. There were no borrowings outstanding as of June 30, 2021, and \$15,000 borrowings were outstanding as of June 30, 2020.

(9) Funds Held by Bond Trustees

Debt service funds held by the bond trustees consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ <u>23,782</u>	<u>23,190</u>
	<u>\$ 23,782</u>	<u>23,190</u>

The funds held by bond trustees at June 30, 2021 and 2020 are reported at fair value and are classified as Level 1 in the fair value hierarchy.

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(10) Net Assets

Net assets consisted of the following at June 30, 2021 and 2020:

	2021	2020
Without donor restrictions:		
Board-designated endowment	\$ 288,757	239,578
Other board-designated	197	197
Net investment in plant	165,747	170,862
Undesignated	(118,697)	(58,442)
Total net assets without donor restriction	336,004	352,195
With donor restrictions:		
Subject to expenditure when a specified event occurs:		
Scholarships	3,197	3,602
Education and research	30,733	25,080
Contribution receivable	17,698	16,229
Other	4,162	3,483
Building construction and equipment	675	287
Split-Interest agreements	409	390
	56,874	49,071
Endowment returns subject to future to appropriations:		
Scholarships	32,378	18,065
Education and research	45,171	29,329
General activities	4,117	2,418
	81,666	49,812
Total net assets restricted by time or purpose	138,540	98,883
Amounts with perpetual restrictions:		
Scholarships	31,149	29,143
Education and research	70,590	64,926
General activities	10,019	10,019
Contribution receivable	9,448	11,026
Total net assets with perpetual restrictions	121,206	115,114
Total net assets with donor restrictions	259,746	213,997
Total net assets	\$ 595,750	566,192

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Endowment

The university's endowment is comprised of 334 individual funds, at June 30, 2021, established for a variety of purposes, including scholarships, professorships, faculty development, lectures, and research programs. The endowment consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds functioning as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The university has interpreted New York's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), referred to as "NYPMIFA," as allowing the appropriation for expenditure or accumulation of an endowment fund as the university determines it prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The university classifies as net assets with donor restrictions, (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) respective accumulations of income to the endowment made in accordance with the direction of the applicable donor gift instruments, if any, on an individual endowment fund is classified as net asset with donor restrictions until appropriated by the university.

In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Endowment duration and preservation
- Purpose/mission of the institution and endowment
- General economic conditions
- Effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- The university's total resources
- The university's investment policy
- An asset's special relationship or special value, if any, to the purposes of the university

NYPMIFA allows spending from underwater endowments, unless precluded by donors, but requires that the university consider alternatives to spending such funds in addition to the aforementioned criteria.

The university's individual endowment funds are pooled for investment purposes. The investment portfolio is managed to achieve a prudent long-term return. The university relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The university targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. The endowment assets are invested to provide a real total return that preserves the purchasing power of the endowment while generating an income stream to support the academic activities of the university. Actual returns may vary from this goal in any given year.

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The university's endowment spending policy is designed to provide a sustainable and predictable flow of funds to support annual operations. The spending policy is intended to balance current spending needs and to preserve the endowment's future purchasing power. The university applies a board-specified spending rate to a moving average of endowment investment funds. The purpose of using a moving average is to smooth out any wide fluctuations in the market value. Endowment earnings in excess of the spending rate are added back to the principal of the endowment investments.

Prior to fiscal year 2012, the board-specified spending rate was 5%. Beginning with fiscal year 2012, the spending rate was reduced to 4% using a "soft landing" approach. The fiscal year 2011 appropriation will be used as the annual appropriation for the existing endowment funds until the value of those funds increases sufficiently over time to result in an effective 4% spending rate. New funds are appropriated at the 4% spending rate calculated on the previous 16 quarters' fair value.

In accordance with the spending policy, \$16,412 and \$16,227 of endowment return was made available in fiscal years 2021 and 2020, respectively, to support operations of the university.

The following tables present the university's endowment, exclusive of pledges, as of and for the years ended June 30, 2021 and 2020:

2021			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	193,424	193,424
Board-designated endowment funds	288,757	—	288,757
Total endowment net assets	\$ 288,757	193,424	482,181

2020			
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ —	153,900	153,900
Board-designated endowment funds	239,578	—	239,578
Total endowment net assets	\$ 239,578	153,900	393,478

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Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, as of June 30, 2020	\$ 239,578	153,900	393,478
Net investment return	58,718	38,498	97,216
Contributions, net	—	7,671	7,671
Appropriation for spending	(9,767)	(6,645)	(16,412)
Transfer to board-designated funds	228	—	228
Endowment net assets, as of June 30, 2021	<u>\$ 288,757</u>	<u>193,424</u>	<u>482,181</u>

Changes in endowment net assets for the year ended June 30, 2020 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, as of June 30, 2019	\$ 245,868	153,389	399,257
Net investment return	2,337	1,670	4,007
Contributions, net	—	5,339	5,339
Appropriation for spending	(9,729)	(6,498)	(16,227)
Transfer to board-designated funds	1,102	—	1,102
Endowment net assets, as of June 30, 2020	<u>\$ 239,578</u>	<u>153,900</u>	<u>393,478</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the university to retain as a fund of perpetual duration. In accordance with GAAP, the deficiencies of this nature that are reported in net assets with donor restrictions totaled \$165 and \$444 at June 30, 2021 and 2020, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions which in accordance with the donors' intent, are maintained permanently, or other endowment funds where the cumulative appropriation has exceeded the accumulated appreciation; the university suspends spending endowed funds if spending appropriations, as determined under the spending policy, exceed the accumulated appreciation.

At June 30, 2021 and 2020, the amount by which funds was underwater was calculated as follows:

	2021	2020
Aggregate original gift amount	\$ 1,526	1,526
Aggregate fair value	<u>(1,361)</u>	<u>(1,082)</u>
Aggregate deficiency	<u>\$ 165</u>	<u>444</u>

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Net Assets Released from Restrictions

Net assets were released from donor restrictions due to the passage of time or by incurring costs satisfying the restricted purposes specified by the donors for fiscal years 2021 and 2020 as follows:

		2021	2020
Scholarships and departmental activities	\$	29,144	31,995
Payments received on pledges		449	1,632
Total net assets released from restrictions	\$	29,593	33,627

(11) Expenses

Expenses by functional classification for fiscal years 2021 and 2020 are as follows:

Functional expenses	2021					Total
	Salaries and benefits	Occupancy costs	General business expenses	Professional services	Interest and depreciation	
Instruction and departmental research	\$ 99,601	11,552	1,497	1,122	15,719	129,491
Sponsored research and public services	7,730	867	2,328	3,806	312	15,043
Academic support	50,223	7,706	6,273	9,180	8,704	82,086
Student services	21,701	2,282	3,607	4,029	1,562	33,181
Auxiliary activities	2,450	28,762	850	151	15,929	48,142
Institutional support	40,354	5,806	16,646	7,715	6,927	77,448
Total	\$ 222,059	56,975	31,201	26,003	49,153	385,391

Functional expenses	2020					Total
	Salaries and benefits	Occupancy costs	General business expenses	Professional services	Interest and depreciation	
Instruction and departmental research	\$ 121,472	11,704	2,516	1,399	16,582	153,673
Sponsored research and public services	8,052	601	3,700	4,223	283	16,859
Academic support	62,382	7,009	8,327	8,815	8,803	95,336
Student services	26,868	1,703	5,431	3,893	1,457	39,352
Auxiliary activities	33,539	19,475	3,684	462	16,419	73,579
Institutional support	45,696	4,885	15,848	5,568	7,031	79,028
Total	\$ 298,009	45,377	39,506	24,360	50,575	457,827

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Operations and maintenance of plant, including interest and depreciation, are allocated based upon square footage across the functional expense categories as follows:

Functional expenses	2021			2020		
	Interest	Operation and maintenance of plant	Depreciation	Interest	Operation and maintenance of plant	Depreciation
Instruction and departmental research	\$ 5,974	16,613	9,745	6,298	18,192	10,284
Sponsored research and public services	73	1,248	239	70	897	213
Academic support	3,756	10,644	4,948	3,799	9,998	5,004
Student services	522	2,839	1,040	509	2,368	948
Auxiliary activities	10,347	5,457	5,582	10,690	6,495	5,729
Institutional support	2,155	8,053	4,772	2,157	7,386	4,874
Total	<u>\$ 22,827</u>	<u>44,854</u>	<u>26,326</u>	<u>23,523</u>	<u>45,336</u>	<u>27,052</u>

Fundraising

Fundraising expenses of \$3,779 and \$4,784 for the years ended June 30, 2021 and 2020, respectively, are included in institutional support in the accompanying consolidated statements of activities. For the purpose of disclosing fundraising expenses, the university includes only those fundraising costs incurred by its development office.

(12) Leases and Other Commitments and Contingencies

The university has entered into operating leases of certain facilities for educational purposes which expire at various dates through 2069 and provide for renewal options. Certain facility leases provide for increase in future annual payments based on defined increases in the Consumer Price Index subject to certain maximum increases. Additionally, the agreements generally require the university to pay real estate taxes, insurance, and repairs. Operating leases with lease terms greater than one year are reported as operating lease ROU assets and liabilities in the consolidated financial statements.

The university has no material finance leases to report under ASU No. 2016-02, *Leases*, for the period ended June 30, 2021.

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The table below presents a maturity analysis of operating lease liabilities and a reconciliation of the total amount of such liabilities recognized in the consolidated balance sheets at June 30, 2021.

	<u>Operating leases</u>
Year ending June 30:	
2022	\$ 39,468
2023	39,225
2024	39,054
2025	29,468
2026	29,804
2027 and thereafter	<u>728,576</u>
	905,595
Less discount for net present value	<u>(492,580)</u>
	<u>\$ 413,015</u>

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

Operating lease cost	\$ 42,736
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 33,864
Weighted-average remaining lease term	30
Weighted-average discount rate	4.55 %

At June 30, 2021, construction commitments were approximately \$2,540.

Amounts received and expended by the university under various federal and state programs are subject to audit by government agencies. In the opinion of management, audit adjustments, if any, would not have a material effect on the financial position, changes in net assets, and cash flows of the university.

In the normal course of its operations, the university is a party to various legal proceedings and complaints, most of which are covered by insurance. While it is not feasible to predict the ultimate outcome of such matters, management of the university is not aware of any claims or contingencies that would have a material adverse effect on the university's financial position.

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(Dollars in thousands)

(13) Retirement and Postretirement Health Benefit Plans

(a) Retirement Plans

The university has a defined-contribution retirement plan that covers substantially all employees, except certain union employees, and which is funded through direct payments to Teachers Insurance and Annuity Association of America (TIAA) for the purchase of various types of investment contracts. For each eligible employee, the university's contribution is determined as a percentage of salary, taking into account age and length of accrued service. Retirement contributions paid by the university under this plan and charged to expense for fiscal years 2021 and 2020 were \$3,142 and \$16,098, respectively. In response to the pandemic, the university suspended its employer contributions to the defined-contribution plan commencing at the beginning of fiscal year 2021. The employer contributions to the plan were reinstated at the beginning of fiscal year 2022.

(b) Multi Employer Plans

At June 30, 2021, the university participated in four multi-employer pension plans established under collective bargaining agreements that cover certain groups of employees throughout the university, and reflected in the table below. These groups of employees are also eligible to participate in the New School 403(b) Retirement Plans. The university makes cash contributions to these plans under the terms of the collective-bargaining agreements that cover its union employees.

The zone status reflected in table below is based on information received from the plan sponsors and, as required by the Pension Protection Act (PPA), is certified by each plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. A zone status of red requires the plan sponsor to implement a Funding Improvement Plan (FIP) or Rehabilitation Plan (RP). Effective August 1 2018, the American Federation of Musicians & Employers' Pension Fund (AFMEPF Local 802) imposed surcharge of 9% of contributions was increased by 10% The additional 10% in the rate of contributions will not be used to calculate any participant's benefits under the plan, but will be used solely to improve the financial health of the Plan.

The "FIP/RP Status Pending/Implemented" column indicates plans for which an FIP or RP, as required by PPA, is either pending or has been implemented by the plan's sponsor. The university's contribution is also disclosed below followed by the expiration dates of the collective bargaining agreements requiring contributions to the plans.

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The percentage of the university's contributions to Local 840 Pension Fund as of December 31, 2020 and 2019 represents 78% and 94% of the total contributions to the plan, respectively. The university's contributions to Building Service 32BJ Benefit Funds, Local 802 (AFMEPF) and Local 94 (Central Pension Fund) were insignificant to the plan.

Pension fund	EIN/Pension plan number	Pension protection act zone status		FIP/RP Status Pending/implemented	Contributions of The New School		Surcharge paid	Expiration date of collective bargaining agreement
					June 30 2021	June 30 2020		
Building Service 32BJ Benefit Fund	13-1879376/001	June 30, 2020 Red	June 30, 2019 Red	Yes	\$ 746	864	No	June 30, 2022
AFMEPF (802)	51-6120204/001	March 31, 2021 Red	March 31, 2020 Red	Yes	121	121	Yes	June 30, 2022
Local 840 Pension Fund (1205)	13-6304568/001	December 31, 2020 Red	December 31, 2019 Yellow	Yes	1,187	1,392	No	June 30, 2022
Central Pension Fund (Local 94)	36-6052390/001	January 31, 2020 Green	January 31, 2019 Green	No	66	94	N/A	December 31, 2022

The university is currently in the process of renegotiating collective bargaining agreement for Local 802 (AFMEPF) and Local 840 Pension Fund (1205), which is extended until June 2022.

(c) *Postretirement Health Plans*

The university provides certain healthcare benefits for past and future nonunion full-time employees who have or will retire at 65 years of age with 10 or more years of service. This benefit pays up to \$1,500 per fiscal year for the cost of premiums to either a Medigap plan, a Part D prescription drug plan, or a Medicare Advantage Plan (also known as a Medicare Part C plan).

The university funds its postretirement benefits costs on a pay-as-you-go basis. As of June 30, 2021, and 2020, the actuarially determined benefit obligation included in accounts payable and accrued liabilities was \$3,836 and \$4,348, respectively.

(14) **Related Party Transactions**

Members of the university's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the university. The university's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Trustees and senior management, the university requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the university. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the university and ensure compliance with relevant conflict of interest laws.

During fiscal 2020, the Board of Trustees approved an agreement to purchase a leasehold interest in a condominium which allows the right to use a facility located near campus through 2069 with an entity associated with a trustee. The purchase price will be paid in annual installments of \$4,750 commencing January 2021. The terms of the agreement require the university to pay annual common charges equal to

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\$4,750 plus escalations, through 2069. As of June 30, 2020, approximately \$55,000 of construction costs were incurred and capitalized as construction in progress and other long-term liability on the consolidated balance sheets. The university took possession of the facility in fall 2020 and uses the facility as a dormitory for its students.

Consistent with the policy discussed above, the decision to engage the firm was based on a review and discussion without participation of the interested trustee, with the assistance of real estate consultants and outside counsel, and a determination that such engagement was in the best interest of and provided substantial benefit to the university.

(15) Liquidity and Availability

The university's financial assets available for general expenditures within one year of the consolidated balance sheets as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,171	7,767
Student accounts receivable, net	17,359	15,949
Contributions receivable, net	30,125	30,585
Investments	486,849	430,096
Funds held by bond trustees	23,782	23,190
Student loans receivable, net	<u>1,998</u>	<u>2,350</u>
Total financial assets	<u>566,284</u>	<u>509,937</u>
Less those unavailable for general expenditures within one year, due to:		
Contributions receivable due beyond one year	18,970	25,720
Funds held by bond trustees	23,782	23,190
Student loans receivable, net	1,998	2,350
Restricted by donors for use in future periods	16,930	13,526
Restricted by donors in perpetuity	111,758	104,088
Endowment appreciation available, net of approved spending	73,834	43,420
Split interest arrangements	<u>409</u>	<u>390</u>
Total amounts unavailable within one year	318,603	297,253
Other board designated funds:		
Board-designated as quasi endowment, unavailable without board approval	288,757	239,578
Board-designated art fund, unavailable without board approval	<u>197</u>	<u>197</u>
Financial assets available to meet general expenditures within one year	<u>\$ 29,649</u>	<u>57,478</u>

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(Dollars in thousands)

The university continually monitors liquidity required to meet its operating needs and other contractual commitments, while also looking to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12 month period, the university considers all expenditures related to its ongoing mission related activities, including those for plant and debt service and exclusive of expenditures for plant that are financed by contributions, as well as the conduct of services undertaken to support those activities, to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the university operates within a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The consolidated statements of cash flows identifies the sources and uses of the university's cash and shows negative cash generated by operations for the years ended June 30, 2021 and 2020. The university invests funds in excess of current requirements in various short-term, highly liquid investments.

The university excludes funds that are board-designated as quasi endowment, from assets available to meet general expenditures. These funds are invested for long-term appreciation and current appropriation, and may be spent at the discretion of the board. In addition, funds held by bond trustees are not considered to be available for general expenditures because these funds are used solely to service long-term debt.

Student loans receivable are not considered to be available for general expenditures because these funds are used solely to make new loans and split interest agreements are not considered to be available for general expenditures because these funds are not solely owned by the university.

Further, the university maintains two vehicles to provide short-term cash if needed, an unsecured line of credit and a margin agreement. While total availability varies, it is generally in excess of \$50,000. As of June 30, 2021 and June 30, 2020, \$14,421 and \$30,000 of borrowings was outstanding, respectively. See note 8 for more information on these two arrangements.

(16) Subsequent Events

The university evaluated subsequent events after the consolidated balance sheet date of June 30, 2021 through October 28, 2021, the date on which the consolidated financial statements were issued and determined that the following additional disclosures should be included:

On September 9, 2021, the university sold a facility located at 118 W. 13th Street for \$22,850 and used \$14,802 to pay off outstanding debt incurred from the original purchase.

APPENDIX C

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 C.

Representations of the Institution

The Institution warrants and represents that:

(a) The Institution 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 Institution Documents and the other documents contemplated thereby. Each of the Institution Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Institution.

(b) The Institution is an organization organized and operated: (i) exclusively for educational or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in 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 Institution's charter or by-laws, as amended, or any corporate restriction or any agreement or instrument to which the Institution is a party or by which it is bound which would have a material adverse effect on the Institution or the transaction, or result in, except as contemplated by the Institution Documents, the creation or imposition of any lien of any nature upon any of the property of the Institution under the terms of any such law, ordinance, charter, by-laws, restriction, agreement or instrument.

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

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

(g) The Institution warrants and represents to the Issuer that (i) it has, or will have upon the acquisition of the Project, as applicable, 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 hereof and the Institution's programs and (ii) the Institution has, or will have upon the acquisition of the Project, as applicable, such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project for proper operation and utilization of the Project and for utilities required to serve the Project, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction by the Institution of the Project.

(Section 2.2)

Covenants of the Institution

Operation of Project

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

Pledges and Security Interests

All corporate action on the part of the Institution to authorize such pledges and security interests in the Collateral has been duly and validly taken. The Institution shall at all times, to the extent permitted by law, defend, preserve and protect such pledge and security interest and all of the rights of the Issuer and the Bondholders thereunder and under the Resolution against all claims and demands of all persons whomsoever.

Maintenance of Corporate Existence

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

Limitation on Agreement

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

Prohibition Against Liens

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

(ii) Notwithstanding the provisions of subsection (i) of this paragraph (h), the Institution may in good faith contest any such lien and, in such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless, by the Institution's nonpayment of any such item or items, the Project or any part thereof may be subject to loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing a

bond thereby causing such lien to be removed or by taking such other actions as may be satisfactory to protect the Project from loss or forfeiture.

Restriction on Religious Use

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.

Sale of the Project

The Institution shall not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights unless the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to such action.

(Section 2.3)

Financing and Refinancing of the Project

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

The Institution agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and the Loan Agreement the Institution shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the description in the Resolution and, if applicable in the Official Statement or other offering document. The Issuer 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 Institution 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 Repayments and Other Amounts Payable.

(a) Except to the extent that moneys are available therefor under the Resolution or Loan Agreement, including moneys in the Debt Service Fund (other than moneys required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the Institution, hereby 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 Issuer and the Institution in connection with issuance of the Bonds;

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

(iii) On 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(s) and interest rate adjustment(s), if applicable.

(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 Issuer 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 Issuer or the Trustee, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Series 2022A 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 Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for payments made by it pursuant to paragraph h of the Loan Agreement and any expenses or liabilities incurred by the Issuer pursuant to Section 4.2(b), 5.6, 7.1 or 9.2 of the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and,

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

(b) In addition to the Loan Payments pursuant to Section 4.2(a) of the Loan Agreement throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer actually incurred (i) by reason of the Issuer's financing of the Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement; or (iii) on account of any payments made by the Issuer for the purpose of fulfilling the Institution's obligations under the Loan Agreement, including, but not limited to, Section 5.6 of the Loan Agreement.

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

(d) Subject to the provisions of the Loan Agreement and of the Resolution, the Institution shall receive a credit against the amount required to be paid by the Institution during a Bond Year pursuant to paragraph (a)(iii) of this Section on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through any Sinking Fund Installments during the next succeeding Bond Year, either (i) the Institution delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the written direction of the Issuer, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with Section 5.06 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 Issuer hereby directs the Institution, and the Institution hereby agrees, to make the payments required by paragraphs (a)(iii), (a)(iv), (a)(vi), and (a)(viii) of this Section 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 this Section directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Issuer, and the payments required by paragraphs (a)(i), (a)(v), (a)(vii) (A),(B),(C) and (D) and (b) of this Section directly to the Issuer.

(f) Notwithstanding any provisions herein to the contrary (except as otherwise specifically provided for in this subdivision), all moneys paid by the Institution to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee (other than moneys received by the Trustee pursuant to paragraphs (a)(ii) (a)(vi) and (a)(vii)(E)) shall be applied in reduction of the Institution's indebtedness to the Issuer under the Loan Agreement first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with 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 Issuer, for the convenience of the Institution, may, in its sole discretion, furnish to the Institution statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. Neither the failure to furnish such statements nor any error contained in such statements shall excuse non-payment of the amounts payable under the Loan Agreement at the time and in the manner provided by the Loan Agreement.

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

(Section 4.2)

Security Interest

The Institution acknowledges that the payments by the Institution under the Loan Agreement are pledged as security for payment of the principal of, and Redemption Price of and interest on the Bonds. In addition, to secure payment of all loan payments and other sums owing by the Institution under the Loan Agreement and to secure the payment and performance of all debts, liabilities and obligations of the Institution under all of the Institution Documents, the Institution hereby grants a security interest to the Issuer in the Collateral pursuant to Section 4.8 of the Loan Agreement and, with respect to Shared Collateral, subject to the provisions of the Intercreditor Agreement. The security interest referred to in this Section shall (except with respect to the Issuer's Unassigned Rights) be assigned by the Issuer to the Trustee pursuant to Section 4.7 of the Loan Agreement.

(Section 4.6)

Assignment to Trustee and Institution Consent

The Issuer shall pledge and assign its rights to and interest in the Loan Agreement, the Collateral, and in all amounts payable by the Institution to the Trustee pursuant to Section 4.2 of the Loan Agreement 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. Any Collateral that constitutes Shared Collateral shall be subject to the provisions of the Intercreditor Agreement. The Institution hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, (1) all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit; and (2) both the Trustee and the Issuer shall each have the right to enforce Events of Default arising from violations of Article 8 of the Loan Agreement.

(Section 4.7)

Security Interest in Pledged Revenues

As security for the payment of all liabilities and the performance of all obligations of the Institution pursuant to the Loan Agreement, the Institution does hereby continuously pledge, grant a security interest in, and assign to the Issuer the Pledged Revenues, together with the Institution's right to receive and collect the Pledged Revenues and the proceeds of the Pledged Revenues.

The Institution represents and warrants that no part of the Pledged Revenues or any right to receive or collect the same or the proceeds thereof is subject to any lien, pledge, security interest or assignment, other than the liens, pledges or security interests securing outstanding Parity Indebtedness, and that the Pledged Revenues assigned pursuant hereto are legally available to provide security for the Institution's performance under the Loan Agreement. The Institution agrees that, except in connection with the incurrence of Parity Indebtedness, it shall not hereafter create or permit the creation of any pledge, assignment, encumbrance, restriction, security interest in or other commitment of or with respect to the Pledged Revenues which is prior or equal to the pledge made by this Section.

(Section 4.8)

Collection of Pledged Revenues

(a) Subject to the provisions of paragraph (b) of this Section, and subject to the provisions of any Intercreditor Agreement, commencing on the date on which the Bonds are first issued and delivered and continuing until no Bonds are Outstanding, the Institution shall deliver to the Trustee for deposit in accordance with Section 5.05 of the Resolution all Pledged Revenues and any other money which is required to be paid to the Trustee within ten (10) days following the Institution's receipt thereof unless and until there is on deposit in the Debt Service Fund an amount at least equal to the sum of (i) the interest coming due on or prior to the earlier of the next succeeding January 1 or July 1 and (ii) the principal and Sinking Fund Installments of Outstanding Bonds payable on the next succeeding July 1, and (iii) the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased and accrued interest thereon to the date of redemption or purchase. In the event that, pursuant to Section 9.1 (b)(iv) of the Loan Agreement, the Issuer notifies the Institution that account debtors are to make payments directly to the Issuer or to the Trustee, such payments shall be made directly to the Issuer or the Trustee notwithstanding anything contained in this subdivision, but the Institution shall continue to deliver to the Trustee for deposit in accordance with Section 5.05 of the Resolution any payments received by the Institution with respect to the Pledged Revenues and any other moneys which are required to be paid to the Trustee.

(b) Notwithstanding anything to the contrary in paragraph (a) of this Section 4.9, in the event that, on or prior to the date on which a payment is to be made pursuant to Section 4.2 of the Loan Agreement on account of the principal, Sinking Fund Installments or Redemption Price of or interest on Outstanding Bonds, the Institution has made such payment from its general funds or from any other money legally available to it for such purpose, the Institution shall not be required solely by virtue of paragraph (a) of this Section 4.9, to deliver Pledged Revenues to the Trustee.

(c) Any Pledged Revenues collected by the Institution that are not required to be paid to the Trustee pursuant to this Section or Section 9.1 (b)(iv) of the Loan Agreement shall be free and clear of the security interest granted hereby and may be disposed of by the Institution for any of its corporate purposes provided that no Event of Default (as defined in Section 9.1 of the Loan Agreement) nor any event which but for the passage of time or the receipt of notice or both would be an Event of Default has occurred and is continuing.

(Section 4.9)

Maintenance and Modification of Project

(a) The Institution agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the

Project may be properly and advantageously conducted. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project which may have been financed by the proceeds of the sale of the Bonds provided that such fixtures, furnishings and equipment continue to be used for purposes permitted under the Tax Certificate or as otherwise permitted in a Favorable Opinion of Bond Counsel delivered by the Institution to the Issuer and the Trustee.

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

(Section 5.1)

Use and Control of Project

Subject to the rights, duties and remedies of the Issuer under the Loan Agreement, the Institution shall have sole and exclusive control and possession of and responsibility for (i) the Project, (ii) the operation of the Project and supervision of the activities conducted therein or in connection with any part thereof and (iii) the maintenance, repair and replacement of the Project; provided, however, that, except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of the Project by persons other than the Institution or its students, staff or employees in furtherance of the Institution's corporate purposes, if such use will not adversely affect the exclusion of interest on the Series 2022A Bonds from gross income for federal income tax purposes.

(Section 5.2)

Liens, Utilities and Access

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

(Section 5.3)

Insurance Required

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

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

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

(Section 5.5)

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

If the Institution fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, assessment or other governmental charge required to be paid by Section 5.4 of the Loan Agreement, (ii) to maintain any insurance required to be maintained by Section 5.5 of the Loan Agreement (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Project or by any requirement, order or notice of violation thereof issued by any governmental person (iv) to pay any mechanic's lien which is recorded or filed against the Project or any part thereof (unless contested or bonded in accordance with the provisions of Section 2.3(h) of the Loan Agreement), or (v) to pay any other amount or perform any act under the Loan Agreement required to be paid or performed by the Institution under the Loan Agreement, the Issuer may pay or cause to be paid such tax, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Issuer until at least ten (10) days shall have elapsed since written notice shall have been given by the Issuer to the Institution and the Trustee), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii), (iv) and (v) hereof, no such payment shall be made in any event if the Institution is contesting the same in good faith and diligently prosecuting the same unless an Event of Default under the Loan Agreement shall have occurred and be continuing. No such payment by the Issuer shall affect or impair any rights of the Issuer under the Loan Agreement or of the Trustee under the Resolution arising in consequence of such failure by the Institution. The Institution shall, on demand, reimburse the Issuer for any amount so paid or for expenses or costs incurred in the performance of any such act by the Issuer pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of payment of such amount, expense or cost by the Issuer at the per annum rate of ten percent (10%) and such amount, together with such interest, shall become additional indebtedness secured by the Collateral, if any.

(Section 5.6)

Damage or Condemnation

Any insurance, condemnation or eminent domain proceeds received by the Institution, if in excess of \$250,000, shall either be: (i) applied to the cost of replacing, repairing, rebuilding, restoring or relocating the Project; (ii) paid to the Trustee for deposit to the Debt Service Fund and applied to the purchase or redemption of Outstanding Bonds; or (iii) used for any other purpose for which the Institution provides a Favorable Opinion of Counsel to the Issuer and the Trustee.

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

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

(Section 6.1)

Investment of Funds

The Institution acknowledges that the Issuer shall direct the investment of moneys held under the Resolution as provided therein and that no representation or warranty has been made by the Issuer with respect to interest rates on, or the amount to be earned as a result of, any such investment. The Issuer shall regularly consult with the Institution regarding any investments of funds being held in the Construction Fund. Neither the Issuer nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of 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 Issuer hereby 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 Matters

Representations of Institution

The Institution 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 letter 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)

Covenants of Institution

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

(Section 8.2)

Tax Exemption.

The Issuer and the Institution covenant that they (i) will comply with the provisions of the Code required to preserve the exclusion from gross income of interest on the Series 2022A 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 on the Series 2022A Bonds to be includable in gross income under Section 103 of Code.

Partly in furtherance of the foregoing, the Issuer and the Institution are entering into a Tax Certificate with respect to matters of federal tax law pertaining to the Series 2022A Bonds. The Tax Certificate, including the amendment provisions thereof, will be treated as incorporated by reference herein. The Issuer and the Institution 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 Issuer or the Institution, 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.

Except with a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee, neither the Institution nor any related party to the Institution (as defined in Treas. Reg. § 1.150-1(b)) shall purchase any of the Series 2022A Bonds in an amount related to the obligation represented by the Loan Agreement.

The Issuer shall calculate rebate amount and shall retain in the Issuer’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 Institution and its agents and representatives, any of whom may make copies thereof. Upon written request therefor from the Institution, the Issuer shall as soon as practicable provide the Institution with a copy of any such document, report or computation. The Issuer shall also

provide the Institution 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.

The provisions of this Section 8.3 shall survive the termination of the Loan Agreement or defeasance of the Bonds.

(Section 8.3)

Restricted Gifts

The Institution agrees that it shall deliver to the Issuer a certificate of an Authorized Officer of the Institution satisfactory to an Authorized Officer of the Issuer 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 Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee; (iii) that such amount shall not be reimbursed from the proceeds of the sale of the Bonds, (iv) whether the Institution 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.

If, prior to completion of construction of the Project, the Institution receives any Restricted Gift therefor, the Institution 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 Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee. If, after completion of the construction of the Project, the Institution receives any Restricted Gift, the Institution 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 Institution provides the Issuer and the Trustee with a Favorable Opinion of Bond Counsel.

The Institution 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 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 Institution 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)

Defaults and Remedies

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

(i) the Institution shall default in the timely payment of any amount payable pursuant to the Loan Agreement or the payment of any other amounts required to be delivered or paid by the Institution in accordance with the Loan Agreement, the Series Resolution or with the Resolution, and such default continues for a period in excess of four (4) business days;

(ii) the Institution defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph (i) hereof) or breaches any representation made in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Institution by the Issuer or the Trustee; provided, however, that, if in the determination of the Issuer such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if

corrective action is instituted by the Institution within such period and is diligently pursued until the default is corrected and in any event, not to exceed one hundred eighty days (180) days;

(iii) as a result of any default in payment or performance required of the Institution under the Loan Agreement or any Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Issuer shall be in default in the payment or performance of any of its obligations under the Resolution or an “event of default” (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee or Holders of the Series 2022 Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

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

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

(vi) the charter or certificate of incorporation of the Institution or any license necessary to operate the Project shall be suspended or revoked;

(vii) a petition to dissolve the Institution shall be filed by the Institution with the legislature of the State, the Attorney General of the State or other governmental authority having jurisdiction over the Institution;

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

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

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

(xi) a final judgment for the payment of money, at least one million dollars (\$1,000,000) of which is not covered by insurance or reserves set aside by the Institution, shall be rendered against the Institution and at any time after forty-five (45) days from the entry thereof, (A) such judgment shall not have been discharged or paid, or (B) the Institution shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

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

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

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

(iii) maintain an action against the Institution hereunder to recover any sums payable by the Institution or to require its compliance with the terms of the Loan Agreement;

(iv) realize upon any pledge of or security interest in the Pledged Revenues and the rights to receive the same, all to the extent provided in Sections 4.8 and 4.9 of the Loan Agreement, by any one or more of the following actions: (A) enter the Institution and examine and make copies of the financial books and records of the Institution relating to the Pledged Revenues and, to the extent of the assigned Pledged Revenues, take possession of all checks or other orders for payment of money in the possession of the Institution representing Pledged Revenues or proceeds thereof; (B) notify any account debtors obligated on any Pledged Revenues to make payment directly to the Issuer or to the Trustee, as the Issuer may direct, and of the amount to be so paid; provided, however, that (1) the Issuer may, in its discretion, immediately collect the entire amount of interest, principal, or Sinking Fund Installments, if any, coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Pledged Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the Institution five (5) days prior to mailing or otherwise making such notification to account debtors and (3) until the Institution shall receive such notice it shall have full authority and responsibility to enforce and collect Pledged Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Pledged Revenues which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution whether or not the full amount of any such account receivable or contract right owing shall be paid to the Issuer; (D) require the Institution to deposit all moneys, checks or other orders for the payment of money which represent Pledged Revenues in an amount equal to the Pledged Revenues assigned under the Loan Agreement within five (5) business days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Issuer; provided, however, that (1) the money in such fund or account shall be applied by the Issuer to the payment of any of the obligations of the Institution under the Loan Agreement, including the fees and expenses of the Issuer, (2) the Issuer in its sole discretion may authorize the Institution to make withdrawals from such fund or account for its corporate purposes and (3) the requirement to make such deposits shall cease and the balance of such fund or account shall be paid to the Institution when all Events of Default under the Loan Agreement by the Institution have been cured or waived; (E) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Pledged Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (F) endorse in the name of the Institution any checks or other orders for the payment of money representing any unpaid assigned Pledged Revenues or the proceeds thereof;

(v) take any other action or proceeding permitted by the terms hereof or by law.

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement the Issuer may annul any declaration made or action taken pursuant to paragraph (b) of this Section and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

Notwithstanding any assignment of the Loan Agreement to the Trustee, the Issuer reserves the right to direct the Trustee to take any actions authorized by clauses (ii), (iii), (iv) and (v) of subsection (b) hereof as shall be necessary to enforce the Issuer's Unassigned Rights.

(Section 9.1)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Institution shall have been made or provision made for the payment thereof; provided, however, that Section 7.8 and 9.2 of the Loan Agreement and the liabilities and the obligations of the Institution to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to Sections 4.2(a)(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 Issuer shall deliver such documents as may be reasonably requested by the Institution to evidence such termination and the discharge of its duties under, the Loan Agreement and the release or surrender of any security interests granted by the Institution to the Issuer pursuant hereto.

(Section 10.1)

Amendments, Changes and Modifications

The Loan Agreement may be amended only in accordance with Section 7.11 of the Resolution and each amendment shall be made by an instrument in writing signed by an Authorized Officer of the Institution and the Issuer, an executed counterpart of which shall be filed with the Trustee.

(Section 11.4)

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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

Resolution and Bonds Constitute a Contract

With respect to each Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds 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 shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment to the Trustee made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds of that Series, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds of that Series over any other Bonds of that Series except as expressly provided or permitted in the Resolution.

(Section 1.03)

Assignment of Certain Rights and Remedies

(a) As security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Bonds of a Series and for the performance of each other obligation of the Authority under the Resolution and the payment of all amounts owed to a Bank pursuant to the applicable reimbursement agreement relating to a Letter of Credit and for the performance of each other obligation of the Institution thereunder, the Authority may, pursuant to a Series Resolution, grant, pledge and assign to the Trustee and, if the Bonds are Letter of Credit Secured Bonds, to the Bank, all of the Authority's estate, right, title, interest and claim in, to and under the related Loan Agreement and the Collateral Security for such Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Authority under such Loan Agreement and Collateral Security, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance herewith) 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, including without limitation the right to declare the indebtedness under such Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon such Collateral Security, 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 Bondholders, and to perform all other necessary and appropriate acts under such Loan Agreement, subject to the following conditions:

(i) the Bonds of each Series shall be separately secured one from another by the Loan Agreement entered into in connection with a particular Series of Bonds, the Revenues derived from such Loan Agreement, and the Collateral Security given to secure the Institution's obligations under such Loan Agreement, and only the Bonds of the Series in connection with which such Loan Agreement was entered into shall be secured by such Loan Agreement except as otherwise expressly permitted hereby and by the terms of the applicable Loan Agreement;

(ii) that the Holders of the 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

(iii) that, unless and until the Bank or the Trustee, in its discretion exercised following an "Event of Default" under a Loan Agreement that is continuing, so elects, by an instrument in writing delivered to the Authority and the Institution (and then only to the extent that the Trustee or the Bank so elects), neither the Trustee nor the Bank shall 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 securing such Loan Agreement 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), the Authority, however, to remain liable to observe and perform all the conditions and covenants, in each Loan Agreement, provided to be observed and performed by it.

Upon the happening of an “event of default” as defined in the Resolution with respect to a Series of Bonds, other than a Determination of Taxability with respect to the Tax Exempt Bonds of any Series, the Authority shall assign to the Trustee for the benefit of the Holders of the Bonds of such Series all of its right, title and interest in and to the right of the Authority under the related Loan Agreement and Collateral Security to exercise any of the remedies provided thereby for the enforcement of the obligations of the Institution to make the payments thereunder, including the right to declare the indebtedness thereunder immediately due and payable.

Upon any assignment made pursuant to the Resolution, the Authority may retain the right to the payment of the fees, costs and expenses of the Authority payable pursuant to such Loan Agreement, the right to the indemnities provided thereby, the right to the payments, if any, required to be made pursuant to such indemnities and the right to exercise any of the remedies available thereunder for the enforcement of the obligations of the Institution the rights to which have been retained by the Authority. Such assignment shall be made by the execution and delivery to the Trustee of documents of assignment in form and substance reasonably acceptable to the Trustee.

Any grant, pledge or assignment made pursuant to the Resolution shall be evidenced by instruments in form and substance reasonably satisfactory to the Trustee or the Bank executed and delivered by the Authority as soon as practicable after a Loan Agreement is entered into or security interest is made or given. The Trustee and the Bank shall each accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee and the Bank, respectively, in form and substance reasonably satisfactory to the Authority.

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

(Section 1.04)

Refunding Bonds

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

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

(a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in the defeasance provisions of the Resolution to the Holders of the Bonds being refunded;

(c) Either (i) money in an amount sufficient to effect payment of the principal at maturity or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee in a separate fund or account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the defeasance provisions of the Resolution, which Defeasance Securities and money shall be held in trust and used only as provided in the defeasance provisions of the Resolution; and

(d) A certificate of an Authorized Officer of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements summarized herein.

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

(Section 2.04)

Additional Obligations

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

(Section 2.05)

Redemption and Purchase of Bonds

Authorization of Redemption

Bonds subject to redemption prior to maturity pursuant to the provisions of 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 other than as summarized in the following paragraph, the Authority shall give written notice to the Trustee and each affected Bank of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. The Series, maturities and principal amounts thereof to be redeemed at the election or direction of 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 affected Bank at least sixty (60) 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 Available Money for payment of the Redemption Price is available on the redemption date such notice shall not be given unless prior to the date such notice is given the Trustee then holds for payment of the Redemption Price Available Money 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 to be so redeemed. For purposes of determining the amount required to be paid pursuant to the preceding sentence when Variable Interest Rate Bonds are to be redeemed, it shall be assumed that for any period for which the rate at which such Bonds will bear interest is unknown such Bonds bear interest at the Maximum Rate established therefore by the Series Resolution authorizing such Bonds or the Bond Series Certificate applicable thereto.

(Section 4.02)

Redemption Other Than at Authority's Election or Direction

Whenever by the terms of the Resolution the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of the Series and maturities to be redeemed in the manner provided in the Resolution, give the notice of redemption and pay out Available Money for the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, in accordance with the terms of the Resolution.

(Section 4.03)

Selection of Bonds to Be Redeemed

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

For purposes of the Resolution, 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 are to be redeemed, the Trustee shall give notice of the redemption of the 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) the principal amount of each Bond to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that, except in the case of Book—Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving

the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption and (ix) if the Authority's obligation to redeem the Bonds is subject to conditions, a statement that describes the condition to such redemption. Such notice shall further state that on such date there shall become due and payable upon each Bond 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 to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds. If directed in writing by an Authorized Officer of 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.

(Section 4.05)

Payment of Redeemed Bonds

Notice having been given by mail in the manner provided in the Resolution, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond, 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 the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, Available Money for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee 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 the 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 Available Money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(Section 4.06)

Purchase of Purchased Bonds

Whenever Bonds are to be purchased at the election of the Institution, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by the Institution to the Authority, the Trustee, and each applicable provider of a Letter of Credit or financial guaranty insurance policy, 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 and each applicable provider of a Letter of Credit or financial guaranty insurance policy. All such purchases may be subject to conditions of the Authority, the Trustee and any provider of a Letter of Credit or financial guaranty insurance policy 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 Resolution**

The proceeds from the sale of the Bonds of a Series, the Revenues derived from the Loan Agreement entered into in connection with the Bonds of such Series or from any realization upon any Collateral Security given in connection with such Loan Agreement, the Authority's security interests in the Collateral Security to the extent provided pursuant to the Resolution and the applicable Series Resolution, and, except as otherwise provided in the Resolution, all funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of such Series of Bonds are by the Resolution pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds of such Series and as security for the performance of any other obligation of the Authority under the Resolution and under the Series Resolution authorizing the issuance of such Series of Bonds, all in accordance with the provisions of the Resolution and the Series Resolution.

The pledges made under the Resolution are valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues, all funds and accounts established by or pursuant to any Series Resolution which are pledged by the Resolution and the Authority's security interests in the Collateral Security shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds of such Series, the Revenues, all the funds and accounts established by or pursuant to the Series Resolution authorizing the issuance of the Bonds of such Series which are pledged by the Resolution as provided in the Resolution and the Authority's security interest in the Collateral Security pledged hereby as provided in the Resolution.

(Section 5.01)

Establishment of Funds and Accounts

Each Series Resolution shall establish or delegate the establishment of the following funds and accounts, which shall be for the sole benefit of and solely secure the Series of Bonds authorized by such Series Resolution:

Construction Fund:
 Project Account;
 Capitalized Interest Account; and
 Cost of Issuance Account; and
Debt Service Fund.

In addition to the funds and accounts required to be established by or pursuant to each Series Resolution, there is by the Resolution established an Arbitrage Rebate Fund to be held by the Trustee as custodian for the Authority, which fund is not pledged to the payment of any Bonds. The Authority is authorized under the Resolution in connection with the issuance of a Series of Bonds to establish such other funds, accounts and subaccounts in connection with such Series of Bonds as the Authority or the Trustee deems proper, necessary or desirable, including but not limited to a Debt Service Reserve Fund.

All money at any time deposited in any fund, account or subaccount created or required to be created by a Series Resolution and pledged by the Resolution shall be held in trust for the benefit of the Holders of the Outstanding Bonds secured thereby, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution. Notwithstanding the foregoing, (i) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds, and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds, and may be pledged to the provider of such Liquidity Facility.

(Section 5.02)

Application of Money in the Construction Fund

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund established in connection with such Series of Bonds 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 such Construction Fund any money paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of any Project (including the proceeds of any insurance of condemnation award to be so applied) and all amounts paid by the Institution which by the terms of the Loan Agreement executed in connection with such Series of Bonds are required to be deposited therein.

Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in a Construction Fund shall be used only to pay the Costs of Issuance of the Series of Bonds in connection with which such Construction Fund was established and the Costs of the Project for which such Construction Fund was established.

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 the Costs of the Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority, substantiated by a certificate filed with the Authority signed by an Authorized Officer of the Institution identifying the Project, and describing in reasonable detail the purpose for which money was used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs

of the Project, except that payments to pay interest on Bonds 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 applicable Debt Service Fund.

Any proceeds of insurance, condemnation or eminent domain awards received by the Trustee, the Authority or the Institution with respect to the Project for which the Construction Fund was established shall be deposited in the Construction Fund and, if necessary, such fund may be re—established for such purpose.

The Project shall be deemed to be complete upon delivery to 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 the 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 the Project. Any such certificate shall state that the Project has been completed substantially in accordance with the plans and specifications, if any, applicable to the Project and that the 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 the Project, the money, if any, then remaining in the Construction Fund, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

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

Second: To the related Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

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

First: To the applicable Debt Service Fund:

(i) in the case of Revenues received during the first six months of each Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on the Outstanding Bonds of the Series for which such Debt Service Fund was established payable subsequent to the first day of such Bond Year and on and prior to the first day of the second half of the Bond Year, assuming that Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum; (b) one-half of the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds of such Series payable during the next succeeding Bond Year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the first day of the second half of the Bond Year, plus accrued interest thereon to the date of purchase or redemption; and

(ii) in the case of Revenues received thereafter and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to: (a) the interest on and the principal and Sinking Fund Installments of the Outstanding Bonds of such Series payable subsequent to the first day of the second half of the Bond Year and on and prior to the first day of the next succeeding Bond Year, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the

rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum; (b) one-half of the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds of such Series payable during the next succeeding Bond Year; and (c) the purchase price or Redemption Price of the Outstanding Bonds of such Series theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the first day of the next succeeding Bond Year, plus accrued interest thereon to the date of purchase or redemption;

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

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

The Trustee shall, promptly after making the above required payments, notify the Authority and the Institution of any balance of Revenues remaining on the first day of the next succeeding Bond Year. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the Institution, in the respective amounts set forth in such direction. Any amounts paid to the Institution shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Series Resolution or the applicable Loan Agreement.

(Section 5.05)

Debt Service Fund

(a) The Trustee shall pay out of the Debt Service Fund established in connection with Bonds of a Series other than Letter of Credit Secured Bonds, when due:

- (i) the interest due and payable on the Outstanding Bonds of such Series;
- (ii) the principal due and payable on the Outstanding Bonds of such Series; and
- (iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series.

Notwithstanding the provisions of the Resolution summarized in paragraph (a) above, the Authority may, at any time subsequent to the first day of July (or such other date as provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds) of any Bond Year but in no event less than forty—five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund established in connection with the Bonds of a Series, other than Letter of Credit Secured Bonds, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of such Series to be redeemed from such Sinking Fund Installment. In addition, the Institution pursuant to a Loan Agreement may deliver, at any time subsequent to July 1 (or such other date as provided in a Series Resolution or a Bond Series Certificate with respect to a Series of Bonds) of any Bond Year, but in no event less than forty—five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of such Series to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond

so canceled shall be credited against the Sinking Fund Installment due on such date; ***provided, however,*** that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(b) The Trustee shall pay out of the Debt Service Fund established in connection with Letter of Credit Secured Bonds of a Series, when due, all amounts required to be paid to the Bank providing the Letter of Credit for the Bonds of such Series of Bonds to reimburse it for money advanced under the Letter of Credit for payment of:

(i) the interest due and payable on the Outstanding Bonds of such Series;

(ii) the principal due and payable on the Outstanding Bonds of such Series; and

(iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series;

provided, however, that if the Bank fails to honor a properly submitted draw under the Letter of Credit for the Bonds of such Series, such money will be used to make payments due to the Holders of such Series of Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the 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, money on deposit in any other funds held by the Trustee under the Resolution such times and in such amounts as shall be set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be applied first to reimburse the affected Bank for any money advanced under the related Letter of Credit for which it has not been reimbursed, and second, deposited to any fund or account established under the Resolution in accordance with the written direction of such Authorized Officer.

The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect to each Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee under the Resolution and deposit to the applicable Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate money to the Department of the Treasury of the United States of America with respect to each Series of Bonds and (ii) if and to the extent required by the Code, pay out of such Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the Available Money held in the Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the Available Money held in the Debt Service Reserve Fund established for such Bonds, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of such Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the Institution. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Bonds, whereupon the Trustee shall proceed to redeem or

provide for the redemption of such Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the 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 Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Transfer of Investments

Whenever money in any fund or account established under the Resolution is to be paid in accordance with the Resolution to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the money, if any, to be transferred, is at least equal to the amount of the payment then to be made; ***provided, however,*** that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

(Section 5.09)

Security for Deposits 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 the Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; ***provided, however,*** (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee to give security for the deposit of any money with them pursuant to the 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 any Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money.

(Section 6.01)

Investment of Funds and Accounts

(a) Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations or Exempt Obligations; ***provided, however,*** that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution.

(b) In lieu of the investments of money in obligations authorized in paragraph (a) summarized above, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in a Construction Fund or Debt Service Reserve Fund in any Permitted Investment, ***provided, however,*** that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably 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 the Resolution and summarized in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the Resolution 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 any Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 6.02)

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 the 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 all and singular the rights, pledges and assignments created by the Resolution 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, including but not limited to the objects and purposes for which proceeds of the Bonds were expended and the respective amounts expended for such objects and purposes. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject

to the inspection of the 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, each Bank and 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 with respect to the Shared Collateral or the Revenues, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the Collateral Security and the funds and accounts established by the Resolution or pursuant to any Series Resolution; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution is not prior or equal to the charge or lien created pursuant to the Resolution.

(Section 7.06)

Enforcement of Duties and Obligations of the 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 a Loan Agreement in the manner and at the times provided in such Loan Agreement; *provided, however*, that the Authority may (i) delay, defer or waive enforcement of one or more provisions of the Loan Agreement (other than provisions requiring the payment of money or the delivery of securities to the Trustee for deposit to any fund or account established under the Resolution) if the Authority determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds and (ii) at any time prior to the occurrence of an event of default under the Resolution, annul any declaration that the indebtedness under the Loan Agreement is immediately due and payable and, if prior to the entry of a final judgment or decree in any action or proceeding instituted on account of an event of default under the Loan Agreement, discontinue such action or proceeding if the Institution shall have cured each event of default under the Loan Agreement.

(Section 7.07)

Deposit of Certain Money in the Construction Fund

In addition to the proceeds of Bonds to be deposited in the Construction Fund, any money paid to the Authority for the acquisition, construction, reconstruction, renovation or equipment of any Project, including the proceeds of any insurance 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 may be presented for payment, registration, transfer or exchange and the Trustee is by the Resolution appointed the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

(Section 7.09)

Amendment of Loan Agreement

Each Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more purposes: (i) to add an additional covenant or agreement for the purpose of further securing the payment of the Institution's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the Institution contained in the Loan Agreement; (ii) to prescribe further limitations and restrictions upon the Institution's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect; (iii) to surrender any right, power or privilege reserved to or conferred upon the Institution, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Institution contained in the Loan Agreement; (iv) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Project, to amend the description of any Project or to add an additional Project; (v) to establish, amend or modify the Authority Fee or the Annual Administrative Fee payable by the Institution in connection with the Bonds of a Series; or (vi) with the prior written consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or to amend, modify or waive any other provision of the Loan Agreement, provided that the same does not adversely affect the interests of the Bondholders in any material respect.

Notwithstanding the provisions summarized above, the Loan Agreement relating to a Series of Bonds may not be amended, changed, modified, altered or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds of such Series as provided in the Resolution if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Revenues payable by the Institution under the Loan Agreement on any date or delays the date on which payment is to be made, (ii) modifies the events which constitute Events of Default under the Loan Agreement, (iii) diminishes, limits or conditions the rights or remedies of the Authority under the Loan Agreement upon the occurrence of an Event of Default thereunder, or (iv) adversely affects the rights of the Bondholders in any material respect.

No such amendment, change, modification, alteration, termination or waiver shall take effect unless the prior written consent of the Holders of at least a majority in principal amount of the Bonds then Outstanding of the affected Series; *provided, however*, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified maturity of such Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Resolution.

No amendment, change, modification or termination of a Loan Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification, alteration or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel. A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee and a copy thereof shall be sent to the affected Bank.

Bonds owned or held by or for the account of the Authority or the Institution shall not be deemed Outstanding for the purpose of consent provided for in the Resolution, and neither the Authority nor the Institution shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Authority will furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

For the purposes of the portion of the Resolution summarized in this subsection, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by 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, Remarketing Agent or otherwise for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto will be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination

permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: "Auction Rate Bond" means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; "Auction Date" means, with respect to any particular Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and "Winning Bid Rate" when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of the portion of the Resolution summarized in this subsection, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any financial guaranty insurance policy issued in connection with such Bonds or a Letter of Credit for such Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination will be binding and conclusive on the Institution, the Authority and all Holders of Bonds.

For all purposes of the portion of the Resolution summarized in this subsection, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel will be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

(Section 7.11)

Notice as to Event of Default under Loan Agreement

The Authority shall notify the Trustee in writing of any "Event of Default" under a Loan Agreement, as such term is defined in such Loan Agreement, that has occurred and is continuing, which notice shall be given as soon as practicable after the Authority has obtained actual knowledge thereof.

(Section 7.12)

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 Resolutions 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 and written copy thereof to each affected Bank:

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

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Revenues, or any pledge of any other money, securities or funds;

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

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution and the Rating Service 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 any instrument elsewhere in the Resolution provided or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, 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 to each affected Bank upon its becoming effective.

The Trustee is by the Resolution 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 shall become effective without the written consent of the Trustee.

(Section 9.03)

Amendments of Resolution

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds of a Series 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 of such Series Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund

Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the provisions of the Resolution summarized in this paragraph, a Series shall be deemed to be affected by a modification or amendment 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 any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds; ***provided, however,*** that such determination shall be made without regard to the existence of any financial guaranty insurance policy issued in connection with such Bonds or a Letter of Credit for such Bonds. The Trustee may 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 Bondholders 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 the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution).

Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the Resolution as summarized in the preceding paragraph and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by 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. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution as summarized below. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for in 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 shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Resolution, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee 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, and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, 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 and the Trustee during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the provisions of the Resolution relating to amendments of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters or Remarketing Agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering, reoffering or resale of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority

of a copy of a Supplemental Resolution certified by an Authorized Officer of the Authority and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.04)

Defaults and Remedies

Events of Default

An event of default shall exist under the Resolution and under each Series Resolution (therein called an “event of default”) if:

(a) With respect to Bonds of a Series, payment of the principal, Sinking Fund Installments or Redemption Price of any Bond of such Series shall not be made by the Authority when the same shall otherwise become due and payable; or

(b) With respect to Bonds of a Series, payment of an installment of interest on any Bond of such Series shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Tax Exempt Bonds of a Series, a Determination of Taxability shall have occurred and be continuing; or

(d) With respect to Bonds of a Series, 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 any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty—five per centum (25%) in principal amount of the Outstanding Bonds, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

(e) With respect to Bonds of a Series, an “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the Institution under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default specified in the Resolution, other than an event of default specified in the Resolution, then and in every such case the Trustee, upon the written request of the Holders of not less than twenty—five per centum (25%) in principal amount of the Outstanding Bonds of each Series, shall, by a notice in writing to the Authority and each Rating Service, declare the principal of and interest on all of the Outstanding Bonds of such Series to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in any Series Resolution or in the Bonds to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty—five per centum (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Funds sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and

liabilities of the Trustee; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under the Resolution) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; (iv) with respect to Letter of Credit Secured Bonds, the Trustee receives notice from the Bank that the Bank has rescinded its notice of an Event of Default under the Letter of Credit; and (v) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution or in any Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under the section of the Resolution summarized in this paragraph) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default specified in the Resolution, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty—five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power 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 each Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of any Series Resolution or of the Bonds of a Series, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution, in any Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy thereunder unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty—five per centum (25%) in principal amount of the Outstanding Bonds of a Series 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 by the Resolution declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds.

Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

Defeasance

(a) if the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(b) Bonds for the payment or redemption of which Available Money shall have been set aside and shall be held in trust by the Trustee (through deposit of Available Money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the Resolution. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds;

(ii) there shall have been deposited with the Trustee either Available Money in an amount which shall be sufficient, or Defeasance Securities purchased with Available Money the principal of and interest on which when due will provide money which, together with the Available Money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be;

(iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by the Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; and

(iv) the Trustee shall have received a Verification Report.

The Authority shall give written notice to the Trustee and each Rating Service of its selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with the Resolution in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the provisions of the Resolution summarized in this paragraph nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; **provided, however,** that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be; **provided, further,** that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution above to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(c) For the purpose of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with the provisions of the Resolution, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; **provided, however,** that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the provisions of the Resolution summarized in clause (ii) of the second sentence of the preceding paragraph (b), the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each affected Bank pro rata to reimburse such Bank for any moneys advanced under the related Letter of Credit for which such Banks have not been reimbursed, third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(d) For the purpose of determining whether an Option Bond shall be deemed to have been paid in accordance with the provisions of the Resolution summarized in this subsection, there shall be deposited with the Trustee Available Money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; **provided, however,** that if, at the time a deposit is made with the Trustee pursuant to the provisions of the Resolution summarized in the preceding paragraph (b), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be

considered an Option Bond for purposes of the provisions summarized in this paragraph (d). If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(e) Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee after said date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds; ***provided, however,*** that, before being required to make any such payment to the Authority, the Trustee may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that such money remains unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

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APPENDIX E

FORM OF APPROVING OPINION OF CO-BOND COUNSEL

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FORM OF OPINION OF CO-BOND COUNSEL

March 29, 2022

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

Ladies and Gentlemen:

We have served as Co-Bond Counsel to our client the Dormitory Authority of the State of New York (the “Authority”) and not as counsel to any other person in connection with the issuance by the Authority of its (i) \$143,200,000 The New School Revenue Bonds, Series 2022A (Tax-Exempt) (the “Series 2022A Bonds”) and (ii) \$10,090,000 The New School Revenue Bonds, Series 2022B (Federally Taxable) (the “Series 2022B Bonds”) and, together with the Series 2022A Bonds, the “Series 2022 Bonds”), dated the date of this letter.

The Series 2022 Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the “Act”), The Authority’s New School Revenue Bond Resolution, adopted on October 5, 2016, the Authority’s Series 2022A Resolution Authorizing Up To \$186,925,000 The New School Revenue Bonds, Series 2022A, adopted on March 2, 2022 and the Authority’s Series 2022B Resolution Authorizing Up To \$186,925,000 The New School Revenue Bonds, Series 2022B, adopted on March 2, 2022 (collectively, the “Resolution”). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as Co-Bond Counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2022 Bonds, a copy of the signed and authenticated Series 2022 Bond of the first maturity and the Loan Agreement, dated as of March 29, 2022 (the “Loan Agreement”), between the Authority and The New School (the “Institution”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Resolution has been duly and lawfully adopted by the Authority.
2. The Resolution and the Loan Agreement are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
3. The Series 2022 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Series 2022 Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2022 Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of New York or any of its political subdivisions.
4. Interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes. Interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. We express no opinion as to any other tax consequences regarding the Series 2022 Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority, and (iii) the correctness of the legal conclusions contained in the legal opinion letters of counsel to the Institution delivered in connection with this matter.

In rendering those opinions with respect to the treatment of the interest on the Series 2022A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Institution. Failure to comply with certain of those covenants subsequent to issuance of the Series 2022A Bonds may cause interest on the Series 2022A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

In addition, in rendering those opinions with respect to the treatment of the interest on the Series 2022A Bonds under the federal tax laws, we also further assume the correctness of, and rely on the opinion of Orrick, Herrington & Sutcliffe LLP, counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code, and the use of the facilities financed with the Series 2022A Bonds in activities that are not considered “unrelated trade or business” activities of the Institution, as defined in Section 513(a) of the Code, which opinion is subject to a number of qualifications and limitations. Failure of the Institution to maintain its qualification as an organization described in Section 501(c)(3) of the Code, or to use the facilities financed by the Series 2022A Bonds in a manner that is substantially related to the Institution’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2022A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2022A Bonds.

The rights of the owners of the Series 2022 Bonds and the enforceability of the Series 2022 Bonds, the Resolution and the Loan Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. However, the opinions contained in paragraphs 1, 2 and 3 above are qualified to the extent that the enforceability of the Resolution, the Series 2022 Bonds and the Loan Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or as to the availability of any particular remedy.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Series 2022 Bonds, the Resolution or the Loan Agreement.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the Institution. We have assumed the due authorization, execution and delivery of the Loan Agreement by the Institution.

We express no opinion in this letter as to the accuracy, completeness, fairness or sufficiency of the Official Statement relating to the Series 2022 Bonds, or any appendices thereto.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions rendered in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel with respect to the original issuance of the Series 2022 Bonds has concluded upon delivery of this letter.

Very truly yours,

APPENDIX F

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
THE NEW SCHOOL REVENUE BONDS, SERIES 2022A (TAX-EXEMPT) AND
SERIES 2022B (FEDERALLY TAXABLE)**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of March 29, 2022, is executed and delivered by The New School (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.

“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 150 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 Obligated Person shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if Audited Financial Statements are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person hereby irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;
 - 7. Modifications to rights of security holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 - 15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. “amendment to continuing disclosure undertaking;”
 2. “change in obligated person;”
 3. “notice to investors pursuant to bond documents;”
 4. “certain communications from the Internal Revenue Service;”
 5. “secondary market purchases;”
 6. “bid for auction rate or other securities;”
 7. “capital or other financing plan;”
 8. “litigation/enforcement action;”
 9. “change of tender agent, remarketing agent, or other on-going party;”
 10. “derivative or other similar transaction;” and
 11. “other event-based disclosures;”
- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
1. “quarterly/monthly financial information;”
 2. “change in fiscal year/timing of annual disclosure;”
 3. “change in accounting standard;”
 4. “interim/additional financial information/operating data;”
 5. “budget;”
 6. “investment/debt/financial policy;”
 7. “information provided to rating agency, credit/liquidity provider or other third party;”

8. “consultant reports;” and
9. “other financial/operating data;”
- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds as described in “PART 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 subheading “**Student Applications, Acceptances and Enrollments;**” (2) *tuition and other student charges*, similar to that set forth in the table under the subheading “**Tuition and Fees;**” (3) *financial aid*, similar to that set forth in the tables under the subheading “**Financial Aid and Scholarships;**” (4) *faculty*, similar to that set forth in the table under the subheading “**Academic Faculty;**” (5) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (6) *investments*, unless such information is included in the Audited Financial Statements; (7) *plant values*, unless such information is included in the Audited Financial Statements; and (8) *outstanding long term indebtedness*, unless such information is included in the Audited Financial Statements; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. 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.

Event: (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice

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;
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.

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).

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: _____

THE NEW SCHOOL,
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): The New School
 Name of Bond Issue: The New School Revenue Bonds, Series 2022A (Tax-Exempt) and Series 2022B (Federally Taxable)
 Date of Issuance: March 29, 2022
 Date of Official Statement: March 8, 2022

Series 2022A Bonds

<u>Maturity</u>	<u>CUSIP No.</u>
2023	65000BKT4
2024	65000BKU1
2025	65000BKV9
2026	65000BKW7
2027	65000BKX5
2028	65000BKY3
2029	65000BKZ0
2030	65000BLA4
2031	65000BLB2
2032	65000BLC0
2033	65000BLD8
2034	65000BLE6
2035	65000BLF3
2036	65000BLG1
2037	65000BLH9
2038	65000BLJ5
2039	65000BLK2
2040	65000BLL0
2041	65000BLM8
2042	65000BLN6
2047	65000BLP1
2052	65000BLQ9

Series 2022B Bonds

<u>Maturity</u>	<u>CUSIP No.</u>
2023	65000BLR7
2024	65000BLS5
2025	65000BLT3
2026	65000BLU0

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): The New School
Name of Bond Issue: The New School Revenue Bonds, Series 2022A (Tax-Exempt) and Series 2022B (Federally Taxable)
Date of Issuance: March 29, 2022

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 March 29, 2022, 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.
315 East Robinson Street
Suite 300
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 March 29, 2022 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.
315 East Robinson Street
Suite 300
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 March 29, 2022 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.
315 East Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date:

