

Moody's: "A3"

S&P: "A-"

(See "PART 19 – RATINGS" herein)

NEW ISSUE



DAC Bond

\$163,640,000

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ST. JOHN'S UNIVERSITY REVENUE BONDS**

\$119,585,000

Series 2021A

\$44,055,000

Series 2021B (Federally Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

Payment and Security: The St. John's University Revenue Bonds, Series 2021A (the "Series 2021A Bonds") and the St. John's University Revenue Bonds, Series 2021B (Federally Taxable) (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds") are special obligations of the Dormitory Authority of the State of New York ("DASNY") payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the "Loan Agreement"), dated as of May 26, 2021, between St. John's University, New York (the "University") and DASNY, and (ii) all funds and accounts, except the Arbitrage Rebate Fund, established in connection with the Series 2021 Bonds. The Series 2021 Bonds are to be issued under DASNY's St. John's University Revenue Bond Resolution, adopted June 20, 2012 (the "Resolution"), the Series Resolution authorizing the Series 2021A Bonds, adopted May 5, 2021 (the "Series 2021A Resolution"), the Series Resolution authorizing the Series 2021B Bonds, adopted May 5, 2021 (the "Series 2021B Resolution" and, together with the Series 2021A Resolution, the "Series 2021 Resolutions"), the Bond Series Certificate relating to the Series 2021A Bonds (the "Series 2021A Bond Series Certificate") and the Bond Series Certificate relating to the Series 2021B Bonds (the "Series 2021B Bond Series Certificate" and, together with the Series 2021A Bond Series Certificate, the "Series 2021 Bond Series Certificates"). The Resolution, the Series 2021 Resolutions and the Series 2021 Bond Series Certificates are collectively referred to herein as the "Resolutions."

The Loan Agreement is a general, unsecured 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 and Redemption Price of and interest on the Series 2021 Bonds.

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

Description: The Series 2021 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2021 Bonds will bear interest at the rates and pay interest and mature at the times shown on the inside cover hereof.

Interest (due January 1, 2022 and each July 1 and January 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2021 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2021 Bonds, by wire transfer to the holder of such Series 2021 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2021 Bonds will be payable at the principal corporate trust office of the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2021 Bonds, by wire transfer to the holder of such Series 2021 Bonds as more fully described herein.

The Series 2021 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2021 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the 2021 Bonds, payments of the principal, Redemption Price and Purchase Price of and interest on such Series 2021 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 3 – THE SERIES 2021 BONDS – Book-Entry Only System" herein.

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

Tax Matters: In the opinion of Nixon Peabody LLP, Co-Bond Counsel, under existing law and assuming compliance with the tax covenants described herein and the accuracy of certain representations and certifications made by DASNY and the University described herein, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Co-Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes under the Code. Nixon Peabody LLP and Drohan Lee LLP, as Co-Bond Counsel, are further of the opinion that, under existing law, interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "PART 13 – TAX MATTERS" herein regarding certain other tax considerations.

The Series 2021 Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2021 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality Nixon Peabody LLP, New York, New York, and Drohan Lee 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 counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. DASNY expects to deliver the Series 2021 Bonds in definitive form in New York, New York, on or about May 26, 2021.

Morgan Stanley

May 13, 2021

\$163,640,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ST. JOHN'S UNIVERSITY REVENUE BONDS

\$119,585,000
SERIES 2021A

\$79,310,000 Serial Bonds

<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> [†]
2022	\$3,050,000	4.000%	0.050%	65000BAA6
2023	5,210,000	5.000	0.200	65000BAB4
2024	6,290,000	5.000	0.360	65000BAC2
2025	6,575,000	5.000	0.530	65000BAD0
2026	7,105,000	5.000	0.700	65000BAE8
2027	1,180,000	5.000	0.880	65000BAF5
2028	1,265,000	5.000	1.030	65000BAG3
2029	4,825,000	4.000	1.180	65000BAH1
2030	4,960,000	4.000	1.300	65000BAJ7
2031	7,750,000	4.000	1.380	65000BAK4
2032	8,155,000	4.000	1.480 ^C	65000BAL2
2033	8,590,000	4.000	1.560 ^C	65000BAM0
2034	9,035,000	4.000	1.590 ^C	65000BAN8
2035	1,675,000	4.000	1.620 ^C	65000BAP3
2036	1,785,000	4.000	1.660 ^C	65000BAQ1
2037	1,860,000	4.000	1.700 ^C	65000BAR9

\$40,275,000 4.000% Term Bond Due July 1, 2048, Yield 2.000%^C CUSIP Number[†] 65000BAS7

\$44,055,000
SERIES 2021B (FEDERALLY TAXABLE)

\$1,665,000 Serial Bonds

<u>Due</u> <u>July 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Number</u> [†]
2022	\$1,665,000	0.359%	100.000%	65000BAT5

\$42,390,000 3.430% Term Bond Due July 1, 2051, Price 100.000% CUSIP Number[†] 65000BAU2

^C Yield to the first optional redemption date of July 1, 2031 at a redemption price of 100%.

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

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 2021 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be a sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein relating to DASNY under the heading "PART 10 – DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the University and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the University nor does it directly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2021 Bonds or (3) the value or investment quality of the Series 2021 Bonds.

The University has reviewed the parts of this Official Statement describing the University, Bondholders' Risks, the principal and interest requirements, the Project, the Refunding Plan, the estimated sources and uses of funds and "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN'S UNIVERSITY, NEW YORK WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto. As a condition to delivery of the Series 2021 Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2021 Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

The Trustee has no responsibility for the form and content of this Official Statement and has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom.

References in this Official Statement to the Act, the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement are on file with DASNY and the Trustee.

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

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

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

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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
\$163,640,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
ST. JOHN’S UNIVERSITY REVENUE BONDS

\$119,585,000
Series 2021A

\$44,055,000
Series 2021B (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 St. John’s University, New York (the “University”) in connection with the offering by DASNY of \$119,585,000 principal amount of its St. John’s University Revenue Bonds, Series 2021A (the “Series 2021A Bonds”) and \$44,055,000 principal amount of its St. John’s University Revenue Bonds, Series 2021B (Federally Taxable) (the “Series 2021B Bonds” and, together with the Series 2021A Bonds, the “Series 2021 Bonds”).

The following is a brief description of certain information concerning the Series 2021 Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2021 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 2021 Bonds are being issued for the purpose of providing funds which, together with other available money, will be used to (i) pay the costs of the Series 2021 Project (as defined and described herein); (ii) refund all of the outstanding principal amount of the Dormitory Authority of the State of New York St. John’s University Revenue Bonds, Series 2008B-1 (Letter of Credit Secured) (the “Series 2008B-1 Bonds”); (iii) refund all of the outstanding principal amount of the Dormitory Authority of the State of New York St. John’s University Revenue Bonds, Series 2008B-2 (Letter of Credit Secured) (the “Series 2008B-2 Bonds” and, together with the Series 2008B-1 Bonds, the “Refunded Bonds”); (iv) pay any amounts payable by the University in connection with the termination of any interest rate swap agreement related to or associated with the Series 2008B-1 Bonds; (v) pay capitalized interest on the Series 2021 Bonds through July 1, 2023 and (vi) pay the Costs of Issuance incidental to the issuance of the Series 2021 Bonds and the refunding of the Refunded Bonds. See “PART 7 – THE PROJECT”, “PART 8 – THE REFUNDING PLAN” and “PART 9– ESTIMATED SOURCES AND USES OF FUNDS” herein.

Authorization of Issuance

The Series 2021 Bonds are to be issued under DASNY’s St. John’s University Revenue Bond Resolution, adopted June 20, 2012 (the “Resolution”), the Series Resolution authorizing the Series 2021A Bonds, adopted May 5, 2021 (the “Series 2021A Resolution”), the Series Resolution authorizing the Series 2021B Bonds, adopted May 5, 2021 (the “Series 2021B Resolution” and, together with the Series 2021A Resolution, the “Series 2021

Resolutions”), the Bond Series Certificate relating to the Series 2021A Bonds (the “Series 2021A Bond Series Certificate”) and the Bond Series Certificate relating to the Series 2021B Bonds (the “Series 2021B Bond Series Certificate” and, together with the Series 2021A Bond Series Certificate, the “Series 2021 Bond Series Certificates”). The Resolution, the Series 2021 Resolutions and the Series 2021 Bond Series Certificates are collectively referred to herein as the “Resolutions.”

In addition to the Series 2021 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University and to refinance other indebtedness of the University. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2021 Bonds. See “PART 3 – THE SERIES 2021 BONDS” herein. See also “PART 8 – THE REFUNDING PLAN” herein for a description of the potential refunding of certain of DASNY’s outstanding St. John’s University Revenue Bonds upon the possible issuance of the Series 2022 Forward Bonds and the Series 2023 Forward Bonds (each as defined herein).

DASNY

DASNY is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, healthcare, governmental and not-for-profit institutions. See “PART 10 – DASNY” herein.

The University

The University is an independent, coeducational, not-for-profit institution of higher education chartered by the Board of Regents of the State of New York (the “State”). The University has campuses in Queens, Manhattan, Staten Island and Hauppauge, New York as well as international centers in Paris, France and Rome, Italy. See “PART 5 – THE UNIVERSITY” herein and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN’S UNIVERSITY, NEW YORK WITH INDEPENDENT AUDITORS’ REPORT THEREON” attached hereto.

The Series 2021 Bonds

The Series 2021 Bonds are dated their date of delivery and bear interest from such date (payable January 1, 2022 and on each July 1 and January 1 thereafter) at the rates and will mature at the times set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2021 BONDS – Description of the Series 2021 Bonds” herein.

Payment of the Series 2021 Bonds

The Series 2021 Bonds are special obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the University under the Loan Agreement, dated as of May 26, 2021, between the University and DASNY (the “Loan Agreement”), which payments are pledged and assigned to the Trustee. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS – Payment of the Series 2021 Bonds” herein.

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

Security for the Series 2021 Bonds

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

The University’s obligation to make the payments under the Loan Agreement that constitute the Revenues is a general, unsecured obligation of the University and such payments are required to be made by the University out

of any money legally available to it. No interest in or pledge of any revenues or mortgage on any assets of the University is being granted by the University to secure its obligations under the Loan Agreement. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS — Security for the Series 2021 Bonds” herein.

Security and Covenants for Certain Prior Bonds

As security for certain prior loans made by DASNY to the University from the proceeds of DASNY’s St. John’s University Insured Revenue Bonds, Series 2007C, the Series 2008B-1 Bonds, the Series 2008B-2 Bonds, DASNY’s St. John’s University Revenue Bonds, Series 2012A, DASNY’s St. John’s University Revenue Bonds, Series 2012B, DASNY’s St. John’s University Revenue Bonds, Series 2013A, DASNY’s St. John’s University Revenue Bonds, Series 2013B, and DASNY’s St. John’s University Revenue Bonds, Series 2015A (collectively, the “Prior Secured Bonds”), the University has granted to DASNY a security interest in certain pledged revenues consisting of tuition and fees charged by the University to students for academic instruction (the “Prior Pledged Revenues”). See “PART 5 — THE UNIVERSITY — Outstanding Indebtedness” herein. In addition, as security for certain of the Prior Secured Bonds, the University has granted or caused to be granted to or for the benefit of DASNY and the respective trustees, financial guaranty insurance policies and direct pay letters of credit (the “Prior Credit Enhancement”) by certain creditors or contingent creditors of the University, mortgages (the “Prior Mortgages”) on certain property of the University (the “Mortgaged Property”) and security interests in certain fixtures, furnishings and equipment now or hereafter located in or used in connection with the Mortgaged Property. The Series 2021 Bonds will not be secured by the Prior Pledged Revenues or any revenues of the University, by the Prior Credit Enhancement or by the Mortgaged Property or any assets of the University. In the Loan Agreement, the University covenants not to grant any pledge on tuition or fees in connection with the incurrence of any additional indebtedness without granting an equal pledge for benefit of the Series 2021 Bonds. See “PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS — Security for Certain Prior Bonds and Issuance of Additional Indebtedness” herein.

In connection with certain of the Prior Secured Bonds, the University has also covenanted in its related loan agreements that, so long as such Prior Secured Bonds remain Outstanding, it will demonstrate at the end of each Fiscal Year that (i) its debt service coverage ratio for such Fiscal Year then ended was at least equal to 1.1:1.0 and (ii) the University shall have had available assets as of the end of each Fiscal Year at least equal to 40% of outstanding Long-Term Indebtedness. The University is required to demonstrate compliance with such covenants by filing annual certificates with DASNY. Failure by the University to comply with the foregoing covenants will not constitute an event of default under its loan agreements; rather, DASNY may require that the University engage a management consultant. In addition, the University has covenanted in its loan agreements relating to the Prior Secured Bonds that it will not issue, incur, assume or guarantee any Indebtedness, except to the extent permitted by the loan agreements. The University’s obligations to comply with the covenants will remain in place only for so long as the Prior Secured Bonds remain Outstanding. Moreover, the covenants may be amended as provided in such loan agreements.

PART 2– SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS

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

Payment of the Series 2021 Bonds

The Series 2021 Bonds will be special obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2021 Bonds are payable solely from the Revenues, which consist of payments to be made by the University pursuant to the Loan Agreement on account of the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series

2021 Bonds. The Revenues and the right to receive them have been pledged to the Trustee for the benefit of the Holders of the Series 2021 Bonds.

The Loan Agreement is a general unsecured obligation of the University and obligates the University to make payments to satisfy the principal, Purchase Price and Redemption Price of and interest on the Outstanding Series 2021 Bonds. Payments made by the University in respect of interest on the Series 2021 Bonds are to be made on the 10th day of each June and December immediately preceding the January 1 and July 1 on which interest is payable, in each case in an amount equal to the interest coming due on such January 1 and July 1. Payments by the University in respect of principal of the Series 2021 Bonds, whether at maturity or through mandatory Sinking Fund Installments, are to be made on the 10th day of each June immediately preceding the July 1 on which such principal becomes due. The Loan Agreement also obligates the University to pay, except in the case of an optional redemption or a purchase in lieu of optional redemption which is subject to the condition that sufficient money is available on the redemption date or the purchase date, on or prior to the date any applicable notice of optional redemption or purchase in lieu of optional redemption is given, the amount, if any, required to pay the Purchase Price or Redemption Price of such Series 2021 Bonds. See “PART 3 – THE SERIES 2021 BONDS – Redemption Provisions” and “– Purchase in Lieu of Optional Redemption” herein.

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

Security for the Series 2021 Bonds

The Series 2021 Bonds are secured by the pledge of the Revenues, the proceeds of the Series 2021 Bonds until disbursed in accordance with the Resolution and, except as otherwise provided in the Resolution, all funds and accounts established by the Series 2021 Resolutions, other than the Arbitrage Rebate Fund.

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

The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations of the University. The obligations of the University to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments are not to be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against DASNY, the Trustee or any Bondholder for any cause whatsoever.

Events of Default and Acceleration

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

The Resolution provides that, if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Series 2021 Bonds, must declare the principal of and interest on all the Outstanding Series 2021 Bonds to be due and payable. At any time after the principal of the Series 2021 Bonds have been 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 with the written consent of the Holders of not less than 25% in principal amount of Series 2021 Bonds not yet due by their terms and then Outstanding, by written notice to DASNY, is to annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

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

Security for Certain Prior Bonds and Issuance of Additional Indebtedness

In addition to the Series 2021 Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable Revenues and the funds and accounts established pursuant to the Series Resolution. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2021 Bonds. See “PART 8 – THE REFUNDING PLAN” herein for a description of the potential refunding of certain of DASNY’s outstanding St. John’s University Revenue Bonds upon the possible issuance of the Series 2022 Forward Bonds and the Series 2023 Forward Bonds (each as defined herein).

As security for the Prior Secured Bonds, the University has granted to DASNY a security interest in its Prior Pledged Revenues, which security interest in such Prior Pledged Revenues was assigned by DASNY to the trustees for the applicable Prior Secured Bonds. See “PART 5 — THE UNIVERSITY — Outstanding Indebtedness” herein. Upon the issuance of the Series 2021 Bonds and the refunding of the Refunded Bonds, there will be approximately \$254.5 million aggregate principal amount of the Prior Secured Bonds subject to the Prior Pledged Revenues. In Fiscal Year 2020, the University reported approximately \$354.0 million in net tuition and fees revenues subject to these liens. In addition, certain of the Prior Secured Bonds are secured by the Prior Credit Enhancement and the Prior Mortgages and by security interests in certain fixtures, furnishings and equipment now or hereafter located in or used in connection with the Mortgaged Property. The Series 2021 Bonds will not be secured by the Prior Pledged Revenues or any revenues of the University, by the Prior Credit Enhancement or by the Mortgaged Property or any assets of the University. In the Loan Agreement, the University covenants not to grant any pledge on tuition or fees in connection with the incurrence of any additional indebtedness without granting an equal pledge and/or lien for benefit of the Series 2021 Bonds.

General

The Series 2021 Bonds will not be a debt of the State and the State will not be liable on the Series 2021 Bonds. DASNY has no taxing power. DASNY has never defaulted in the timely payment of principal of or interest on its bonds or notes. See “PART 10 – DASNY” herein.

PART 3 – THE SERIES 2021 BONDS

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

Description of the Series 2021 Bonds

General

The Series 2021 Bonds will be issued pursuant to the Resolution and the Series 2021 Resolutions, as applicable.

The Series 2021 Bonds will be dated their date of delivery, and will bear interest from such date (payable January 1, 2022 and on each July 1 and January 1 thereafter) at the rates, and will mature at the times set forth on the inside cover page of this Official Statement. Interest on the Series 2021 Bonds will accrue based upon a 360-day year of twelve 30-day months. The Series 2021 Bonds will be issued as fully registered bonds. The Series 2021 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2021 Bonds will be payable by check or draft mailed to the registered owners thereof or, at the option of the registered owner of at least \$1,000,000 of such Series 2021 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the Record Date. The principal or Redemption Price of the Series 2021 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Trustee and Paying Agent. As long as the Series 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “– Book-Entry Only System” below. For a more complete description of the Series 2021 Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

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

For a more complete description of the Series 2021 Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

Redemption Provisions

The Series 2021 Bonds are subject to optional, mandatory and special redemption as described below.

Optional Redemption

The Series 2021A Bonds maturing after July 1, 2031 are subject to optional redemption prior to maturity at the election of DASNY, upon the direction of the University, in whole or in part, at any time on or after July 1, 2031 at a price of 100% of the principal amount of Series 2021A Bonds to be redeemed, plus accrued interest to the redemption date.

The Series 2021B Bonds maturing after July 1, 2031 are subject to optional redemption prior to maturity at the election of DASNY, upon the direction of the University, in whole or in part, at any time on or after July 1, 2031 at a price of 100% of the principal amount of Series 2021B Bonds to be redeemed, plus accrued interest to the redemption date.

On or prior to the redemption date of Series 2021 Bonds called for optional redemption, DASNY, at its option upon the direction of the University, may elect that, upon payment of the Redemption Price of the Series 2021 Bonds to have been redeemed, all or a portion of such Series 2021 Bonds may be considered as having been purchased in lieu of optional redemption, in which case such Series 2021 Bonds will remain outstanding. See “–Purchase in Lieu of Optional Redemption” below for a discussion of purchase in lieu of redemption.

Special Redemption

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

Mandatory Redemption

The Series 2021A Bonds maturing July 1, 2048 are subject to redemption, in part, on each July 1 of the years and in the principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of Series 2021A Bonds specified for each of the years shown below:

**Series 2021A Term Bond
Maturing July 1, 2048**

<u>Year</u>	<u>Amount</u>
2042	\$320,000
2043	320,000
2044	320,000
2045	10,380,000
2046	10,795,000
2047	11,230,000
2048 [†]	6,910,000

[†]Final Maturity

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date the principal amount of Series 2021A Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2021A Bonds purchased from money in the Debt Service Fund will be applied against and in fulfillment of a required Sinking Fund Installment of the Series 2021A Bonds in accordance with the Resolution. Series 2021A Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) 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 payable on such dates as DASNY may specify in a written direction of DASNY delivered to the Trustee at least 15 days prior to the earliest date on which notice of redemption of the Series 2021A Bonds entitled to such Sinking Fund Installment may be given by the Trustee and the Sinking Fund Installment payable on each date specified in such direction will be reduced by the principal amount of the Series 2021A Bonds so purchased, redeemed or deemed to have been paid in accordance with the Resolution to be applied in satisfaction of such Sinking Fund Installment as set forth in such direction.

The Series 2021B Bonds maturing July 1, 2051 are subject to redemption, in part, on each July 1 of the years and in the principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of Series 2021B Bonds specified for each of the years shown below:

**Series 2021B Term Bond
Maturing July 1, 2051**

<u>Year</u>	<u>Amount</u>
2048	\$4,765,000
2049	12,120,000
2050	12,540,000
2051 [†]	12,965,000

[†]Final Maturity

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date the principal amount of Series 2021B Bonds entitled to such Sinking Fund Installment (A) purchased with money in the Debt Service Fund pursuant to the Resolution, (B) redeemed at the option of DASNY, (C) purchased by the University or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2021B Bonds purchased from money in the Debt Service Fund will be applied against and in fulfillment of a required Sinking Fund Installment of the Series 2021B Bonds in accordance with the Resolution. Series 2021B Bonds redeemed at the option of DASNY, purchased by DASNY or the University (other than from amounts on deposit in the Debt Service Fund) 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 payable on such dates as DASNY may specify in a written direction of DASNY delivered to the Trustee at least 15 days prior to the earliest date on which notice of redemption of the Series 2021B Bonds entitled to such Sinking Fund Installment may be given by the Trustee and the Sinking Fund Installment payable on each date specified in such direction will be reduced by the principal amount of the Series 2021B Bonds so purchased, redeemed or deemed to have been paid in accordance with the Resolution to be applied in satisfaction of such Sinking Fund Installment as set forth in such direction.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2021 Bonds described above under the heading “*Optional Redemption*” or “*Special Redemption*,” DASNY will select the maturities of the Series 2021 Bonds to be redeemed.

If less than all of the Series 2021A Bonds of a maturity are to be so redeemed, the Series 2021A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection it considers proper in its discretion.

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

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

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

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

Notice of Redemption; Conditional Notices

The Trustee is to give notice of the redemption of the Series 2021 Bonds in the name of DASNY which notice is to be given by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2021 Bonds which are to be redeemed, at their last known addresses appearing on the registration books. The failure of any owner of a Series 2021 Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series 2021 Bond. If directed in writing by an Authorized Officer of DASNY, the Trustee shall publish or cause to be published such notice in an Authorized Newspaper not less than 30 days nor more than 45 days prior to the redemption date, but such publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2021 Bonds.

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

DASNY's obligation to redeem the Series 2021 Bonds at its option or through Special Redemption may be conditioned upon the availability on the redemption date of sufficient money to pay the Redemption Price, including accrued interest to the redemption date, of the Series 2021 Bonds to be redeemed.

Purchase in Lieu of Optional Redemption

The Series 2021 Bonds shall be subject to purchase in lieu of their optional redemption as provided below.

Purchase Dates and Prices. The Series 2021A Bonds maturing after July 1, 2031 are subject to purchase prior to maturity at the election of the University, with the written consent of DASNY, in whole or in part at any time on or after July 1, 2031, at the purchase price of 100% of the principal amount of Series 2021A Bonds to be purchased, plus accrued interest, if any (the "2021A Purchase Price"), to the date of purchase.

The Series 2021B Bonds maturing after July 1, 2031 are subject to purchase prior to maturity at the election of the University, with the written consent of DASNY, in whole or in part at any time on or after July 1, 2031, at the purchase price of 100% of the principal amount of Series 2021B Bonds to be purchased, plus accrued interest, if any (the "2021B Purchase Price" and, together with the 2021A Purchase Price, the "Purchase Price"), to the date of purchase.

Notice of Purchase; Conditional Notices. If the University elects to purchase Series 2021 Bonds, the University will give written notice to DASNY and the Trustee of such election, which notice shall set forth the maturity and the principal amount of the Series 2021 Bond to be purchased. The Trustee will cause notice of the purchase of Series 2021 Bonds to be given by mailing a copy of such notice by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the purchase date set forth in such notice. Each notice of purchase of Series 2021 Bonds is to state (i) the condition, if any, to such purchase, (ii) such other conditions as the University shall prescribe, (iii) the Series 2021 Bonds to be purchased, (iv) the purchase date or dates, and (v) that the Series 2021 Bonds to be purchased are to be delivered to the Trustee on the purchase date and that Series 2021 Bonds to be purchased not so delivered will be deemed duly tendered to the Trustee for purchase on the purchase date.

The University's obligation to purchase the Series 2021 Bonds may be subject to the condition that on the Purchase Date sufficient money is available for payment of the Purchase Price, including accrued interest to the Purchase Date, of the Series 2021 Bonds to be purchased.

Effect of Notice. Notice of purchase having been given in the manner required by the Series 2021 Bond Series Certificates, then, the Series 2021 Bonds to be purchased shall be tendered for purchase on the purchase date,

and thereafter, if sufficient money to pay the Purchase Price of such Series 2021 Bonds is held by the Trustee, the Purchase Price of the Series 2021 Bonds or portions thereof so called for purchase will become due and payable on the date set for purchase, upon presentation and surrender of such Series 2021 Bonds to be purchased at the office or offices specified in such notice, and, in the case of Series 2021 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. If such money is not available on the purchase date, such Series 2021 Bonds will continue to be registered in the name of the registered owner on the purchase date and the registered owners will be entitled to receive the payments of the principal of and interest on such Series 2021 Bonds in accordance with their respective terms.

Selection of Bonds to be Purchased. If less than all of the Outstanding Series 2021 Bonds of like maturity are to be purchased, the Series 2021 Bonds of such maturity to be purchased will be selected in the same manner as Series 2021 Bonds of a maturity to be optionally redeemed in part are to be selected.

Book-Entry Only System

DTC, New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of each Series of the Series 2021 Bonds, each in the aggregate principal amount of such maturity of such Series, and will be deposited with DTC.

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

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial

Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriter, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2021 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2021 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2021 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2021 Bond certificates are required to be printed and delivered.

DASNY may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Series 2021 Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2021 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Direct or Indirect Participant, and may desire to make arrangements with such Direct or Indirect Participant to have

all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 BONDS.

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2021 Bonds (other than under the caption "PART 13 – TAX MATTERS" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2021 Bonds.

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

For every transfer and exchange of Series 2021 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2021 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2021 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2021 BONDS; OR (VI) ANY OTHER MATTER.

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PART 4– PRINCIPAL AND INTEREST REQUIREMENTS

The following table sets forth the amounts, after giving effect to the issuance of the Series 2021 Bonds, required to be paid by the University during each Fiscal Year ending May 31 for the payment of debt service on the currently outstanding indebtedness of the University, the principal of and interest on the Series 2021 Bonds and the total debt service on all indebtedness of the University, including the Series 2021 Bonds.

12 Month Period Ending on May 31,	Series 2021A Bonds			Series 2021B Bonds			Total Debt Service on other Outstanding Indebtedness ⁽¹⁾⁽²⁾⁽³⁾	Total Debt Service ⁽⁴⁾
	Principal Payments	Interest Payments	Total ⁽⁴⁾	Principal Payments	Interest Payments	Total ⁽⁴⁾		
2021	-	-	-	-	-	-	\$36,260,185	\$36,260,185
2022	-	\$3,021,735	\$3,021,735	-	\$871,917	\$871,917	28,855,781	32,749,434
2023	\$3,050,000	4,998,650	8,048,650	\$1,665,000	1,456,966	3,121,966	28,817,927	39,988,543
2024	5,210,000	4,807,400	10,017,400	-	1,453,977	1,453,977	28,772,286	40,243,663
2025	6,290,000	4,519,900	10,809,900	-	1,453,977	1,453,977	28,583,164	40,847,041
2026	6,575,000	4,198,275	10,773,275	-	1,453,977	1,453,977	28,538,429	40,765,681
2027	7,105,000	3,856,275	10,961,275	-	1,453,977	1,453,977	27,586,844	40,002,096
2028	1,180,000	3,649,150	4,829,150	-	1,453,977	1,453,977	33,227,915	39,511,042
2029	1,265,000	3,588,025	4,853,025	-	1,453,977	1,453,977	33,237,286	39,544,288
2030	4,825,000	3,459,900	8,284,900	-	1,453,977	1,453,977	29,856,600	39,595,477
2031	4,960,000	3,264,200	8,224,200	-	1,453,977	1,453,977	29,285,694	38,963,871
2032	7,750,000	3,010,000	10,760,000	-	1,453,977	1,453,977	11,099,375	23,313,352
2033	8,155,000	2,691,900	10,846,900	-	1,453,977	1,453,977	11,090,250	23,391,127
2034	8,590,000	2,357,000	10,947,000	-	1,453,977	1,453,977	11,085,875	23,486,852
2035	9,035,000	2,004,500	11,039,500	-	1,453,977	1,453,977	11,075,500	23,568,977
2036	1,675,000	1,790,300	3,465,300	-	1,453,977	1,453,977	11,068,375	15,987,652
2037	1,785,000	1,721,100	3,506,100	-	1,453,977	1,453,977	11,058,625	16,018,702
2038	1,860,000	1,648,200	3,508,200	-	1,453,977	1,453,977	11,045,500	16,007,677
2039	-	1,611,000	1,611,000	-	1,453,977	1,453,977	9,809,500	12,874,477
2040	-	1,611,000	1,611,000	-	1,453,977	1,453,977	9,806,000	12,870,977
2041	-	1,611,000	1,611,000	-	1,453,977	1,453,977	9,808,875	12,873,852
2042	-	1,611,000	1,611,000	-	1,453,977	1,453,977	9,807,125	12,872,102
2043	320,000	1,604,600	1,924,600	-	1,453,977	1,453,977	9,804,875	13,183,452
2044	320,000	1,591,800	1,911,800	-	1,453,977	1,453,977	9,806,000	13,171,777
2045	320,000	1,579,000	1,899,000	-	1,453,977	1,453,977	9,809,250	13,162,227
2046	10,380,000	1,365,000	11,745,000	-	1,453,977	1,453,977	-	13,198,977
2047	10,795,000	941,500	11,736,500	-	1,453,977	1,453,977	-	13,190,477
2048	11,230,000	501,000	11,731,000	-	1,453,977	1,453,977	-	13,184,977
2049	6,910,000	138,200	7,048,200	4,765,000	1,372,257	6,137,257	-	13,185,457
2050	-	-	-	12,120,000	1,082,680	13,202,680	-	13,202,680
2051	-	-	-	12,540,000	659,761	13,199,761	-	13,199,761
2052	-	-	-	12,965,000	222,350	13,187,350	-	13,187,350

(1) Includes principal and interest paid in the current fiscal year.

(2) Excludes debt service on the Refunded Bonds.

(3) Excludes capital lease obligations.

(4) Totals may not foot due to rounding.

PART 5 – THE UNIVERSITY

History of the University

St. John's University ("St. John's" or the "University"), New York is an independent, not-for-profit institution of higher education chartered under the laws of the State of New York. Founded by the Congregation of the Mission (the Vincentians) in 1870, the University was originally located in Brooklyn, New York and incorporated under the name "St. John's College, Brooklyn."

In 1906, a New York State charter granted St. John's the power of a University. In 1908, the School of Education became the first professional department established at the Brooklyn campus. The Graduate School of Arts and Sciences was organized six years later. In 1925, the University constructed a 14-story building at its Brooklyn campus to provide added space to accommodate four new educational units: the School of Law, the University College, the School of Commerce and the College of Pharmacy. In 1933, the name officially changed from St. John's College to St. John's University, Brooklyn.

In 1953, the University expanded by opening a 105-acre campus in Queens, New York. At that time, the Liberal Arts College and the Graduate School of Arts were relocated from Brooklyn to the Queens campus. In addition, the School of Education and the School of Commerce established divisions at the Queens location. Due to the University's expansion outside Brooklyn, in 1954, the corporate name was changed to "St. John's University, New York."

In 1971, the University consolidated with the Notre Dame College of Staten Island. As a result, the University acquired a branch campus located in Staten Island, New York. The Brooklyn campus was closed and its educational programs were transferred to the Queens and Staten Island campuses.

The University opened its first international center in Rome, Italy in September 1995, enabling students to pursue advanced studies leading to an MBA or MA in International Relations. In 2002, the University began to use the Rome campus as a study-abroad center for all students. In 2007, the University expanded its international presence by moving to a larger facility in Rome and opening a new location in Paris, France. These sites together provide education and housing facilities for over 300 students.

In 1999, the first residence halls were completed and opened on the Queens Campus. The same year the University acquired the 175-acre LaSalle Center in Oakdale, New York. This eastern Long Island location enabled the expansion of graduate programs, adult education programs, athletic activities and partnerships with Long Island businesses. In September 2016, the University sold this property for \$22.5 million and relocated its Long Island operations to leased space in Hauppauge, New York.

In 2001, the University established a Manhattan campus following its consolidation with the Insurance Society of New York, a not-for-profit corporation that operated the former College of Insurance ("TCI"). The campus consisted of a self-contained ten-story building in lower Manhattan which included a library, four floors of dormitory space with almost 200 beds, classrooms and dining and conference facilities. Following the consolidation, TCI became a unit within the University's Peter J. Tobin College of Business and operates as The Maurice R. Greenberg School of Risk Management, Insurance and Actuarial Science. On July 15, 2013, the University sold the campus for \$223.0 million resulting in a gain of approximately \$173 million. In July 2014, the University relocated the Manhattan campus to a 71,000 square foot leased facility located at 101 Astor Place. Both graduate and undergraduate programs are offered on the Manhattan campus.

In 2006, the University purchased certain assets, consisting primarily of a 42,000 square foot two-story office/school building and certain allied health programs from Saint Vincent's Catholic Medical Centers of New York. The building is located near the Queens campus and is used primarily to house the acquired programs which are operated by the University's College of Pharmacy and Health Sciences.

On September 16, 2013, the University (through its wholly-owned limited liability company, Henley Road SPE, LLC (the "University LLC")) purchased an off-campus, 113,000 square foot, seven-story, student residence hall for approximately \$63.7 million. The residence building near its Queens campus houses approximately 425 students. The University previously leased the property under an operating lease, which was scheduled to expire on July 1, 2024. Under the purchase agreement, the University (through the University LLC) assumed an existing mortgage on the property. In October 2016, the University exercised its option to prepay the mortgage with funds borrowed in 2013.

In addition to the acquisition of the various facilities listed above, following a series of strategic plans covering the period from 1995 to 2013, the University engaged in a major capital construction program, including the building of St. Thomas More Church, dining facilities, parking and other site improvements, and a 135,000 square foot academic building and student center. These initiatives transformed the University from a commuter school, drawing its students primarily from the New York metropolitan area, to a national and international university with over 3,000 resident students.

The University Today

The University is now one of the largest Catholic universities in the United States. The early work of St. John's founders has grown into a 150-year tradition of academic achievement and is reflected in a dedicated faculty, a diverse student body and alumni who are leaders in business, government, education, law and media. The three New York campuses in Queens, Staten Island, and Manhattan together with the Long Island Graduate Center in Hauppauge draw on the vast cultural and commercial resources of the New York metropolitan area. Over 20,000 undergraduate and graduate students are enrolled in six colleges and divisions: St. John's College of Liberal Arts and Sciences; The College of Pharmacy and Health Sciences; The School of Education; The Peter J. Tobin College of Business; The Lesley H. and William L. Collins College of Professional Studies; and the School of Law. More than 100 degree programs are offered, from two-year associate level to doctoral degrees.

On February 1, 2021, Rev. Brian J. Shanley, O.P. began his tenure as the 18th President of St. John's University replacing Conrado "Bobby" Gempesaw, Ph.D. Fr. Shanley came to St. John's after 15 years serving as the President of Providence College in Providence, Rhode Island where he had a record of achievement as the longest-serving president in the history of Providence College. During his tenure at Providence College, Fr. Shanley was widely credited with making substantial improvements to campus facilities and student services, hiring large numbers of new faculty, diversifying the student body, and strengthening Providence College's national profile in academics and athletics.

Immediately upon his arrival, Fr. Shanley directed the senior leadership of St. John's to begin a strategic plan to chart the course of St. John's for the future. One part of the strategic plan will be centered around an expansion of academic programs and course offerings in the health sciences. To that end, on March 24, 2021, St. John's announced the construction of a new Health Sciences Center that will support and house existing and forthcoming health sciences programs in one facility. The health science initiative will be funded through increased fundraising efforts, debt issuance, government grants, and other sources of income. Work is expected to commence in the third quarter of 2021, with the building projected for occupancy and availability for students and classes by fall 2024. The Health Sciences Center will promote Interprofessional Education among new and existing academic programs and will enable students to learn together and work as a team, similar to real-world situations in clinical settings. Additionally, the new Health Sciences Center will house state-of-the-art simulation facilities for students to learn in a safe and realistic clinical environment before embarking upon required clinical rotation requirements at off-campus sites.

Human health encompasses a broad scope of diverse needs and challenges. Health Sciences programs provide foundational knowledge in areas such as business, humanities, and natural and social sciences as they relate to the healthcare field. Many of the programs are interdisciplinary, meaning they help to prepare students for a wide variety of professions under the healthcare umbrella. In addition to laying all-encompassing healthcare foundations, degree programs may allow students to apply their knowledge through internships, practicums, and hands-on projects, and simulation training. Individual programs may emphasize specific areas of the health field and Health Sciences degree programs prepare students for a variety of highly sought-after professions.

The University is eagerly preparing for the fall 2021 semester. Existing operating plans call for a complete return to business operations that are safe and reflect what is often referred to as the "new normal," and the University is planning an academic schedule that will look like its traditional, pre-COVID-19 academic experience. An overwhelming majority of courses will be delivered in-person while still providing students with the option of having some academic program delivery in an online learning format. The University's programming aims to resume a full slate of normal campus activities—including classes, extra-curricular events, increased residence life capacity, athletic competition, special events, internships, study abroad, and more—all beginning fall 2021.

St. John's mutual commitment to campus health is at the center of all University planning and protocols. Student and employee well-being and safety are of the highest priority. The University will continue to maintain a

safe and active learning environment. All COVID-19 related decision-making at the University reflects federal, state, and local guidelines and recommended best practices as the University anticipates a return to relative normalcy in the months ahead.

Strategic Planning

While the University is currently developing a strategic plan under the new leadership of Fr. Shanley, St. John's continues to be guided by pre-existing key strategic priorities, as set forth in 2014 under the guidance of the University's prior president, Conrado "Bobby" Gemmesaw, Ph.D. The below strategic priorities have and will continue to guide the University's strategic efforts in the near term until the University finalizes a new strategic plan, led by Fr. Shanley:

- *Strategic Priority 1 – ensure student success.* This priority addresses campus climate, equity and inclusion; advisement, mentoring and career development; curricular development and high-impact educational practices; and enrollment management.
- *Strategic Priority 2 – recruit, recognize and retain the best faculty, staff and administrators.* This strategic priority addresses goals such as recruitment; performance, evaluation and compensation; scholarly productivity and faculty engagement; and responsibility-centered leadership.
- *Strategic Priority 3 – enhance the teaching and learning environment.* Action plans address faculty development for teaching and learning; integrated technology solutions for student success; facilities planning; and technology planning and infrastructure.
- *Strategic Priority 4: Expand community and global partnerships.* This priority addresses institutional advancement; academic and community partnerships; and public relations, marketing and communications.

The initial St. John's University Strategic Priorities Action Plan was developed over the 2014-15 academic year. A Strategic Priorities Review Team partners with the President's Advisory Council and Office of Institutional Research to monitor institutional effectiveness towards achieving strategic priorities as set forth by the existing Plan. In addition to University-wide action planning, each unit within the University maintains and assesses unit-specific action plans correlated with the University's Strategic Priorities. To date, strategic planning has yielded strong gains in brand, enrollment and resource management. The below reflects selected outcomes from the University's strategic initiatives within the past five years.

- Enrolled the largest freshman cohort of any Catholic college and university in the nation between fall 2015 and fall 2020.
- Increased first-to-second year retention rate from 78.6% in fall 2014 to 83.1% in fall 2020.
- Attracted one of the most academically qualified student classes in University history, with an average combined SAT score of 1192 for the fall 2020 class, reflecting an 88-point increase over fall 2013 levels. The average GPA for fall 2020 entering freshman was 90, which compares to 89 in fall 2013.
- Developed a University-wide alumni mentorship program that launched in fall 2016, designed to benefit student retention.
- Increased coordination between Enrollment Management, the Division of Student Affairs, and the members of faculty in student recruitment and orientation.
- Implementation of a new net tuition revenue sharing program for the colleges/schools.
- Appointment of a Chief Diversity Officer in 2016.
- Ranked #2 among 4-year Catholic colleges and universities on The Chronicle of Higher Education's ranking of student mobility rates in 2018.
- Through a combination of conservative budgeting and use of planned reserves conducted major capital initiatives to improve the University's teaching and learning environment without the use of debt, with selected projects including:

- The renovation of Bent Hall for the Peter J. Tobin College of Business on the Queens campus (2017);
- The renovation of the second floor of St. Augustine Hall as the new home of the Collins College of Professional Studies on the Queens campus (2016);
- The renovation of Marillac Auditorium (2017);
- The renovation to the first and second floors of Marillac Hall (2019);
- The renovation to the Montgoris Hall cafeteria, and updates to the DaSilva and Hollis residence halls on the Queens campus (2016);
- Renovations of science and technology labs (e.g., Technology Commons, Advanced Graphics Lab, Virtual Reality Lab, computer classrooms and research labs) (ongoing since 2015);
- Technology upgrades made to more than 90% of classrooms with cutting-edge technologies (ongoing); and
- Creation of Inclusivity Resource Center to provide students with resources to assist in authentic and informed peer dialogue on topics of equity and inclusion (2018).

In furtherance of strategic planning and enrollment growth goals, during the 2019-20 academic year St. John's initiated several academic and enrollment strategies, including community college partnerships, corporate partnerships and internships, and new academic programming for undergraduate and graduate students. Expanded academic programs will particularly capitalize on the University's preexisting reputation and expertise within the St. John's College of Pharmacy and Health Sciences and interdisciplinary studies. Health sciences programs such as Nursing, which are high in student demand, also reflect New York City, New York State and national healthcare employment industry needs. Newly approved undergraduate programs by the University's Board are projected to welcome inaugural classes with begin dates ranging from fall 2021 to fall 2024, depending on the program. These include Bachelor of Science in Nursing (BSN), Accelerated BSN, BSN Completion Program, Biochemistry (BS), and Game Development and Emerging Media. Recently expanded or newly approved graduate programs by the University's Board will begin as early as fall 2021 and include: Physician Assistant (MS, Certificate), Doctor of Physical Therapy (DPT), and Medical Science (MS). The University projects new enrollment of 480 students per year for newly approved programs, 300 of which will be contributed by the BSN program. The University conservatively projects enrollment growth of the BSN program to provide net tuition revenue growth, cover operating expenses, and contribute to the University's operating margin. Additional programs in the planning phase include undergraduate and graduate degrees within the health sciences, and interdisciplinary fields. Programs not yet approved, but in the planning phase, project additional new enrollment of 280 new students per year.

The newly announced Health Sciences Center will support and house existing and forthcoming health sciences programs in one facility, which will inject new infrastructure and programmatic space capabilities for growth. This new facility will train the next generation of caregivers at a time of tremendous change and opportunity in the United States healthcare system. The Health Sciences Center will also be a part of a sustainable vision, featuring a holistic and scalable approach to sustainability. It is designed to accommodate an evolving series of campus and New York City sustainability initiatives, inclusive of geothermal heating and cooling, daylighting and natural ventilation, photovoltaic panels, green roofs, and advanced storm water strategies. It focuses those strategies on saving energy and contributing mightily to the carbon reduction efforts for the entire University

COVID-19 Response and Planning

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic. In response to the pandemic, various policies were implemented by federal, state and local governments, including the closure of colleges and universities within New York City, New York State and nationwide.

Following the U.S. Department of State and the Centers for Disease Control and Prevention guidelines, the University discontinued all study abroad programs for the remainder of the 2020 spring semester in late February and early March 2020, depending on program location, and assisted students' return to their permanent residences. Governor Cuomo, consistent with the University's preemptive campus closure actions, issued an executive order 202.8 on March 8, 2020, requiring all non-essential businesses and not-for-profit entities in the State to utilize, to the

maximum extent possible, telecommuting or work from home procedures to contain the spread of the virus. All St. John's campuses were closed for on-site academic instruction and business activities, with employees working remotely until State and local authorities authorized the reopening of workplaces and higher education campuses.

On May 1, 2020, a Return to Campus Task Force was charged with the development of a comprehensive plan for the safe and gradual return of students to campus for fall 2020, with a focus on five key areas: Social Distancing Strategies, Health and Safety Measures, Outbreak Response, Communication Planning, and Mental Health Counseling.

The recent COVID-19 pandemic caused disruptions to businesses nationwide and globally, including higher education institutions. University leadership continues to actively monitor the public health crisis, working closely with local and state public health officials while following safety guidelines from governmental and health authorities to ensure compliance. Management has made timely decisions to minimize the risk of spreading the virus on its campuses and surrounding communities while ensuring student success and fiscal stability.

On May 8, 2020, St. John's was made aware that a student filed a lawsuit in the United States District Court for the Eastern District of New York purporting to be a class action related to the University's transition to remote delivery of education for most students in March 2020 following the outbreak of COVID-19. The complaint alleges claims of breach of contract and unjust enrichment. The lawsuit is seeking damages in the form of refunds in tuition and fees, pre-and post-judgment interest, and attorney's fees. Substantially similar lawsuits have been filed against many other institutions of higher education. St. John's believes the lawsuit is without merit and is defending the lawsuit vigorously.

The University opened for fall 2020 classes for in-person, hybrid and fully online modalities, including on-campus housing. For spring 2021, the University increased the proportion of classes offered in-person. The information below summarizes the timeline of events, activity and decisions related to COVID-19, during the 2020-2021 academic year and fiscal year 2021.

Fall 2020

- Fall 2020 classes began on August 24, 2020, offering a combination of course formats, including on-campus, in-person; courses in hybrid formats (both traditional and rotating); and fully online.
- 915 (33%) classes (35% of undergraduate classes) had an in-person on campus experience, 1,832 (67%) classes were converted from an in-person modality to an online modality.
- Use of daily wellness screenings, face coverings, social distancing, space modifications, enhanced cleaning, improved ventilation systems, movement to virtual student programming and cancellation of all University travel to monitor safety and reduce risk.
- The University continually monitored New York State's Early Warning Monitoring Dashboard and the State's phased reopening plan, while tracking its own infection rates and quarantine capacity.
- The federal Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSA Act") was passed and signed into law in December 2020. The CRRSA Act disbursement to St. John's was \$20.2 million, of which \$6.1 million was provided to students to offset their costs of attendance and emergency costs resulting from the COVID-19 pandemic, and approximately \$14.1 million was available for the University's use to defray its expenses associated with the COVID-19 pandemic.

Spring 2021

- Spring classes began on January 28, 2021 (international students arrived January 13, 2021) to allow sufficient time for COVID-19 testing and quarantining following New York State Department of Health guidelines for travelers arriving in New York State.
- Spring 2021 offers increased in-person, on-campus classes as compared to Fall 2020.
- 1,144 (43%) classes (46% undergraduate classes) have an in-person, on-campus experience, and 1,540 (57%) classes were converted from an in-person modality to an online modality.
- On March 11, 2021, the federal American Rescue Plan Act (the "ARP Act") was passed and signed into law. Based on the allocation formula set forth in the ARP Act, the University expects to receive approximately \$35.7

million, of which \$17.9 million would be dedicated for direct student assistance, and \$17.9 million would be dedicated for reimbursement of the University's COVID-19-related expenses. These funds may be allocated over a multi-year period. The University's budget for fiscal year 2021 did not include these funds, and the University is not expected to apply the funds to fiscal year 2021 financial operations.

- On March 15, 2021, the University announced plans for a complete return to business operations for the upcoming fall 2021 semester.

The University achieved a budget surplus of \$21.8 million for fiscal year 2020, translating to a GAAP operating surplus of \$13.2 million. This financial result incorporated \$14.7 million in refunds to students of room, board, and study abroad program fees for services the University could no longer provide for the remainder of the spring 2020 semester. Results also reflected the receipt of \$12.2 million in federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), of which \$6.1 million was distributed directly to students to assist them with their COVID-19-related costs, and \$6.1 million was used to fund COVID-19 mitigation costs incurred by the University. The University took cost mitigating actions related to COVID-19 disruptions, including curtailing operating expenses by \$10.5 million to minimize fiscal exposures for the University. Actions included: salary freezes, hiring freezes, lower spending across all University units, cancellation of University programming, and study abroad program expense savings.

The University has proactively managed its finances through scenario planning during fiscal year 2021 and beyond, including scenario analyses for the evaluation of various risks and return-to-campus and return-to-normal processes. The pandemic's impact on health and safety, financial pressures due to record job losses and business closures, and travel restrictions have affected the University's fall 2020 enrollment outcome. Although the University cannot predict the long-term impact of the public health crisis, it has developed expense control strategies to offset the adverse financial effects of the COVID-19 public health crisis in fiscal year 2021 and for fiscal year 2022 planning. These actions include salary freezes, hiring freezes, senior administrator salary reductions, adjustments and/or suspensions of employee stipends and overtime, reductions in University contributions to administrator/staff retirement plan, suspensions on travel and other non-essential spending, deferment of capital projects, and the potential use of a strategic endowment draw, if needed. As of May 3, 2021, St. John's expects a fiscal year 2021 operating surplus on a budget and full accrual basis, and likely without the use of any strategic endowment draw. This expectation is the result of conservative University budgeting, successful expense management, improved student retention during the 2020-2021 academic year, stronger graduate student enrollment during the 2020-2021 academic year, and recent federal support from the CRRSA Act. The University does not include funds from the ARP Act in its fiscal year 2021 budget.

The University is implementing various enrollment and revenue growth/recovery initiatives and anticipates that it will meet its fall 2021 freshman enrollment target (i.e., 2,800) as planned. With the encouraging news concerning the vaccine distribution, the University anticipates that the adverse impact of COVID-19 on non-tuition revenue sources, such as room and board, athletics, and conference services, will be significantly less in the next fiscal year. The University will continue to curtail expenses and will build limited restorations in expense budgets to fund essential revenue growth-related activities.

Accreditations

The University is accredited by the following: Middle States Commission on Higher Education (MSCHE), Association of American Law Schools, American Library Association, Accreditation Council for Pharmacy Education, American Chemical Society, American Bar Association, The Association to Advance Collegiate Schools of Business, Association for Assessment and Accreditation of Laboratory Animal Care, American Psychological Association, Association for Advancing Quality in Educator Preparation, Commission on Accreditation of Allied Health Education Programs, Council on Academic Accreditation - American Speech-Language-Hearing Association, National Association of Schools of Art and Design, Council for Accreditation of Counseling and Related Educational Programs, National Accrediting Agency for Clinical Laboratory Sciences, National Association of School Psychologists, Joint Review Committee on Education in Radiologic Technology, and Accreditation Review Commission on Education for the Physician Assistant, Inc.

Governance

The University is governed by a self-perpetuating Board of Trustees whose membership shall not exceed 30. Presently the Board of Trustees (excluding nonvoting emeritus trustees) consists of 16 lay and 8 religious members, including the President of the University. The officers and current members of the Board of Trustees are as follows:

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Ms. Catherine M. Verrelli
Office Managing Partner,
Business Tax Services
Ernst and Young, LLP

*Chairman of the Board of
Trustees
** Provincial Vice Chair of the
Board of Trustees
***Elected Vice Chair of the
Board of Trustees

Administration

The President of the University is appointed by the Board of Trustees, and as Chief Executive Officer, is charged with the principal responsibility for administration of the University. The Board of Trustees appoints or elects, on nomination or recommendation of the President, various other principal administrative officers of the University. The University's principal administrative officers include:

Rev. Brian J. Shanley, O.P., Ph.D.....	President
Rev. Bernard M. Tracey, C.M.	Executive Vice President for Mission
Simon Geir Møller, Ph.D.	Provost and Vice President for Academic Affairs
Sharon Hewitt Watkins, M.A., CPA.....	Vice President for Business Affairs, Chief Financial Officer and Treasurer
Joseph E. Oliva, Esq.	Vice President for Administration, Secretary and General Counsel

Rev. Brian J. Shanley, O.P., Ph.D., President

Rev. Brian J. Shanley, O.P., is the 18th President of St. John's University, New York. A native of Warwick, RI, Fr. Shanley holds a doctorate in philosophy from the University of Toronto and completed a postdoctoral fellowship at the University of Notre Dame's Center for Philosophy of Religion. After completing undergraduate studies in history at Providence College in 1980, he earned a licentiate degree in philosophy from The Catholic University of America. He also holds a Master of Divinity and a licentiate degree in Sacred Theology from the Dominican House of Studies in Washington, DC. Ordained a member of the Dominican Order of Preachers in 1987, Fr. Shanley taught philosophy at Providence College and was a visiting professor at Emory University's Candler School of Theology. He served as a philosophy professor at The Catholic University of America from 1994 to 2005. Fr. Shanley was the 12th and longest-serving president in the history of Providence College. Elected in 2005, he served three consecutive five-year terms and concluded his service as President on June 30, 2020. During Fr. Shanley's tenure at Providence College, he was widely credited with making substantial improvements to campus facilities and student services, hiring large numbers of new faculty, diversifying the student body, and strengthening the college's national profile in academics and athletics. In November of 2020, the St. John's Board of Trustees announced the unanimous election of Fr. Shanley as the University's 18th President and he began his tenure on February 1, 2021.

Rev. Bernard M. Tracey, C.M., Executive Vice President for Mission

Rev. Bernard M. Tracey, C. M., Executive Vice President for Mission, has contributed to campus life for more than 30 years. An alumnus, Fr. Tracey served as Campus Minister from 1984 to 1986. During that time, he also directed the Vincentian Service Corps at the University and at Immaculate Conception Church in Philadelphia (1983–86). He went on to hold top administrative posts at St. John's University as Assistant Vice President and Director of the 125th Anniversary (1993–95); Associate Vice President and Acting Director of Public Relations (1995–96); Executive Assistant to the President (1996–97); Vice President of Institutional Advancement (1997–03); and Vice President for University Relations (2003–06). He was appointed to the University's Board of Trustees (2013–14), while serving as Superior of St. Vincent's Seminary in Philadelphia, from 2006 to 2014. Fr. Tracey received his bachelor's degree from St. John's in 1970, with a major in sociology and a minor in philosophy. He earned his Master's in divinity from Mary Immaculate Seminary in 1974.

Simon Geir Møller, Ph.D., Provost and Vice President for Academic Affairs

Dr. Simon Geir Møller serves as Provost and Vice President for Academic Affairs. Following a four-year North Atlantic Treaty Organization (NATO)-funded postdoctoral position at Rockefeller University, Dr. Møller was appointed as an assistant professor in 2001 and as an associate professor in 2004 at The University of Leicester, UK. In 2006 Dr. Møller was appointed as Professor and Chair of Department of Mathematics and Natural Sciences at the University of Stavanger, Norway and held a joint professorship at The Norwegian Centre for Movement Disorders. In 2009 Dr. Møller founded and became Director of Centre for Organelle Research, a research center dedicated to organelle biology. He also founded the biotechnology company Plastid Corp and SKMøller Holding Corp in 2007. Dr. Møller was appointed as a tenured professor at St. John's University, Department of Biological Sciences in 2011 and in 2014 as the Vice-Provost for Graduate Education and Research. In 2015 he became Senior Vice Provost. In 2018 he was appointed Interim Provost and VP for Academic Affairs. Dr. Møller maintains an active research laboratory and has published more than 90 research articles, book chapters and books in prestigious journals such as Nature, Proceedings of the National Academy of Sciences, Genes and Development, and EMBO Journal. He is also the assigned inventor on 16 patents and is a member of The Norwegian

Academy of Sciences and Technology. He earned his B.S. in Biotechnology with Honors from University of Leeds, UK, M.S. in Biotechnology with Distinction, from Imperial College, UK, and Ph.D. in Molecular Biology from University of Leeds, UK.

Sharon Hewitt Watkins, M.A., CPA, CGMA, Vice President for Business Affairs, Chief Financial Officer and Treasurer

Sharon Hewitt Watkins, CPA, was appointed Vice President for Business Affairs and Chief Financial Officer at St. John's in January 2013. In 2015, she was named University Treasurer by the Board of Trustees. Ms. Hewitt Watkins brings to St. John's an impressive record of accomplishments in both the for-profit and not-for-profit sectors. She started her career in 1989 as an auditor with KPMG, LLP, specializing in audits of higher education and not-for-profit organizations. After nine years with KPMG, Ms. Hewitt Watkins moved to the higher education sector when she was named controller of Teachers College, Columbia University. Responsible for fiscal management, investment and cash management, reporting and administrative services, she led initiatives designed to streamline business processes and enhance collaborative policy development. In 2004, Ms. Hewitt Watkins became Assistant Vice President for Finance and Controller of the New York Public Library; she was promoted to Vice President for Finance and Assistant Treasurer four years later. Ms. Hewitt Watkins holds a B.S. in Accounting from the Stern School of Business at New York University and an M.A. in Social-Organizational Psychology, which she earned at Columbia University, Teachers College. She is a member of several professional accounting organizations and was a participant in the Harvard University Business School Commonfund Endowment Institute.

Joseph E. Oliva, Esq., Vice President for Administration, Secretary and General Counsel

Joseph E. Oliva, Esq., serves as Vice President for Administration, Secretary and General Counsel. He joined the University in October 2000. Mr. Oliva is the chief administrative officer of the University, overseeing Athletics, Public Safety, Human Resources, the Office of General Counsel, Enterprise Risk Management, and Internal Audit. As the University's General Counsel, he is the chief legal officer providing counsel to the Board of Trustees, the President and other University administrative offices. Prior to his position at St. John's, Mr. Oliva worked as a litigation associate at the firms Willkie, Farr & Gallagher LLP and Garfunkel, Wild, P.C. Mr. Oliva graduated summa cum laude from St. John's (B.S., Finance) and magna cum laude from St. John's School of Law. He served on the St. John's Law Review. Mr. Oliva is ordained as a permanent deacon in the Diocese of Rockville Centre.

OPERATING INFORMATION

The University is guided by its commitment to academic excellence and pursuit of wisdom, rooted in its foundation as a Catholic and Vincentian university, and strives to provide an excellent education for all people, especially those lacking economic, physical, or social advantages. As a metropolitan university, St. John's benefits from New York City's cultural diversity, its intellectual and artistic resources, and its unique professional educational opportunities.

Student Admissions

The University seeks to enroll students with the potential to succeed in a demanding academic program. In preparation for the 2015-16 academic year, the University altered its student recruitment and admissions strategy, with goals to target and admit students with a greater likelihood of attendance while attracting a more qualified applicant pool and improving retention metrics. The strategic changes involved targeted recruitment and new marketing initiatives, including changes to primary and secondary regional areas of recruitment focus. St. John's also joined the Common Application, in addition to maintaining its pre-existing online application. As anticipated with the strategic changes, the University experienced a narrower pool of applications to a newer steady state level, and a weakened acceptance rate; however, the University's targeted admissions strategy attracted students with a higher likelihood of attendance as more realistic candidates applied and accepted. This resulted in greater predictability of entering class sizes, enrollment growth, improved retention and more academically qualified student classes. While freshman admissions were impacted due to COVID-19, the University maintained academic quality and retention for its fall 2020 class. For example, the fall 2020 average SAT score was 1192, and the average GPA was 90 – consistent with improved average test scores that resulted in recent years from the enrollment strategy. The entering classes for the past four academic years represent the most qualified academic students in University history. Additionally, despite the impact of the pandemic and consistent with the University's enrollment initiatives, the University improved its retention rate from 82% in fall 2019 to 83.1% in fall 2020.

In response to the continuing effects of the COVID-19 pandemic on the higher education landscape, the University has pivoted in recruitment and enrollment strategy to expand enrollment prospects, increase yield, and drive enrollment

conversions. The emphasis remains on maintaining academic quality while broadening the pool of prospective students. Fall 2021 scholarship and recruitment strategies include:

- Enrollment management team restructuring, with increased staffing in key recruitment areas.
- Enhanced search strategy, including accessing alternative sources of high school senior names to counteract the dramatic drop in SAT/ACT test-takers (historically the primary source of names).
- Deploying a fall 2021 financial aid and scholarship strategy, qualifying students for a certain level of financial support based on targeted ranges of student applicants with a greater likelihood of attendance and within designated ranges of academic performance, thus reducing uncertainty on the range of support a student would likely receive.
- Financial grant incentives, to promote engagement by interested students, early application and deposit activity, and housing grants for secondary market students.
- Targeted marketing and leverage efforts to “win back” students from fall 2020 who were admitted but did not attend the University.
- Improved timing and personalized communication of value proposition, utilizing an enhanced admitted student portal to maintain student engagement and directing faculty involvement and engagement by implementing a Top 100 Faculty Ambassador program.

Key investments in health sciences and interdisciplinary academic programming are projected to attract and add new students, as described in “Strategic Planning” above, with particular growth taking place in a new Bachelor of Nursing program.

Year-to-date as of May 3, 2021, the University received 23,047 applications for fall 2021 admittance, reflecting a 16% reduction from the same point in time of the prior year. The University accepted 19,616 of those applications. Due to the impact of COVID-19, the University revised its recruitment strategy to include virtual visits, with greater success in engaging students through online and virtual events, e.g., virtual accepted student days. As of May 3, 2021, freshman deposits totaled 2,827, which is an increase of 115% compared to the same time last year demonstrating that the revised recruitment strategy was successful. Fall 2021 freshman deposits currently reflect a decrease of 14% over the more normalized environment from the fall 2019 entering class, reflecting gradual return to normal operations from the impact of the pandemic. The University expects to reach its targeted entering freshman class size of 2,800, with freshman deposits already in excess of this target.

Listed below are the number of applications received for freshman admission to the University, together with the number of those applications accepted, and the number of accepted students who ultimately enrolled at the University during the five academic years commencing fall 2016 through fall 2020.

Freshman Admission Statistics (Fall only)

<u>Academic Year</u>	<u>Applications</u>	<u>Acceptances</u>	<u>Percent Accepted</u>	<u>New Enrollment</u>	<u>Matriculation Yield</u>
2016-17	28,590	18,115	63.4%	3,248	17.9%
2017-18	27,179	18,408	67.7%	2,967	16.1%
2018-19	27,276	19,929	73.1%	3,116	15.6%
2019-20	29,059	21,020	72.3%	3,135	14.9%
2020-21	27,917	20,956	75.1%	2,082	9.9%

Student Enrollment

In fall 2020 the University enrolled students from 45 states and 121 countries. Enrollment trends over the academic years commencing fall 2016 through fall 2019 show an increase due primarily to the growth in undergraduate enrollment from five consecutive years of freshman classes near or above 3,000 and a four percentage point increase in retention. These increases were consistent with the University’s strategy to refocus recruitment resources on higher-yielding and better retaining student segments. Due to the COVID-19 pandemic, the University experienced a significant decline in the size of

the fall 2020 freshman class. Like most higher education institutions, the University switched to remote instruction during the spring 2020 semester and continued with a hybrid model with most courses being offered online during the fall 2020 semester. These changes inevitably affected students' college choices. Full-time graduate enrollment has seen steady growth over the past five years. The University proactively manages institutional financial aid to stabilize and grow enrollment and to achieve sufficient net tuition revenues to support operations. The University is actively continuing its recruiting initiatives in light of COVID-19.

The University aims to develop a residential community that supports and enhances the academic mission of the University and promotes safe, clean and comfortable living environments conducive to learning. Following the federal and state health and safety guidelines, the University reconfigured all triple and quad occupancy student rooms to be single or double rooms to ensure social distancing with added guest restrictions in fall 2020. Due to the reduced capacity and limited in-class course offering, total housing occupancy declined from approximately 85-90% pre-COVID to approximately 40% in fall 2020. As COVID-19 vaccine rollouts continue, the University expects to return to normal operation in fall 2021 while continuing COVID safety measures as appropriate. To engage prospective students and promote housing, the University has offered housing grants to secondary market students. The University expects that the housing incentive, along with planned traditional in-person course offerings and other strategic enrollment initiatives, will facilitate a return to more normalized housing occupancy in fall 2021.

The University's enrollment during the five academic years commencing fall 2016 through fall 2020, based on fall registration figures, is outlined below together with total headcount enrollment and full-time equivalent ("FTE") totals.

Enrollment Summary (based on Fall data)

Academic Year	Full-Time		Part-Time		Headcount	Total FTE
	Undergraduate	Graduate	Undergraduate	Graduate		
2016-17	11,507	2,637	4,933	2,010	21,087	17,234
2017-18	11,531	2,688	5,235	1,892	21,346	17,473
2018-19	11,741	2,788	5,143	1,971	21,643	17,804
2019-20	11,527	2,830	5,561	1,803	21,721	17,595
2020-21	10,177	2,749	5,516	1,701	20,143	16,040

The following table lists the number of degrees conferred for the five academic years commencing fall 2015 through fall 2019.

Degrees Conferred

Academic Year	Total
2015-16	4,014
2016-17	4,163
2017-18	4,136
2018-19	4,389
2019-20	4,629

Tuition and Fees

Tuition and fees for the academic years commencing fall 2016 through fall 2021 are listed below:

Full-Time Undergraduate Tuition and Fee Charges

Academic Year	Tuition & Fee Charges (1)
2016-17	\$39,460
2017-18	40,520
2018-19	41,510
2019-20	42,750
2020-21	44,510
2021-22	45,800

(1) Queens Campus

Student Financial Aid

The University administers a financial aid program under which approximately 95% of all enrolled students and approximately 99% of all undergraduate students received financial assistance in some form through the University during the 2020-21 academic year. A summary of the funds provided for financial aid and their source for the five academic years commencing fall 2016 through fall 2020 is as follows:

Sources of Scholarship and Grant Aid

Academic Year	University Grants	State Grants	Federal Loans and Grants	Outside Awards	Private Loans	Total
2015-16	\$223,426,708	\$12,831,536	\$201,633,731	\$18,539,964	\$19,414,772	\$475,846,711
2016-17	244,781,741	13,341,080	194,998,707	16,503,616	20,013,597	489,638,741
2017-18	261,058,678	14,168,843	190,485,468	14,017,058	20,708,569	500,438,616
2018-19	278,649,662	14,153,256	191,996,891	14,675,201	20,624,070	520,099,080
2019-20	283,969,409	12,696,433	186,401,976	11,622,662	22,208,670	516,899,150

The University's students benefit from numerous scholarship and financial aid programs. In addition, the University participates in various federal and state programs providing aid to individual students. The federal programs include Federal Direct Student Loan Program, Perkins Loan Program, Health Professions Loan Program, Pell Grant, Supplemental Educational Opportunity Grant, Teach Grant and College Work-Study. State programs include Tuition Assistance Program, and various other New York State-sponsored and administered scholarship programs.

Faculty

Total faculty members employed by the University during the 2020-21 academic year numbered 1,393, of whom 621 served full-time. Of the permanent full-time faculty members, 74.6% hold tenure. The majority of the University's full-time faculty is appointed within one of the four principal academic ranks: Professor, Associate Professor, Assistant Professor and Instructor.

The following table sets forth the faculty profile for the five academic years commencing fall 2016 through fall 2020.

Faculty Profile- Fall

Academic Year	Full-time Faculty	Part-time Faculty	Total Faculty	Full-Time Equivalent Faculty	Percent of Full-Time Faculty Tenured
2016-17	643	848	1,491	984	73.6%
2017-18	655	822	1,477	989	72.5%
2018-19	670	889	1,559	1,040	74.3%
2019-20	681	880	1,561	1,041	73.7%
2020-21	621	772	1,393	945	74.6%

Employee Relations

The University has satisfactory labor relations. The full-time and adjunct faculty at the University (other than those in its nonunionized School of Law) are jointly represented by the St. John's Chapter of the American Association of University Professors and the Faculty Association (jointly referred to as "AAUP/FA"). The University has had a series of collective bargaining agreements in effect with the AAUP/FA. The University and AAUP/FA executed a new agreement covering the period July 1, 2019, through June 30, 2021.

ANNUAL FINANCIAL STATEMENT INFORMATION

Summary of Statements of Activities

The following table summarizes the changes in the University's net assets for the fiscal years ended May 31, 2016, through 2020.

Summary Statements of Activities (000's)

	Fiscal Years Ended May 31,				
	2016	2017	2018	2019	2020
Changes in net assets without donor restrictions:					
Operating revenues:					
Tuition and fees, net of scholarship allowances	\$348,282	\$351,022	\$350,841	\$357,249	\$354,045
Investment return utilized	26,362	26,286	26,829	26,997	26,519
Private gifts, grants and contracts	12,177	13,602	11,623	12,462	11,921
Government grants and contracts	9,611	12,560	8,137	8,213	19,842
Auxiliary enterprises	69,118	69,007	66,787	69,895	53,463
Other revenues	5,984	12,552	10,528	5,698	5,435
Net assets released from restrictions	<u>7,575</u>	<u>9,998</u>	<u>8,474</u>	<u>7,397</u>	<u>10,007</u>
Total operating revenues	<u>479,109</u>	<u>495,027</u>	<u>483,219</u>	<u>487,911</u>	<u>481,232</u>
Operating expenses:					
Instruction	181,921	186,801	194,700	196,832	197,041
Research and other sponsored programs	6,378	6,307	6,910	6,493	6,719
Academic support	58,192	61,764	62,541	60,740	58,130
Student services	44,931	47,983	50,933	52,631	55,446
Auxiliary enterprises	82,036	80,144	82,760	85,395	84,767
Institutional support	76,398	73,871	69,347	67,651	65,940
Total operating expenses	<u>449,856</u>	<u>456,870</u>	<u>467,191</u>	<u>469,742</u>	<u>468,043</u>
Net operating revenues	29,253	38,157	16,028	18,169	13,189
Non-operating activities:					
Investment return in excess of (less than) amount utilized in operations	(40,741)	44,571	21,826	(16,471)	(11,327)
Contributions designated for capital projects and quasi-endowment	-	-	1,725	-	-
Change in fair value of interest rate swap	(522)	1,364	1,307	(246)	(509)
Effect of advance refunding of long-term debt	-	-	(1,694)	-	-
Other	-	3,815	(582)	-	-
Increase (decrease) in net assets without donor restrictions	<u>(12,010)</u>	<u>87,907</u>	<u>38,610</u>	<u>1,452</u>	<u>1,353</u>
Changes in net assets with donor restrictions:					
Investment return, net	(2,440)	17,798	12,513	2,580	4,030
Private gifts, grants and contracts	10,495	11,807	34,346	17,675	18,579
Net assets released from restrictions	(7,575)	(9,998)	(8,474)	(7,397)	(10,007)
Contributions receivable write-offs	(2,634)	(2,044)	-	-	-
Increase (decrease) in net assets with donor restrictions	<u>(2,154)</u>	<u>17,563</u>	<u>38,385</u>	<u>12,858</u>	<u>12,602</u>
Increase (decrease) in net assets	(14,164)	105,470	76,995	14,310	13,955
Net assets at beginning of year	<u>739,284</u>	<u>725,120</u>	<u>830,590</u>	<u>907,585</u>	<u>921,895</u>
Net assets at end of year	<u>\$725,120</u>	<u>\$830,590</u>	<u>\$907,585</u>	<u>\$921,895</u>	<u>\$935,850</u>

See the University’s consolidated financial statements and the accompanying notes thereto included in “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN’S UNIVERSITY, NEW YORK WITH INDEPENDENT AUDITORS’ REPORT THEREON” attached hereto.

For fiscal year 2020, the University had an unrestricted operating surplus of \$13.2 million, or 2.7% of unrestricted operating revenues. This reflected a decrease in total operating revenues of \$6.7 million due to the impact of COVID-19 and enrollment pressures, compared to the prior year. Operating expenses fell \$1.7 million, which reflected management’s implementation of expense control measures to address enrollment challenges and further curtailment of expenses to generate savings due to campus closure in response to COVID-19. The University provided \$14.7 million in refunds and credits for room and board charges and study abroad program fees. St. John’s received an allocation of \$12.2 million under the CARES Act, \$6.1 million of which was designated for emergency aid to eligible students and \$6.1 million of which was designated to mitigate financial losses due to COVID-19 disruptions.

The University designed its fiscal year 2021 budget in April and May 2020 during a period of significant uncertainty and at the onset of the COVID-19 pandemic. St. John’s evaluated several versions of high, medium, and low budget outcomes, and developed an even more conservative initial working case budget that assumed a 15% decline in overall enrollment, along with ranges in overall financial aid, fall-to-spring retention, and housing occupancy, among other revenue items impacted by COVID-19. The University outperformed enrollment and revenue expectations as set forth by its initial working case budget, with actual fall 2020 enrollment falling 7.4% against the 15% initial conservative assumption. Additionally, along with better-than-expected revenues related to undergraduate retention, graduate student enrollment, and housing retention, the University proactively implemented over \$50 million in expense reductions through salary freezes, hiring freezes, furloughs, fringe reductions and non-personnel cost reductions. The initial budget also excluded federal support from the CRRSA Act and ARP Act. The CRRSA Act provided a total of \$20.2 million to the University, \$6.1 million of which was for distribution to students, and \$14.1 million of which was available for the University’s use to defray expenses related to the COVID-19 pandemic. The University expects to receive \$35.7 million in ARP Act funding, \$17.85 million of which would be dedicated for student use, and \$17.85 million allocated for University use. The University does not plan to apply the ARP Act funds to its fiscal year 2021 budget. As of May 3, 2021, St. John’s expects a fiscal year 2021 operating surplus on both a budget and GAAP basis without the use or additional support of any strategic endowment draw, due primarily to conservative budgeting, prudent expense management and better than expected continuing and graduate enrollment and recent federal support from the CRRSA Act.

Fundraising

The following table shows the amounts received by the University as private gifts, grants and contracts over the fiscal years ended May 31, 2016, through 2020, as reported in the audited consolidated financial statements of the University for such years:

Private Gifts, Grants & Contracts (000’s)	
<u>Year Ended May 31,</u>	<u>Total</u>
2016	\$22,672
2017	25,409
2018	47,694
2019	30,137
2020	30,500

Cash and Cash Equivalents, and Investments

The following table reflects cash and cash equivalents held by the University as of the fiscal years ended May 31, 2016 to 2020, as reported in the audited consolidated financial statements of the University for such years. As of March 31, 2021, the preliminary and unaudited value of cash and cash equivalents was \$146.2 million.

Cash and Cash Equivalents (000's)

<u>As of May 31</u>	<u>Total</u>
2016	\$26,173
2017	14,045
2018	29,323
2019	41,810
2020	60,414

The University pools available resources for investment purposes on an institution-wide basis. Such resources are managed by external professional investment managers who are selected and monitored by the Resource Management and Partnerships Committee of the Board of Trustees with the assistance of Management and an investment consultant.

The University established a spending rate policy designed to preserve the value of these investments in real terms and provide a predictable flow of funds to support operations. Beginning in fiscal year 2018, the University calculates annual spending as (i) 60% of the prior year's endowment spending, adjusted for inflation by the consumer price index, and (ii) 40% of the average endowment market value of the trailing 12 quarters multiplied by the spending rate of 4.75% (4.50% in fiscal year 2019 and thereafter). However, to avoid unintentional spending distortions over time, in no event shall the spending amount with respect to any fiscal year be less than 4% or more than 6% of the average market value over the trailing four quarters.

The following table shows the fair market value of the University's investment portfolio as of the fiscal years ended May 31, 2016 to 2020, as reported in the audited consolidated financial statements of the University for such years. As of March 31, 2021, the preliminary and unaudited fair market value of the University's investment portfolio was \$867.3 million.

Fair Market Value of Investment Portfolio (000's)

<u>As of May 31,</u>	<u>Total</u>
2016	\$647,856
2017	741,057
2018	762,495
2019	754,936
2020	746,544

The following table sets forth, as of March 31, 2021, the unaudited and preliminary market value of the University's long-term investments that can be made available within a day/week, a month, a three-month period (quarterly), or one year.

Investment Portfolio Liquidity (000's) (unaudited)

<u>Date</u>	<u>Total</u>
Daily/Weekly	\$310,171
One Month	111,832
Three Months	123,415
One Year	5,605
Total	<u>\$551,023</u>

Plant Facilities

The book values of the University's plant facilities and accumulated depreciation as of May 31, 2016, through 2020 were as follows:

Net Book Value of Plant Assets (000's)

	As of May 31,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Land and site improvements	\$ 82,016	\$ 82,760	\$ 84,303	\$ 85,178	\$ 86,006
Building and improvements including leasehold improvements and construction in progress	812,508	838,737	854,117	864,813	878,380
Furniture and equipment	96,321	106,753	114,195	113,360	114,496
Accumulated depreciation	(378,449)	(403,618)	(433,025)	(460,859)	(487,722)
Net book value	<u>\$ 612,396</u>	<u>\$ 624,632</u>	<u>\$ 619,590</u>	<u>\$ 602,492</u>	<u>\$ 591,160</u>

The University currently insures its buildings and contents across all campuses and locations, exclusive of land and building foundations, under blanket insurance policies in the total amount of \$500,000,000 per occurrence. Such insurance is based on the estimated total replacement value of all buildings and contents.

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Outstanding Indebtedness

The table below outlines the outstanding long-term debt of the University as of the end of its fiscal year ended May 31, 2020. The preliminary unaudited value of outstanding long-term debt of the University as of March 31, 2021, was \$401.0 million, excluding unamortized premium and debt issuance cost.

Outstanding Indebtedness (000's)			
	Interest Rate	Final Maturity Date in Fiscal Year ended May 31	Outstanding Balance
DASNY, St. John's University Insured Revenue Bonds, Series 2007C ⁽¹⁾	5.25%	2031	\$90,115
DASNY, St. John's University Revenue Bonds, Series 2008B-1 ^(1,2)	Variable Rate	2035	44,125
DASNY, St. John's University Revenue Bonds, Series 2008B-2 ^(1,2)	Variable Rate	2038	60,835
DASNY, St. John's University Revenue Bonds, Series 2012A ⁽¹⁾	4.00%	2024	565
DASNY, St. John's University Revenue Bonds, Series 2012B ⁽¹⁾	5.00%	2031	15,255
DASNY, St. John's University Revenue Bonds, Series 2013A ⁽¹⁾	5.00%	2045	57,935
DASNY, St. John's University Revenue Bonds, Series 2013B ⁽¹⁾	4.282% to 4.982%	2030	5,195
DASNY, St. John's University Revenue Bonds, Series 2015A ⁽¹⁾	3.00% to 5.00%	2038	99,040
DASNY, St. John's University Revenue Bonds, Series 2017A	5.00%	2031	42,580
Obligations under capital leases	1.55% to 3.92%	due in monthly installments through 2024	<u>5,767</u>
Subtotal			421,412
Plus unamortized premium			21,193
Less unamortized debt issuance cost			<u>(3,929)</u>
Total Indebtedness			<u>\$438,676</u>

(1) A security interest in the Prior Pledged Revenues has been granted by the University in connection with such indebtedness. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS – Security for Certain Prior Bonds and Issuance of Additional Indebtedness" herein.

(2) It is anticipated that all of the above-captioned bonds will be refinanced by the Series 2021 Bonds.

See Note 9 to the University's audited consolidated financial statements included in "APPENDIX B– CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN'S UNIVERSITY, NEW YORK WITH INDEPENDENT AUDITORS' REPORT THEREON" attached hereto for a more detailed discussion of the indebtedness at May 31, 2020 set forth above.

See "PART 8 – THE REFUNDING PLAN" herein for a description of the potential refunding of certain of DASNY's outstanding St. John's University Revenue Bonds upon the possible issuance of the Series 2022 Forward Bonds

and the Series 2023 Forward Bonds (each as defined herein). If issued, it is anticipated that the proceeds of the Series 2022 Forward Bonds and Series 2023 Forward Bonds would be applied to refund DASNY's St. John's University Revenue Bonds, Series 2012B and Series 2013A, respectively.

The University entered into an interest rate swap agreement in connection with a portion of the University's Series 2008B-1 Bonds with an original notional amount of \$58.4 million to mitigate interest rate risk associated with such portion of the Series 2008B-1 Bonds. Under the terms of the agreement, as amended, the University pays a fixed rate of 3.30% and receives 64.20% of the 10-year International Swap Dealers Association (ISDA) rate on the notional amount (\$34.8 million at May 31, 2020). On May 31, 2020, the fair value of the interest rate swap was a liability of \$3.1 million. It is anticipated that a portion of the proceeds of the Series 2021 Bonds, together with other available moneys, will be used to redeem all of the outstanding Series 2008B-1 Bonds. At approximately the same time as the issuance of the Series 2021 Bonds, the University expects to terminate the interest rate swap agreement relating to the Series 2008B-1 Bonds and pay the termination payments associated with such termination from proceeds of the Series 2021 Bonds.

The University has entered into multiple master lease and sublease agreements with the Dormitory Authority under the Dormitory Authority's Tax-Exempt Leasing Program (TELP). Pursuant to the agreements, the University borrowed funds for the purchase of energy-efficient equipment and to replace and upgrade various technology equipment. Lease obligations are collateralized by the equipment and are payable in equal monthly installments, including interest, of approximately \$289,000 (expiration dates range from December 18, 2020, through August 10, 2023, and interest rates range from 1.55% to 3.92%).

The University continues to fund ongoing capital renewal from operations or institutional funds, and aside from potential refunding of outstanding indebtedness, does not have plans to engage in additional borrowings for new capital projects within the next three years.

Pension Plans and Other Benefits

The University has defined-contribution retirement plans covering substantially all academic and non-academic personnel. Pension costs for the fiscal year ended May 31, 2020, were approximately \$13.924 million.

In addition, the University offers health and life insurance coverage to retired employees and their dependents. The cost of such benefits is paid for by the retirees.

Litigation and Other Matters

Litigation incidental to the normal operation of the University is pending against the University. While the ultimate liability, if any, of the University is not presently determinable, the University believes it has adequate defenses. The pending litigation, in the aggregate, is not expected to have a material adverse effect on the University's financial position.

PART 6— BONDHOLDERS' RISKS

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

General

The Series 2021 Bonds are payable from payments to be made by the University under the Loan Agreement. The ability of the University to comply with its obligations under the Loan Agreement depends primarily upon the ability of the University to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The University expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the University will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the University from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2021 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the University to generate such revenues. Future economic, demographic and other conditions, including the demand for

educational services, the ability of the University to provide the services required by students, economic developments in the Queens, New York area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the University to provide for payments. The future financial condition of the University could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

COVID-19

See “PART 5 – THE UNIVERSITY – COVID-19 Response and Planning” herein for a discussion of the University’s response and planning in relation to the COVID-19 pandemic.

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

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2020-2021 academic year, approximately 95% of all of the University’s enrolled students received some form of financial assistance through the University. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

Investment Income

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

Fundraising

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

Government Funding

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

Risks as Employer

The University is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the University bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or

between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Cybersecurity

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

Changes in Law

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

Tax-Exempt Status Change

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

Additional Bonds

Additional Bonds may be issued under the Resolution. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See also "PART 8 – THE REFUNDING PLAN" herein for a description of the potential refunding of certain of DASNY's outstanding St. John's University Revenue Bonds upon the possible issuance of the Series 2022 Forward Bonds and the Series 2023 Forward Bonds (each as defined herein).

Additional Indebtedness

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

Certain Matters Relating to Enforceability of the Resolution and Loan Agreement

The obligation of the University to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors' rights. If the University filed for the reduction of its debts in a proceeding under the federal Bankruptcy Code, the court could approve provisions modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. If the University should file a plan of

reorganization (“Plan”), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor as provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In addition, there exists common law authority and authority under State statutes for the ability of the State courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court’s own motion or pursuant to a petition of the State Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Secondary Market for the Series 2021 Bonds

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

No Debt Service Reserve Fund for the Series 2021 Bonds

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

Hedging Transactions

As described above under “PART 5 – THE UNIVERSITY – Outstanding Indebtedness,” the University entered into an interest rate swap agreement in connection with a portion of the University’s Series 2008B-1 Bonds. It is anticipated that a portion of the proceeds of the Series 2021 Bonds, together with other available moneys, will be used to redeem all of the outstanding Series 2008B-1 Bonds. At approximately the same time as the issuance of the Series 2021 Bonds, the University expects to terminate the interest rate swap agreement relating to the Series 2008B-1 Bonds and pay the termination payments associated with such termination from proceeds of the Series 2021 Bonds.

The University may from time to time enter into other hedging arrangements to hedge the interest payable or manage interest cost on certain of their indebtedness, assets, or other derivative arrangements. Changes in the market value of such agreements could have a negative impact on the University’s operating results and financial condition, and such impact could be material. Any future hedging agreement may be subject to early termination upon the occurrence of certain events. If either the University or the counterparty terminate any hedge agreement entered into in the future when such agreement has a negative value to the University, the University could be obligated to make a substantial termination payment, which could materially adversely affect the financial condition of the University.

Revenue Pledge and Mortgage for Prior Bonds

As security for the Prior Secured Bonds, the University has granted to DASNY a security interest in the Prior Pledged Revenues and a lien on the Mortgaged Property. The Series 2021 Bonds will not be secured by the Prior Pledged Revenues or by a lien on the Mortgaged Property, or by any revenues or assets of the University. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2021 BONDS – Security for Certain Prior Bonds and Issuance of Additional Indebtedness” herein.

PART 7 – THE PROJECT

A portion of the proceeds of the Series 2021 Bonds will be used to finance the following improvements relating to facilities located on the University’s Queens Campus: (1) the demolition of an existing building known as St. Vincent Hall, and the acquisition, construction, furnishing and equipping at the same location of a new 68,000 square foot multi-level health sciences building, which will consist of labs, lecture space, classrooms, administration offices, and common areas to be used for the University’s health sciences initiatives or other academic programs, (2) boiler replacement at St. Albert Hall, and (3) capital improvements and deferred maintenance projects, and acquisition of furnishings and equipment, at various University buildings and facilities (collectively, the “Series 2021 Project”).

Additionally, a portion of the proceeds of the Series 2021 Bonds will be used to pay capitalized interest on the Series 2021 Bonds through July 1, 2023.

PART 8 – THE REFUNDING PLAN

The Refunded Bonds consist of the outstanding Series 2008B-1 Bonds and the Series 2008B-2 Bonds.

A portion of the proceeds of the Series 2021 Bonds, together with other available money, will be applied to the redemption of the Refunded Bonds on May 26, 2021.

Concurrently with the sale of the Series 2021 Bonds, the University entered into two forward-delivery direct purchase contracts with Morgan Stanley & Co. LLC, the Underwriter of the Series 2021 Bonds, and DASNY, pursuant to each of which, Morgan Stanley & Co. LLC will make an up-front payment to the University for the option to purchase DASNY’s St. John’s University Revenue Bonds, Series 2022 (the “Series 2022 Forward Bonds”) on or about April 4, 2022 and DASNY’s St. John’s University Revenue Bonds, Series 2023 (the “Series 2023 Forward Bonds”) on or about April 3, 2023, respectively. Upon the exercise of Morgan Stanley & Co. LLC’s option to purchase the Series 2022 Forward Bonds or the Series 2023 Forward Bonds, as applicable, the University will determine whether (i) to direct DASNY to issue such series of bonds pursuant to the Resolution and in accordance with the terms of the direct purchase contracts, (ii) to pay a cash settlement amount to Morgan Stanley & Co. LLC in lieu of the issuance of such bonds, or (iii) a combination of options (i) and (ii). If issued, it is anticipated that the proceeds of the Series 2022 Forward Bonds and Series 2023 Forward Bonds would be applied to refund DASNY’s St. John’s University Revenue Bonds, Series 2012B and Series 2013A, respectively. DASNY and the University would enter into a loan agreement with respect to any Series 2022 Forward Bonds or Series 2023 Forward Bonds on the applicable issuance dates, under which the University’s obligation to make loan repayments would be an unsecured general obligation. The respective principal amounts of the Series 2022 Forward Bonds and the Series 2023 Forward Bonds are expected to be nearly identical to the principal amount of bonds refunded with the proceeds thereof.

PART 9 – ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Sources of Funds	Series 2021A Bonds	Series 2021B Bonds	Total ¹
Principal Amount.....	\$119,585,000	\$44,055,000	\$163,640,000
Plus: Original Issue Premium.....	23,379,805	-	23,379,805
Other Available Money.....	<u>5,910,000</u>	-	<u>5,910,000</u>
Total Sources of Funds ¹	<u>\$148,874,805</u>	<u>\$44,055,000</u>	<u>\$192,929,805</u>
Uses of Funds			
Deposit to Project Account.....	\$43,909,883	\$38,607,268	\$82,517,151
Deposit to Refunding Account.....	100,635,000	-	100,635,000
Deposit to Capitalized Interest Account.....	3,378,625	3,049,313	6,427,938
Payment of Swap Termination Cost.....	-	1,648,000	1,648,000
Costs of Issuance ²	455,447	567,749	1,023,196
Underwriter’s Discount.....	<u>495,849</u>	<u>182,670</u>	<u>678,519</u>
Total Uses of Funds ¹	<u>\$148,874,805</u>	<u>\$44,055,000</u>	<u>\$192,929,805</u>

¹ Totals may not foot due to rounding.

² Includes legal fees and other costs relating to issuance of the Series 2021 Bonds.

PART 10 – DASNY

Background, Purposes and Powers

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

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

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At March 31, 2021, DASNY had approximately \$59 billion aggregate principal amount of bonds and notes outstanding. DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education and community improvement and payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

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

Governance

DASNY is governed by an eleven-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by

the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties.

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

The current members of DASNY are as follows:

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

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

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

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

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, and then Senior Superintendent of the Bronx. Dr. Rosa is a nationally recognized education leader who has over 30 years of instructional and administrative experience with an expertise in inclusive education, cooperative teaching models, student achievement and policy implementation. She received a B.A. in psychology from the City College of New York and an Ed. M. and Ed. D. in Administration, Planning and Social Policy from Harvard University as well as two other Master of Science in Education degrees, one in Administration and Supervision and the other in Bilingual Education from the City College of New York and Lehman College respectively.

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

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

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

Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that, he served as First Deputy Commissioner leading the State Department of Health’s preparedness and response initiatives in natural disasters and emergencies. Before joining the State Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of

Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a Juris Doctor degree from Fordham University School of Law and a Master of Laws degree from Columbia Law School.

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.

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

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

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

managed staff serving in various capacities in the Governor’s Office. Prior to that she served as the Assistant Executive Deputy Secretary for Governor Andrew M. Cuomo overseeing the operations staff and Assistant Secretary for Intergovernmental Affairs for both Governor David A. Paterson and Governor Eliot Spitzer. She holds a Bachelor of Arts degree in Communications from Boston College.

The position of General Counsel is currently vacant.

Claims and Litigation

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

There is not now pending any litigation against DASNY (i) restraining or enjoining the issuance or delivery of the Series 2021 Bonds or (ii) challenging the validity of the Series 2021 Bonds or the proceedings and authority under which DASNY will issue the Series 2021 Bonds.

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2020. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 11– LEGALITY OF THE SERIES 2021 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2021 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2021 Bonds may be deposited with the State Comptroller to secure deposits of State money in banks, trust companies and industrial banks.

PART 12– NEGOTIABLE INSTRUMENTS

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

PART 13 – TAX MATTERS

Series 2021A Bonds

Federal Income Taxes

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

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

State Taxes

Nixon Peabody LLP and Drohan Lee LLP, Co-Bond Counsel, are also of the opinion that, under existing law, interest on the Series 2021A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Co-Bond Counsel express no opinion as to other State of New York or local tax consequences arising with respect to the Series 2021A Bonds nor as to the taxability of the Series 2021A Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

Original Issue Premium

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

Ancillary Tax Matters

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

Interest paid on tax-exempt obligations such as the Series 2021A Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the

Series 2021A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

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

Changes in Law and Post Issuance Events

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

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

Series 2021B Bonds

Federal Income Taxes

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

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

U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of Series 2021B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996,

and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2021B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2021B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2021B Bonds.

Taxation of Interest Generally

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

Recognition of Income Generally

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

Original Issue Discount

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

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

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

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

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

Market Discount

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

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

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

Bond Premium

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

Surtax on Unearned Income

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

Sale or Redemption of Series 2021B Bonds

A bondholder's adjusted tax basis for a Series 2021B Bond is the price such holder pays for the Series 2021B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2021B Bond other than "qualified stated interest" and any amortized bond premium. Gain

or loss recognized on a sale, exchange or redemption of a Series 2021B Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2021B Bond is held as a capital asset (except in the case of Series 2021B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

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

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

Non-U.S. Holders

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

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

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

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

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

Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

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

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

Information Reporting and Backup Withholding

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

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, DASNY, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the Series 2021B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder’s federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

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

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

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

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

State Taxes

Nixon Peabody LLP and Drohan Lee LLP, Co-Bond Counsel, are of the opinion that under existing law, interest on the Series 2021B Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Co-Bond Counsel express no opinion as to other State of New York or local tax

consequences arising with respect to the Series 2021B Bonds nor as to the taxability of the Series 2021B Bonds or the income therefrom under the laws of any jurisdiction other than the State of New York.

Changes in Law and Post Issuance Events

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

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

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (“Qualified Retirement Plans”), and on Individual Retirement Accounts (“IRAs”) described in Section 408(b) of the Code (collectively, “Tax-Favored Plans”). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (“Governmental Plans”), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (“Church Plans”), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (“Similar Laws”) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2021 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

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

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

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

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

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

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

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

PART 14 – STATE NOT LIABLE ON THE SERIES 2021 BONDS

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

PART 15 – 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 16 – LEGAL MATTERS

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

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

PART 17 – UNDERWRITING

Morgan Stanley & Co. LLC (the "Underwriter") has agreed, subject to certain conditions, to purchase the Series 2021 Bonds from DASNY and to make a public offering of Series 2021 Bonds at prices that are not in excess of the public offering prices (or less than the yields) stated on the inside cover page of this Official Statement. The purchase price for the Series 2021A Bonds shall be \$142,468,955.59 (representing the principal amount of the Series 2021A Bonds plus original issue premium of \$23,379,804.60 and less an underwriting discount of \$495,849.01). The purchase price for the Series 2021B Bonds shall be \$43,872,329.66 (representing the principal amount of the Series 2021B Bonds less an underwriting discount of \$182,670.34). The Underwriter will be obligated to purchase all such Series 2021 Bonds if any are purchased.

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

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for DASNY and/or the University, 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 may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of DASNY and/or the University.

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 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, the University will enter into a written agreement (the "Continuing Disclosure Agreement") for the benefit of the Holders of the Series 2021 Bonds with Digital Assurance Certification LLC ("DAC"), as disclosure dissemination agent and the Trustee. The proposed form of Continuing Disclosure Agreement is attached as "APPENDIX F- FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE" hereto.

The University has not failed in the past five years to comply in any material respect with any prior undertaking pursuant to Rule 15c2-12.

PART 19 – RATINGS

Moody’s Investors Service (“Moody’s”) has assigned a rating of “A3” (stable outlook) to the Series 2021 Bonds and S&P Global Ratings (“S&P”) has assigned a rating of “A-” (stable outlook) to the Series 2021 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: S&P, 55 Water Street, New York, New York 10041 and Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2021 Bonds.

PART 20 – MUNICIPAL ADVISOR

The University has retained Janney Montgomery Scott LLC, of New York, New York, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the Series 2021 Bonds. In preparing the Official Statement, the Municipal Advisor has relied upon University officials and other sources who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the University to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. In addition to providing financial advisory services, the Municipal Advisor is also engaged in the business of underwriting, trading and distribution of municipal and other public securities and will not participate in the underwriting of the Series 2021 Bonds.

PART 21 – MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2021 Resolutions, the Series 2021 Bond Series Certificates and the Loan Agreement are on file with DASNY and the Trustee.

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

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

The information set forth herein relating to DASNY under the heading “PART 10 - DASNY” has been obtained from DASNY. All other information herein has been obtained by the Underwriter from the University and other sources deemed to be reliable by the Underwriter, and is not to be construed as a representation by DASNY or the Underwriter. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the University nor does it directly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2021 Bonds or (3) the value or investment quality of the Series 2021 Bonds.

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

“APPENDIX A – CERTAIN DEFINITIONS,” “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX E – FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL” attached hereto have been prepared by Nixon Peabody LLP, New York, New York and Drohan Lee, LLP, New York, New York, Co-Bond Counsel.

“APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN’S UNIVERSITY, NEW YORK WITH INDEPENDENT AUDITORS’ REPORT THEREON” attached hereto contains the financial statements of the University as of and for the years ended May 31, 2020 and 2019 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, Bondholders’ Risks, the principal and interest requirements, the Project, the Refunding Plan, the estimated sources and uses of funds and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN’S UNIVERSITY, NEW YORK WITH

INDEPENDENT AUDITORS' REPORT THEREON" attached hereto. The University, as a condition to issuance of the Series 2021 Bonds, is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2021 Bonds, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The University has agreed to indemnify DASNY, the 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.

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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.

“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 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.

“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 University, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the University to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to

Appendix A

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

(ii) 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 University, three hundred sixty-six (366) days) prior to and during which no petition by or against the Authority or the University, 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 University under the Bankruptcy Code; and

(F) the proceeds from the investment of money described in clauses (A) through (E) above.

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

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

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

“Bond Year” means, 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 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 University to secure the University’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.

“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 University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the University or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the University), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan 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.

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“*Counterparty*” means any person with which the Authority or the University has entered into a Hedge Agreement, *provided that*, at the time the Hedge Agreement is executed, the senior or uncollateralized long-term debt obligations of such person, or of any person that has guaranteed for the term of the Hedge Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service.

“*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 such Series of 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.

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

“*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; and

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

Notwithstanding the foregoing, 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.

“*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.

“*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 hereunder, 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 Tax-Exempt Bonds, will not impair the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation.

“*Federal Agency Obligation*” means:

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

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

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

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(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 June 1st of a calendar year and ending on May 31st of the next subsequent calendar year, or such other twelve month period as the University 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 Documents*” means the Loan Agreement and the other documents to which the University is a party as set forth in Schedule E to the Loan Agreement.

“*Intercreditor Agreement*” means an agreement by and among, *inter alia*, the Authority, the Trustee, creditors of the University, 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).

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

under such agreement or (ii) interest rate cap agreements, interest rate floor agreements, interest rate collar agreements and any other interest rate related hedge agreements or arrangements.

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

“Issuer Documents” means the Resolution, the Loan Agreement and the other documents to which the Authority is a party as set forth in Schedule F 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 University 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 or lease in the nature thereof (including any conditional sale agreement, equipment trust agreement or other title retention agreement) or other encumbrance of whatsoever nature that would have a material adverse effect on the ability of the Authority to enforce its right and remedies under the Loan Agreement or any other Institution Document.

“Liquidity Facility” means 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 the date of issuance of the Bonds, by and between the Authority and the University, 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 University pursuant to 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.

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“*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 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 University, other than pursuant to a Loan Agreement, 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 University’s obligations under one or more Loan Agreements.

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

"Permitted Investments" means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

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

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

(viii) 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.

"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 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:

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(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.

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

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

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

“*Resolution*” means the St. John’s University Revenue Bond Resolution, adopted by the Authority June 20, 2012, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions under the Resolution.

“*Restricted Gift*” means any gift, grant or bequest of money or other property to or for the benefit of the University, 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 lien upon property of the University given to secure the University’s obligation under such Loan Agreement.

“*Serial Bond*” means any Bond so designated in a Series Resolution or a Bond Series Certificate.

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

“*Series 2021A Bonds*” means the Bonds authorized by the Series 2021A Resolution.

“*Series 2021B Bonds*” means the Bonds authorized by the Series 2021B Resolution.

“*Series 2021A Resolution*” means the resolution of the Authority adopted May 5, 2021 entitled “Series Resolution Authorizing Up To \$365,000,000 St. John’s University Revenue Bonds,” which resolution authorized the issuance of the Bonds, together with the Bond Series Certificate, dated as of May 13, 2021, executed by the

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Authority in connection with issuance of the Bonds, in each case as the same may be amended, supplemented or otherwise modified.

“*Series 2021B Resolution*” means the resolution of the Authority adopted May 5, 2021 entitled “Series Resolution Authorizing Up To \$365,000,000 St. John’s University Revenue Bonds,” which resolution authorized the issuance of the Bonds, together with the Bond Series Certificate, dated as of May 13, 2021, executed by the Authority in connection with issuance of the Bonds, in each case as the same may be amended, supplemented or otherwise modified.

“*Series Resolution*” means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

“*Shared Collateral*” means the lien of any Collateral Security securing the University’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 University’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.

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

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

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

“*Tax Certificate*” means the certificate of the Authority and the University, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Bonds in which the Authority and the University 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 Authority to (a) execute and deliver supplements and amendments to the Resolution and the Loan Agreement, pursuant to Article 7 of the Resolution, (b) be held harmless and indemnified pursuant to the Loan Agreement, (c) receive any funds for its own use, whether as administration fees pursuant to the Loan Agreement, amounts payable to the Authority pursuant to the Loan Agreement, or indemnification pursuant to the Loan Agreement, (d) receive notices, Favorable Opinions of Bond Counsel and other documents as required under the Loan Agreement to be delivered to the Authority; (e) require the University to take actions necessary to comply with Article VIII of the Loan Agreement; and (f) enforce any of the foregoing pursuant to Article IX of the Loan Agreement.

“*University*” means St. John’s University, New York, an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State or any successor thereto.

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

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

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

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

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

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“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 the Resolution.

**APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF ST. JOHN’S UNIVERSITY,
NEW YORK WITH INDEPENDENT AUDITORS’ REPORT THEREON**

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ST. JOHN'S UNIVERSITY, NEW YORK

Consolidated Financial Statements

May 31, 2020 and 2019

(With Independent Auditors' Report Thereon)



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

Independent Auditors' Report

To the Board of Trustees
St. John's University, New York:

We have audited the accompanying consolidated financial statements of St. John's University, New York (the University), which comprise the consolidated balance sheets as of May 31, 2020 and 2019, 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 financial position of St. John's University, New York as of May 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

September 18, 2020

ST. JOHN'S UNIVERSITY, NEW YORK

Consolidated Balance Sheets

May 31, 2020 and 2019

(Amounts in thousands)

Assets	2020	2019
Cash and cash equivalents	\$ 60,414	41,810
Accounts receivable:		
Students (net of allowance of \$5,925 and \$4,717 in 2020 and 2019, respectively)	7,023	7,182
Other	11,095	12,445
Contributions receivable, net (note 7)	34,686	30,670
Investments, at fair value (notes 3 and 4)	746,544	754,936
Other assets	7,114	8,252
Student loans receivable (net of allowance of \$3,105 and \$2,896 in 2020 and 2019, respectively)	9,561	11,665
Funds held by bond trustees (notes 4 and 9)	23,312	23,053
Plant assets, net (notes 8 and 9)	591,160	602,492
Total assets	\$ 1,490,909	1,492,505
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 74,243	69,877
Deferred revenues and other liabilities	24,216	19,710
Present value of annuities payable	3,667	3,929
Interest rate swap liability (notes 4 and 9)	3,130	2,621
Refundable U.S. government advances	11,127	13,393
Long-term debt (note 9)	438,676	461,080
Total liabilities	555,059	570,610
Commitments and contingencies (notes 4, 13, and 14)		
Net assets (notes 5 and 11):		
Without donor restrictions	689,768	688,415
With donor restrictions:		
Time or purpose	71,353	76,163
Perpetual	174,729	157,317
Total with donor restrictions	246,082	233,480
Total net assets	935,850	921,895
Total liabilities and net assets	\$ 1,490,909	1,492,505

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY, NEW YORK

Consolidated Statements of Activities

Years ended May 31, 2020 and 2019

(Amounts in thousands)

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$283,969 in 2020 and \$278,650 in 2019)	\$ 354,045	357,249
Investment return utilized	26,519	26,997
Private gifts, grants, and contracts	11,921	12,462
Government grants and contracts	19,842	8,213
Auxiliary enterprises	53,463	69,895
Other revenues	5,435	5,698
Net assets released from restrictions (note 11)	<u>10,007</u>	<u>7,397</u>
Total operating revenues	<u>481,232</u>	<u>487,911</u>
Operating expenses (note 12):		
Instruction	197,041	196,832
Research and other sponsored programs	6,719	6,493
Academic support	58,130	60,740
Student services	55,446	52,631
Auxiliary enterprises	84,767	85,395
Institutional support	<u>65,940</u>	<u>67,651</u>
Total operating expenses	<u>468,043</u>	<u>469,742</u>
Net operating revenues	13,189	18,169
Nonoperating activities:		
Investment return less than amount utilized in operations	(11,327)	(16,471)
Change in fair value of interest rate swap (note 9)	<u>(509)</u>	<u>(246)</u>
Increase in net assets without donor restrictions	<u>1,353</u>	<u>1,452</u>
Changes in net assets with donor restrictions:		
Investment return, net	4,030	2,580
Private gifts, grants, and contracts	18,579	17,675
Net assets released from restrictions (note 11)	<u>(10,007)</u>	<u>(7,397)</u>
Increase in net assets with donor restrictions	<u>12,602</u>	<u>12,858</u>
Increase in net assets	13,955	14,310
Net assets at beginning of year	<u>921,895</u>	<u>907,585</u>
Net assets at end of year	\$ <u><u>935,850</u></u>	\$ <u><u>921,895</u></u>

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY, NEW YORK

Consolidated Statements of Cash Flows

Years ended May 31, 2020 and 2019

(Amounts in thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase in net assets	\$ 13,955	14,310
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Change in fair value of interest rate swap	509	246
Depreciation	39,864	39,844
Amortization of deferred bond issuance costs	373	397
Amortization of bond premium	(2,341)	(2,391)
Bad debt expense – student accounts receivable	2,450	1,450
Bad debt expense and cancellations and write-offs – student loans	279	250
Net appreciation in fair value of investments	(13,639)	(4,692)
Contributions restricted for permanent investment and capital	(17,423)	(14,576)
Changes in operating assets and liabilities:		
Student accounts receivable	(2,291)	(2,001)
Other receivables	1,350	3,809
Nonendowment and noncapital contributions receivable	(290)	(1,343)
Other assets	1,138	(875)
Noncapital accounts payable and accrued expenses	4,491	(1,967)
Deferred revenues and other liabilities	4,506	(3,077)
Net cash provided by operating activities	<u>32,931</u>	<u>29,384</u>
Cash flows from investing activities:		
Plant assets acquired	(28,532)	(22,746)
Change in accounts payable and accrued expenses related to plant asset acquisitions	(125)	(1,326)
Purchase of investments	(165,061)	(137,548)
Sale of investments	187,092	149,799
Student loans – disbursements	(199)	(216)
Student loans – collections	2,024	2,605
Net cash used in investing activities	<u>(4,801)</u>	<u>(9,432)</u>
Cash flows from financing activities:		
Proceeds from line of credit	15,000	15,000
Repayment of line of credit	(15,000)	(15,000)
Payment of long-term debt principal	(20,436)	(20,616)
Change in funds held by bond trustees	(360)	(851)
Contributions restricted for permanent investment and capital	17,423	14,576
Change in endowment and capital contributions receivable	(3,726)	(385)
Change in present value of annuities payable	(262)	(312)
Change in refundable U.S. government advances	(2,266)	176
Net cash used in financing activities	<u>(9,627)</u>	<u>(7,412)</u>
Net increase in cash, cash equivalents, and restricted cash	18,503	12,540
Cash, cash equivalents, and restricted cash at beginning of year	42,086	29,546
Cash, cash equivalents, and restricted cash at end of year	\$ <u>60,589</u>	<u>42,086</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	\$ 60,414	41,810
Restricted cash included in funds held by bond trustees	175	276
Total cash, cash equivalents, and restricted cash shown above	\$ <u>60,589</u>	<u>42,086</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 18,494	19,065

See accompanying notes to consolidated financial statements.

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

(1) Organization

St. John's University, New York (the University), founded by the Vincentian community in 1870, is an independent not-for-profit institution of higher education, accredited by the Middle States Association of Colleges and Secondary Schools and by the State of New York Department of Education. The University is one of the largest Catholic universities in the United States with more than 20,000 students on six campuses/sites – Queens, Staten Island, Manhattan, and Hauppauge in New York; Rome, Italy; and Paris, France. The University offers more than 100 unique degree programs at the associate, bachelor's, master's, and doctoral levels. The degree programs, which are housed in six schools and colleges, span a wide range of disciplines from the liberal arts to professional programs. The majority of classes in the degree programs are taught face-to-face at one of the six campuses/sites. The University also delivers classes online.

The consolidated financial statements of the University include the accounts of the following affiliates:

- St. John's Paris Association, a separately incorporated French affiliate, incorporated in August 2008.
- St. John's University SRL (Rome SRL), a separately incorporated Italian affiliate, incorporated in January 2009.

The purpose of these affiliates is to provide a study-abroad experience to American students, and especially students of the University, in France and Italy.

(2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are described below:

(a) Basis of Presentation

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.

The net assets of the University and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions, including those designated by the Board of Trustees (the Board) of the University to function as endowment. In addition, changes to this category of net assets include restricted gifts whose donor-imposed restrictions are met in the year received, through the passage of time, or through fulfillment of the restricted purpose.

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

With donor restrictions – Net assets that are subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time. Expirations of restrictions on net assets with donor restrictions, including reclassification of net assets with donor restrictions for the acquisition or construction of long-lived assets when the associated long-lived asset is placed in service, are reported as net assets released from restrictions in the accompanying consolidated statement of activities. Also included in this category are net assets subject to donor-imposed restrictions, which stipulate that the principal be maintained permanently by the University, but permit the University to expend part or all of the income and gains derived therefrom.

Revenues and gains and losses on investments and other assets and liabilities are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions.

The University delineates changes in net assets without donor restrictions as operating or nonoperating activities. Operating activities include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated and other nonoperating funds to support current operating activities. The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions designated for long-term investment (donor-restricted and quasi-endowment funds) according to the University's spending rate policy, which is detailed in note 5. Nonoperating activities include investment return in excess of or less than the amount utilized in operations in accordance with the University's spending rate policy, contributions designated for capital projects and quasi-endowment, change in the fair value of interest rate swaps, and nonrecurring items.

(b) Use of 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 financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include valuation of investments and allocation of functional expenses.

(c) Cash Equivalents

Cash equivalents consist of money market accounts, savings accounts, and certificates of deposit purchased with original maturities of three months or less, except for such instruments purchased by the University as part of its ongoing long-term investment strategies, and funds held by bond trustees.

(d) Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

For financial and nonfinancial instruments measured at fair value on a recurring basis, the University uses the three tiered hierarchy to categorize those assets and liabilities based on the valuation methodologies employed. This hierarchy is defined as follows:

Level 1 – Valuation based on quoted or published prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices such as quoted or published prices for similar assets or liabilities.

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available.

(e) Investments

The University's investments (including investments held by bond trustees) are reported at estimated fair value based upon quoted or published market prices or, with respect to alternative investments, at estimated fair value using net asset values as a practical expedient, provided by the general partners of limited partnerships or other external investment managers. These net asset values are reviewed and evaluated by the University. Due to the inherent uncertainties of these estimates, these values may differ from the values that would have been used had a ready market existed for such investments.

(f) Contributions, Grants, and Contracts

Contributions, including grants, contracts, and unconditional promises to give (pledges), are recognized initially at fair value as revenues in the period received or pledged. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as revenues without donor restrictions.

Contributions with purpose or time restrictions that are not met in the same reporting period as received are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value. The University reports contributions of plant assets as increases in net assets without donor restrictions unless the donor places restrictions on their use. Contributions expected to be received after one year are discounted at a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution.

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 May 31, 2020 and 2019, the University received conditional promises to give of approximately \$9,024 and \$10,970, respectively, in the form of measurable performance-related or other barriers and

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

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.

(g) Plant Assets

Plant assets are stated at cost. Library books are not capitalized. Depreciation of plant assets is computed on a straight-line basis over the estimated useful lives as follows:

Buildings	50 years
Building improvements	20 to 40 years
Site improvements	10 to 20 years
Leasehold improvements	Shorter of remaining lease term or useful life
Furniture and equipment	4 to 10 years

(h) Student Services Revenue Recognition

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 enterprises in the accompanying consolidated statements of activities. Payments for tuition and fees and residential services are 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 four to five 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.

(i) Deferred Revenues and Other Liabilities

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.

Other liabilities primarily include amounts received in advance from service providers, which are recognized as performance obligations are satisfied, and tenant improvement allowances from a landlord which are recognized over the life of the contract.

As of May 31, deferred revenues and other liabilities consisted of the following:

	<u>2020</u>	<u>2019</u>
Deferred student tuition and fees (note 15)	\$ 13,707	8,980
Other liabilities (note 13)	<u>10,509</u>	<u>10,730</u>
Total	<u>\$ 24,216</u>	<u>19,710</u>

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

(j) Refundable U.S. Government Advances

Funds provided by the U.S. government under the Federal Health Professions Student Loan program are loaned to qualified students and may be reloaned after collection. These funds, in addition to funds provided under the Federal Perkins Loan program, are ultimately refundable to the U.S. government and are presented in the accompanying consolidated balance sheets as a liability.

(k) Tax Status

The University is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities. A portion of the activities of the Paris Association is subject to corporate income and value added tax (VAT) under the provisions of the French Tax Code. The activities of Rome SRL are subject to corporate and VAT taxes under the provisions of the Italian Tax Code. 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. As of May 31, 2020 and 2019, the University has not identified or provided for any such positions.

(l) Recent Accounting Pronouncements

- (i) Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230)* – This guidance, effective for the University's fiscal year ended May 31, 2020, is intended to address the diversity that exists in the classification and presentation of changes in restricted cash or restricted cash equivalents on the consolidated statement of cash flows. The University applied the amendments in this ASU using a retrospective transition method. Management has determined that this ASU did not significantly impact the University's consolidated financial statements.
- (ii) ASU No. 2016-02, *Leases (Topic 842)* – This guidance, effective for the University's fiscal year ending May 31, 2021 (as amended), with early application permitted, is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated balance sheet and disclosing key information about leasing arrangements. The University is currently evaluating the impact of this ASU and expects to apply it using the modified retrospective approach for the year ending May 31, 2021.

(m) Reclassifications

Certain amounts in the 2019 consolidated financial statements have been reclassified to conform to the 2020 presentation.

ST. JOHN'S UNIVERSITY, NEW YORK
Notes to Consolidated Financial Statements
May 31, 2020 and 2019
(Amounts in thousands)

(3) Investments

As of May 31, the fair value of investments consisted of the following:

	2020	2019
Cash equivalents	\$ 49,817	39,518
Equities – domestic	139,922	189,915
Equities – international	48,737	89,347
Split interest agreements	5,391	5,768
Commingled funds	188,710	144,084
Alternative investments	313,967	286,304
Total	\$ 746,544	754,936

In addition to split interest agreements, investments at May 31, 2020 and 2019 include nonendowment funds with original maturities of greater than three months of \$21,472 and \$27,714, respectively, for operating and capital use.

(4) Fair Value of Financial Instruments

The fair value of investments in debt and equity securities is based upon quoted or published market prices. The fair values of commingled funds and alternative investments are based on net asset values provided by the external investment managers and assessed by management for reasonableness. The fair value of the interest rate swap is calculated by the counterparty to the agreement using an income approach and assessed by management for reasonableness.

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

The University's commingled funds and alternative investments are allocated among the following investment strategies (amounts as of May 31, 2020):

Commingled funds (\$188,710) consist of funds representing beneficial interests in entities that invest in portfolios of public equity and fixed income and related securities. These investments have various redemption intervals with notice periods ranging from 6 to 60 days. Certain investments allow for partial redemption with the remainder retained by the fund managers until the issuance of their respective financial statements.

Hedge funds (\$181,998) consist of investments in hedge funds across a range of strategies (e.g., long/short, long-biased, event driven, and relative value). Under the terms of certain hedge fund agreements, the University had open commitments of approximately \$7,000 at May 31, 2020. These investments contain various restrictions and redemption intervals with notice periods ranging from 30 to 150 days. Certain investments allow for partial redemption with the remainder retained by fund

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

managers until the issuance of their respective financial statements. In addition, certain investments have initial and/or rolling lockups and side pocket investments. Side pocket investments are generally less liquid and redemption of these investments is at the discretion of the fund.

Private equity and debt funds (\$98,559) consist of investments in funds of funds and direct private funds across a broad range of strategies (e.g., buyout, distressed, growth, venture capital, secondaries, and private debt). Under the terms of certain private equity and debt agreements, the University had open commitments of approximately \$80,000 at May 31, 2020. These investments are generally less liquid, and redemption of these investments is at the discretion of the manager over the duration of the investment term.

Real estate funds (\$33,410) consist of funds formed to invest in various real estate and real estate-related investments (e.g., equity in real property, first mortgage and mezzanine debt, public and private equity, debt in real estate companies, and structured products). Under the terms of certain real estate fund agreements, the University had open commitments of approximately \$16,000 at May 31, 2020. These investments are generally less liquid and redemption of these investments is at the discretion of the fund over the duration of the investment term.

As of May 31, the following tables summarize the redemption frequency by category of commingled funds and alternative investments:

	2020				
	Commingled funds	Hedge funds	Private equity and debt funds	Real estate funds	Total
Redemption frequency:					
Less than monthly	\$ 44,826	—	—	—	44,826
Monthly	124,217	15,725	—	—	139,942
Quarterly	19,667	82,393	—	—	102,060
Lockup	—	81,671	—	—	81,671
No redemptions	—	2,209	98,559	33,410	134,178
Total	\$ 188,710	181,998	98,559	33,410	502,677

	2019				
	Commingled funds	Hedge funds	Private equity and debt funds	Real estate funds	Total
Redemption frequency:					
Less than monthly	\$ 41,831	—	—	—	41,831
Monthly	102,253	15,871	—	—	118,124
Quarterly	—	99,727	—	—	99,727
Lockup	—	30,276	—	—	30,276
No redemptions	—	—	109,563	30,867	140,430
Total	\$ 144,084	145,874	109,563	30,867	430,388

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

The following tables present the University's fair value hierarchy for investments, funds held by bond trustees, and bond interest rate swap measured at fair value as of May 31, 2020 and 2019. The split interest agreements included in investments have a corresponding liability of \$3,667 and \$3,929 at May 31, 2020 and 2019, respectively.

Assets	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash equivalents	\$ 49,817	—	—	49,817
Equities – domestic:				
Common stock	62,460	—	—	62,460
Mutual funds	46,703	—	—	46,703
Common trust funds	30,759	—	—	30,759
Equities – international:				
Mutual funds	48,737	—	—	48,737
Split interest agreements	4,105	1,286	—	5,391
	<u>242,581</u>	<u>1,286</u>	<u>—</u>	<u>243,867</u>
Investments measured at net asset value (or its equivalent)				<u>502,677</u>
Total investments				<u>746,544</u>
Funds held by bond trustees:				
Cash	175	—	—	175
U.S. government securities	23,137	—	—	23,137
	<u>23,312</u>	<u>—</u>	<u>—</u>	<u>23,312</u>
Total assets	\$ <u>265,893</u>	<u>1,286</u>	<u>—</u>	<u>769,856</u>
Liabilities				
Interest rate swap	\$ —	(3,130)	—	(3,130)

ST. JOHN'S UNIVERSITY, NEW YORK
Notes to Consolidated Financial Statements
May 31, 2020 and 2019
(Amounts in thousands)

Assets	2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash equivalents	\$ 39,518	—	—	39,518
Equities – domestic:				
Common stock	49,386	—	—	49,386
Mutual funds	90,482	—	—	90,482
Common trust funds	50,047	—	—	50,047
Equities – international:				
Mutual funds	89,347	—	—	89,347
Split interest agreements	4,380	1,388	—	5,768
	<u>323,160</u>	<u>1,388</u>	<u>—</u>	<u>324,548</u>
Investments measured at net asset value (or its equivalent)				<u>430,388</u>
Total investments				<u>754,936</u>
Funds held by bond trustees:				
Cash	276	—	—	276
U.S. government securities	22,777	—	—	22,777
	<u>23,053</u>	<u>—</u>	<u>—</u>	<u>23,053</u>
Total assets	<u>\$ 346,213</u>	<u>1,388</u>	<u>—</u>	<u>777,989</u>
Liabilities				
Interest rate swap	\$ —	(2,621)	—	(2,621)

(5) Endowment Funds

The University's endowment consists of over 750 individual funds established for a number of purposes. The endowment includes donor-restricted funds and funds designated by the Board, including operating surpluses, to function as endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Spending Rate Policy

The University established a spending rate policy designed to preserve the value of these investments in real terms and provide a predictable flow of funds to support operations. The University calculates annual spending as (i) 60% of the prior year's endowment spending, adjusted for inflation by the consumer price index, and (ii) 40% of the average endowment market value of the trailing 12 quarters multiplied by the spending rate of 4.50%. However, to avoid unintentional spending distortions over time, in no event shall the spending amount with respect to any fiscal year be less than 4% or more than 6% of the average market value over the trailing four quarters.

ST. JOHN'S UNIVERSITY, NEW YORK

Notes to Consolidated Financial Statements

May 31, 2020 and 2019

(Amounts in thousands)

(b) Return Objectives

The endowment assets are invested in a manner that is intended to earn, over a full market cycle, a compound annual rate of return in excess of inflation, the spending rate, and fund expenses while maintaining a moderate risk level considered prudent based upon all the facts and circumstances known at that time. The University pools its investments and manages them to achieve a prudent long-term total return.

(c) Interpretation of Relevant Law

Pursuant to the investment policy approved by the Board, the University has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the University deems 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 considers the duration and preservation of the fund, the purposes of the University and endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, the University's investment policy, and certain other resources in making a determination to appropriate or accumulate endowment funds.

Appreciation on donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University. The amounts appropriated for expenditure are based on the endowment spending rate, which is approved by the Board as part of the University's operating budget.

(d) Underwater Endowment Funds

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. Deficiencies of this nature are reported in net assets with donor restrictions. At May 31, 2020 and 2019, 80 and 37 endowment funds with an aggregate original gift value of \$15,682 and \$7,740, respectively, were underwater by \$518 and \$212, respectively. The University's policy permits spending from underwater endowment funds unless otherwise precluded by donor intent or relevant laws and regulations.

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The tables below present the endowment net assets, excluding contributions receivable of \$22,967 and \$19,085 at May 31, 2020 and 2019, respectively, by type of fund:

	2020		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated/operating surplus endowment funds	\$ 534,025	—	534,025
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity	—	150,022	150,022
Accumulated investment gains	—	35,634	35,634
Total endowment	\$ <u>534,025</u>	<u>185,656</u>	<u>719,681</u>

	2019		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated/operating surplus endowment funds	\$ 545,506	—	545,506
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity	—	136,411	136,411
Accumulated investment gains	—	39,537	39,537
Total endowment	\$ <u>545,506</u>	<u>175,948</u>	<u>721,454</u>

The tables below present the changes in endowment net assets for the years ended May 31:

	2020		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, May 31, 2019	\$ 545,506	175,948	721,454
Investment return, net	14,193	3,760	17,953
New gifts	—	12,171	12,171
Appropriation for expenditure	(25,520)	(6,983)	(32,503)
Transfers and other changes	(154)	760	606
Endowment net assets, May 31, 2020	\$ <u>534,025</u>	<u>185,656</u>	<u>719,681</u>

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	2019		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, May 31, 2018	\$ 564,639	165,818	730,457
Investment return, net	9,380	2,340	11,720
New gifts	—	12,519	12,519
Appropriation for expenditure	(25,851)	(6,767)	(32,618)
Transfers and other changes	(2,662)	2,038	(624)
Endowment net assets, May 31, 2019	<u>\$ 545,506</u>	<u>175,948</u>	<u>721,454</u>

(6) Financial Assets and Liquidity Resources

Financial assets available within one year for general expenditures, including scheduled principal payments on debt and capital construction costs not financed with debt, were as follows at May 31:

	2020	2019
Cash and cash equivalents	\$ 60,414	41,810
Accounts receivable:		
Students	7,023	7,182
Other	8,457	9,307
Contributions receivable, net	1,980	2,709
Investments	21,472	27,714
Debt service funds held by bond trustees	23,312	23,053
Endowment appropriation, fiscal year 2021 and 2020, respectively	<u>33,135</u>	<u>32,474</u>
Total financial assets available within one year	155,793	144,249
Other resources available:		
Line of credit (a)	<u>50,000</u>	<u>50,000</u>
Total financial assets and other resources available within one year	<u>\$ 205,793</u>	<u>194,249</u>

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In addition to financial assets available within one year, the University operates within a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The University's cash flows have seasonal variations during the year attributable to tuition billing and related cash receipts. As part of its liquidity management, the University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The University invests cash in excess of daily requirements in various short-term investments. Also, at May 31, 2020 and 2019, the University had \$534,025 and \$545,506, respectively, in funds functioning as endowment. Although the University does not intend to spend from its funds functioning as endowment other than amounts appropriated as part of its annual budget approval and appropriation process, amounts could be made available for general expenditures with Board approval. The Board has approved a one-time draw of up to \$31,500 from funds functioning as endowment to fund COVID-19 pandemic-related shortfalls and expenditures during the fiscal year ending May 31, 2021.

- (a) The University maintains a two-year committed line of credit with a bank for \$50,000 that is drawn upon as needed during the year to manage cash flows. Borrowings under the line bear interest at LIBOR plus 50 basis points. A fee of 5 basis points is also charged on the unused portion. At May 31, 2020 and 2019, there were no amounts outstanding under the line. The line of credit expires on March 31, 2022.

(7) Contributions Receivable

Contributions receivable were as follows at May 31:

	<u>2020</u>	<u>2019</u>
Amounts expected to be collected in:		
Less than one year	\$ 7,481	8,531
One to five years	16,142	17,172
More than five years	<u>17,879</u>	<u>11,314</u>
	41,502	37,017
Less:		
Discount for net present value (0.30%–6.00%)	(6,066)	(5,597)
Allowance for uncollectible amounts	<u>(750)</u>	<u>(750)</u>
	<u>\$ 34,686</u>	<u>30,670</u>

Pledges from five donors accounted for 66% and 68% of gross contributions receivable at May 31, 2020 and 2019, respectively.

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(8) Plant Assets

Plant assets at May 31 consisted of the following:

	2020		
	Cost	Accumulated depreciation	Net carrying value
Land	\$ 27,708	—	27,708
Site improvements	58,298	51,145	7,153
Buildings	551,233	210,482	340,751
Building improvements	301,121	159,099	142,022
Leasehold improvements	26,026	12,974	13,052
Furniture and equipment	114,496	54,022	60,474
Total	<u>\$ 1,078,882</u>	<u>487,722</u>	<u>591,160</u>
	2019		
	Cost	Accumulated depreciation	Net carrying value
Land	\$ 27,708	—	27,708
Site improvements	57,470	48,984	8,486
Buildings	551,233	200,185	351,048
Building improvements	287,615	147,590	140,025
Leasehold improvements	25,965	11,209	14,756
Furniture and equipment	113,360	52,891	60,469
Total	<u>\$ 1,063,351</u>	<u>460,859</u>	<u>602,492</u>

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(9) Long-Term Debt

The University's plant includes acquisition and construction costs for various facilities financed through revenue obligations of the Dormitory Authority of the State of New York (the Dormitory Authority) and capital leases. The following obligations were outstanding at May 31:

	<u>2020</u>	<u>2019</u>
Dormitory authority:		
St. John's University, Insured Revenue Bonds, Series 2007C, 5.25%, due from 2021 to 2031 (including unamortized premium of \$1,247 and \$1,659 in 2020 and 2019, respectively) (Series 2007C Bonds) (a)	\$ 91,362	100,724
St. John's University, Revenue Bonds, Series 2008B-1, variable rate demand bonds due from 2021 to 2035 (interest rate at May 31, 2020 was 0.11% and 2019 was 1.40%) (Series 2008B-1 Bonds) (b) (c) (g)	44,125	48,055
St. John's University, Revenue Bonds, Series 2008B-2, variable rate demand bonds due from 2021 to 2038 (interest rate at May 31, 2020 was 0.11% and 2019 was 1.40%) (Series 2008B-2 Bonds) (b) (c) (g)	60,835	61,075
St. John's University, Revenue Bonds, Series 2012A, 4.00%, due from 2021 to 2024 (including unamortized premium of \$143 and \$189 in 2020 and 2019, respectively) (Series 2012A Bonds) (d) (g)	708	879
St. John's University, Revenue Bonds Series 2012B, 5.00%, due from 2030 to 2031 (including unamortized premium of \$1,605 and \$1,735 in 2020 and 2019, respectively) (Series 2012B Bonds) (d) (g)	16,860	16,990
St. John's University, Revenue Bonds, Series 2013A, 5.00%, due from 2039 to 2045 (including unamortized premium of \$67 and \$69 in 2020 and 2019, respectively) (Series 2013A Bonds) (e)	58,002	58,004
St. John's University, Revenue Bonds Series 2013B, 4.282% to 4.982%, due from 2021 to 2030 (Series 2013B Bonds) (e)	5,195	5,695
St. John's University, Revenue Bonds, Series 2015A, 3.00% to 5.00%, due from 2021 to 2038 (including unamortized premium of \$11,440 and \$12,427 in 2020 and 2019, respectively) (Series 2015A Bonds) (f)	110,480	114,912

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	<u>2020</u>	<u>2019</u>
St. John's University, Revenue Bonds, Series 2017A, 5.00%, due from 2027 to 2031 (including unamortized premium of \$6,691 and \$7,455 in 2020 and 2019, respectively) (Series 2017A Bonds) (g)	\$ 49,271	50,035
Obligations under capital leases (h)	<u>5,767</u>	<u>9,013</u>
Subtotal	442,605	465,382
Less unamortized debt issuance cost	<u>(3,929)</u>	<u>(4,302)</u>
	<u>\$ 438,676</u>	<u>461,080</u>

- (a) Under agreements with the Dormitory Authority, the University issued revenue bonds to finance construction, renovations, furnishings, and information technology upgrades. The University has granted the Dormitory Authority a security interest in tuition revenue equal to the maximum annual debt service in any one year and a mortgage on certain property, including certain fixtures, furnishings, and equipment.
- (b) The Series 2008B-1 Bonds and Series 2008B-2 Bonds are secured by letters of credit that are scheduled to expire in October 2021.
- (c) The University entered into an interest rate swap agreement with an original notional amount of \$58,400 to mitigate interest rate risk associated with a portion of the University's variable rate debt. Under the terms of the agreement, as amended, the University pays a fixed rate of 3.30% and receives 64.20% of the 10-year International Swap Dealers Association (ISDA) rate on the notional amount (\$34,825 at May 31, 2020). At May 31, 2020 and 2019, the fair value of the interest rate swap was a liability of \$3,130 and \$2,621, respectively. The change in fair value is reported as nonoperating gain or loss in the accompanying consolidated statements of activities.
- (d) The Series 2012A and 2012B Bonds were issued in order to reduce the University's overall interest costs, with the proceeds being used to refund Series 1998, Series 2001A, Series 2005A Insured Revenue Bonds, and Series 2008A Variable Rate Demand Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. See (g) below.
- (e) The Series 2013A and 2013B Bonds were issued in order to acquire the Henley Road Residence, an off-campus student residence hall that was previously leased. A portion of the Series 2013A Bonds was used to reimburse the University for approximately \$22,200 for cash paid by the University for the residence. In addition, a portion of the proceeds of the Series 2013A Bonds (\$35,000) was used to prepay the Henley Road Mortgage in October 2016. The proceeds of the Series 2013B Bonds (taxable) was used to pay capitalized interest and cost of issuance on the Series 2013A Bonds.

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- (f) The Series 2015A Bonds were issued in order to reduce the University's overall interest costs, with the proceeds being used to refund Series 2007A Insured Revenue Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. Accordingly, the trustee assets and the refunded portion of the bonds are not reflected in the accompanying consolidated financial statements.
- (g) The Series 2017A Bonds were issued in order to reduce the University's overall interest costs, with the proceeds being used to partially advance refund Series 2012A and Series 2012B Revenue Bonds, and partially refund Series 2008B-1 and Series 2008B-2 Variable Rate Demand Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. Accordingly, the trustee assets and the refunded portion of the bonds are not reflected in the accompanying consolidated financial statements.
- (h) The University has entered into multiple master lease and sublease agreements with the Dormitory Authority under the Dormitory Authority's Tax-Exempt Leasing Program (TELP). Pursuant to the agreements, the University borrowed funds for the purchase of energy efficient equipment and to replace and upgrade various technology equipment. Lease obligations are collateralized by the equipment and are payable in equal monthly installments, including interest. At May 31, 2020, monthly installments were approximately \$289 (expiration dates range from December 18, 2020 through August 10, 2023 and interest rates range from 1.55% to 3.92%).

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Future debt service payments, assuming an interest rate of 3.00% on the Series 2008B-1 Bonds and the Series 2008B-2 Bonds, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
Year ending May 31:			
2021	\$ 20,699	18,434	39,133
2022	22,165	17,490	39,655
2023	22,009	16,503	38,512
2024	22,329	15,505	37,834
2025	23,820	14,455	38,275
Thereafter	<u>310,390</u>	<u>105,209</u>	<u>415,599</u>
	421,412	\$ <u>187,596</u>	<u>609,008</u>
Plus unamortized premium	21,193		
Less unamortized debt issuance cost	<u>(3,929)</u>		
	<u>\$ 438,676</u>		

The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders. Bond trustees invest such amounts as permitted under the applicable bond agreements until they are withdrawn to affect the purposes for which they were generated. Deposits held by bond trustees, at fair value, consisted of debt service funds of \$23,312 and \$23,053 at May 31, 2020 and 2019, respectively.

(10) Pension and Other Retirement Benefits

The University has defined-contribution retirement plans covering substantially all academic and nonacademic personnel. Costs for the years ended May 31, 2020 and 2019 were approximately \$13,924 and \$13,729, respectively.

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(11) Net Assets

Net assets consisted of the following at May 31:

	2020		
	Without donor restrictions	With donor restrictions	Total
Operating	\$ 483	22,773	23,256
Contributions receivable	—	34,686	34,686
Net investment in plant	155,260	—	155,260
Endowment funds (a)	534,025	185,656	719,681
Split interest agreements	—	2,967	2,967
Total net assets	<u>\$ 689,768</u>	<u>246,082</u>	<u>935,850</u>
	2019		
	Without donor restrictions	With donor restrictions	Total
Operating	\$ (547)	23,704	23,157
Contributions receivable	—	30,670	30,670
Net investment in plant	143,456	—	143,456
Endowment funds (a)	545,506	175,948	721,454
Split interest agreements	—	3,158	3,158
Total net assets	<u>\$ 688,415</u>	<u>233,480</u>	<u>921,895</u>

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- (a) The endowment component of net assets without donor restrictions (quasi-endowment) is comprised of amounts designated by the Board to function as endowment and funds designated from operating surpluses to fund capital expenditures and general activities that are invested as part of the endowment pool until such time that the funds are needed. These funds are designated as follows:

	<u>2020</u>	<u>2019</u>
Board-designated funds:		
Scholarship programs	\$ 72,467	73,472
Educational programs	14,278	14,606
Other programs, primarily general activities	<u>217,178</u>	<u>222,512</u>
	<u>303,923</u>	<u>310,590</u>
Operating surplus funds:		
General activities	187,089	182,347
Capital projects	<u>43,013</u>	<u>52,569</u>
	<u>230,102</u>	<u>234,916</u>
	\$ <u>534,025</u>	\$ <u>545,506</u>

Net assets with donor restrictions at May 31 were available for the following purposes:

	<u>2020</u>	<u>2019</u>
Subject to expenditures for specified purposes:		
Scholarship programs	\$ 10,534	10,952
Educational programs	10,782	11,381
Future periods for general University purposes	<u>1,457</u>	<u>1,371</u>
	<u>22,773</u>	<u>23,704</u>
Pledges to support the following purposes:		
Scholarship programs	1,857	2,129
Educational programs	413	295
Capital improvements	493	649
Future periods for general University purposes	<u>8,956</u>	<u>8,512</u>
	<u>11,719</u>	<u>11,585</u>

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	<u>2020</u>	<u>2019</u>
Donor-restricted endowment pledges to support:		
Scholarship programs	\$ 12,575	8,305
Educational programs	6,437	7,367
Other programs	<u>3,955</u>	<u>3,413</u>
	<u>22,967</u>	<u>19,085</u>
Donor-restricted endowments subject to spending policy and appropriation:		
Accumulated investment gains:		
Scholarship programs	24,670	26,680
Educational programs	9,891	11,683
Other programs	<u>1,073</u>	<u>1,174</u>
	<u>35,634</u>	<u>39,537</u>
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity:		
Scholarship programs	106,236	99,108
Educational programs	40,509	34,050
Other programs	<u>3,277</u>	<u>3,253</u>
	<u>150,022</u>	<u>136,411</u>
Split interest agreements to support scholarship and educational programs:		
Time or purpose	1,227	1,337
Perpetual trusts	<u>1,740</u>	<u>1,821</u>
	<u>2,967</u>	<u>3,158</u>
	\$ <u><u>246,082</u></u>	\$ <u><u>233,480</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Scholarship programs	\$ 6,105	5,014
Educational programs	2,213	1,769
Capital improvements	290	135
General University purposes	<u>1,399</u>	<u>479</u>
	\$ <u><u>10,007</u></u>	\$ <u><u>7,397</u></u>

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(12) Functional and Natural Classification of Expenses

The University's primary program service is instruction. Expenses reported as research and other sponsored programs, academic support, student services, and auxiliary enterprises are incurred in support of this primary program activity. Certain categories of expenses attributable to more than one program or supporting services function are allocated using cost allocation methods such as square footage and estimates of time and effort.

The University allocates expenses relating to the operation and maintenance of plant and depreciation using building square footage based on functional use. Interest expense is allocated based on the functional use of each facility financed by debt.

Expenses by functional classification for the years ended May 31 were as follows:

	2020							
	Program activities							Institutional support
	Instruction	Research and other sponsored programs	Academic support	Student services	Auxiliary enterprises	Total program		
Salaries and wages	\$ 120,469	3,077	25,323	17,987	15,406	182,262	25,463	207,725
Employee benefits	40,590	505	11,326	8,300	5,597	66,318	11,024	77,342
Repairs, maintenance and occupancy	12,443	546	5,453	6,642	17,501	42,585	2,389	44,974
Depreciation	12,771	627	3,436	7,283	13,059	37,176	2,688	39,864
Interest	3,011	—	387	69	9,827	13,294	2,853	16,147
Student meal plans	—	—	—	—	9,199	9,199	—	9,199
Supplies	1,700	543	4,318	428	948	7,937	375	8,312
Travel	1,735	285	840	1,123	3,222	7,205	272	7,477
Professional fees	913	308	815	2,256	676	4,968	3,593	8,561
Student aid	—	—	—	5,631	2,214	7,845	—	7,845
Other	3,409	828	6,232	5,727	7,118	23,314	17,283	40,597
	<u>\$ 197,041</u>	<u>6,719</u>	<u>58,130</u>	<u>55,446</u>	<u>84,767</u>	<u>402,103</u>	<u>65,940</u>	<u>468,043</u>

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	2019							
	Program activities							
	Instruction	Research and other sponsored programs	Academic support	Student services	Auxiliary enterprises	Total program	Institutional support	Total expenses
Salaries and wages	\$ 118,792	2,945	26,065	18,384	14,879	181,065	24,986	206,051
Employee benefits	40,562	427	11,593	8,208	5,253	66,043	10,721	76,764
Repairs, maintenance and occupancy	12,996	556	5,811	6,951	16,179	42,493	2,507	45,000
Depreciation	12,677	618	3,447	7,279	13,126	37,147	2,697	39,844
Interest	3,119	—	363	65	10,308	13,855	3,007	16,862
Student meal plans	—	—	—	—	10,532	10,532	—	10,532
Supplies	2,210	484	4,727	386	883	8,690	487	9,177
Travel	1,948	249	1,163	1,592	3,424	8,376	505	8,881
Professional fees	687	421	833	2,688	685	5,314	3,906	9,220
Student aid	—	—	—	—	1,941	1,941	—	1,941
Other	3,841	793	6,738	7,078	8,185	26,635	18,835	45,470
	<u>\$ 196,832</u>	<u>6,493</u>	<u>60,740</u>	<u>52,631</u>	<u>85,395</u>	<u>402,091</u>	<u>67,651</u>	<u>469,742</u>

Other expenses primarily include insurance expenses, advertising and promotion, special events expenses, communication and data access expenses, software costs, nontuition awards to students, clinical rotation expenses, student search expenses, bank charges, bond related administrative fees, postage, and printing costs.

Fundraising expenses are included in institutional support. For the years ended May 31, 2020 and 2019, such costs were \$7,765 and \$7,730, respectively.

(13) Lease Commitments

The University has entered into operating leases for certain facilities, which expire at various dates through July 2030. Future minimum rental lease commitments are as follows:

Year ending May 31:	
2021	\$ 4,261
2022	4,929
2023	4,804
2024	4,520
2025	4,468
Thereafter	<u>21,297</u>
	<u>\$ 44,279</u>

Rent expense for the years ended May 31, 2020 and 2019 was \$4,314 and \$4,305, respectively.

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In December 2013, the University entered into a lease for 71,000 square feet of space for its Manhattan campus at Astor Place, expiring in July 2030. The lease terms provided for a free rent period through July 2015 and tenant improvement allowances (TI allowance) in the amount of \$6,000. Free rent and TI allowance are accounted for on a straight-line basis over the life of the lease.

(14) Contingent Liabilities

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

(15) Impact of COVID-19

As a result of the coronavirus pandemic (COVID-19), the University provided credits to students of \$14,682 for room and board and study abroad program fees for services the University could no longer provide for the remainder of the spring 2020 semester. Students were given the option to request refunds or apply the credits to their future term charges. As of May 31, 2020, \$6,679 was included in deferred revenues and other liabilities on the consolidated balance sheet.

In addition, 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 \$12,192, which included \$6,096 to provide emergency aid to eligible students and \$6,096 to mitigate the financial losses associated with COVID-19 disruptions to the University. As of May 31, 2020, \$1,398 was included in deferred revenues and other liabilities on the consolidated balance sheet as \$699 was not yet distributed to students.

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.

(16) Subsequent Events

Non-law school faculty members are covered under the terms of a collective bargaining agreement that expired in June 2019. The University is currently in the process of renegotiating the agreement.

The University evaluated events subsequent to May 31, 2020 through September 18, 2020, the date on which the consolidated financial statements were issued, and determined that no additional disclosures are required.

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**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 A.

Representations

The Authority makes the following representations:

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

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

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

(Section 2.1)

The University makes the following representations:

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

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

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

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contemplated by the Institution Documents, the creation or imposition of any Lien of any nature upon any of the Property of the University under the terms of any such law, ordinance, charter, by-laws, restriction, agreement or instrument.

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

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

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

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

(Section 2.2)

Covenants

The University makes the following covenants:

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

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

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

surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the University under the Loan Agreement and under the Institution Documents, furnishes to the Authority a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with applicable laws, rules and regulations and each of the provisions of the Loan Agreement and shall meet the requirements of the Act and furnishes such other certificates and documents as the Authority may reasonably request.

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

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

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

(ii) The University shall, if and when requested by the Authority, provide to the Authority reports with respect to the status of the construction of the Project. The University shall also furnish to the Authority: (i) annually, not later than 150 days after the end of the University's fiscal year, copies of the University's audited financial statements and (ii) such other statements, reports and schedules describing the finances, operation and management of the University and such other information as the Authority may from time to time reasonably request.

(iii) The University shall deliver to the Authority each year no later than 150 days after the end of the University's fiscal year a Certificate signed by the Treasurer, Chief Financial Officer or the President of the University in the form attached to the Loan Agreement as Exhibit B (as such form may from time to time be revised by the Authority), together with other statistical information required by the Authority.

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

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

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

(g) The University shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the University, its operations or financial condition or title to its properties in any material

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

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

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

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

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

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

(Section 2.3)

Financing and Refinancing of Project

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

(b) The University agrees that, whether or not there are sufficient moneys available to it under the provisions of the Resolution and under the Loan Agreement, the University shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of the Project, substantially in accordance with the description in the Loan Agreement and, if applicable in the Official Statement or other offering document. The Authority makes no representation, express or implied, that the net proceeds of the Bonds will be sufficient to pay all costs to complete the Project. In the event that the moneys in the Construction Fund are not sufficient to pay in full all costs of the Project, the University agrees to pay all such sums as may be in excess of the moneys available therefor and necessary to complete the Project.

Loan of Bond Proceeds

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

(Section 4.1)

Loan Payments and Other Amounts Payable

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

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

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

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

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

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

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

(vii) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (A) for the Issuer Fee then unpaid, (B) to reimburse the Authority for payments made by it pursuant to paragraph h of the section of the Loan Agreement summarized herein under the heading “Loan Payments and Other Amounts Payable” and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (C) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by the Authority under a Remarketing Agreement, a Credit Facility or a Liquidity Facility, (D) for the costs and expenses incurred by the Authority to compel full and punctual performance by the University of all the provisions of the Loan Agreement or the Resolution in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and,

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

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

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

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

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

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

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

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

(Section 4.2)

Obligations of the University

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

(Section 4.3)

Payment of Additional Moneys in Prepayment of Bonds

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

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irrevocable instructions in writing in accordance with Section 12.01(b) of the Resolution with respect to such Series of Bonds; provided, however, that in the event such voluntary payment is sufficient to pay all amounts then due under the Loan Agreement and the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with Section 12.01(b) of the Resolution, the Authority agrees, in accordance with the instructions of the University, to direct the Trustee in writing to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with Section 12.01(b) of the Resolution.

(Section 4.4)

Rights and Obligations of the University upon Prepayment of Bonds

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

(Section 4.5)

Security Interest

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

(Section 4.6)

Assignment to Trustee and University Consent

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

(Section 4.7)

Financing Statements

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

(Section 4.8)

Maintenance and Modifications of Project by the University

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

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

(Section 5.1)

Use and Control of the Project

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

(Section 5.2)

Liens, Utilities and Access

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

(Section 5.3)

Damage or Condemnation

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

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

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

(Section 6.1)

Reliance by Trustee

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

(Section 7.3)

Compliance with Resolution

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

(Section 7.5)

Investment of Funds

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

(Section 7.6)

Tax Representations

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

(Section 8.1)

Tax Covenants

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

(Section 8.2)

Tax Exemption

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

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

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

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

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

(Section 8.3)

Restricted Gifts

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

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

(c) The University represents, warrants and covenants that it has expended or will expend on the Project, from sources other than proceeds of the issuance of the Bonds, an amount equal to the amount of Restricted Gifts received and reasonably expected to be received by it in the future from pledges or otherwise and no such moneys will be pledged as collateral for the Bonds or is otherwise expected to be used to pay the principal of or interest on the Bonds. For purposes of this paragraph, it is understood that the University may name all or part of the Project in honor of a donor or donors in recognition of pledges, contributions or services of the donor or donors that are unrelated to the Costs of the Project, and amounts pledged or contributed by the donor or donors for purposes unrelated to the Costs of the Project will not be considered to have been raised for purposes of constructing or equipping the Project.

(Section 8.4)

Events of Default and Remedies

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

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

(ii) the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph (i) of this section) or breaches any representation made in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by the Authority or the Trustee; provided, however, that, if in the determination of the Authority such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and is diligently pursued until the default is corrected and in any event, not to exceed ninety (90) days; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) take any action necessary to enable the Authority to realize on its Liens under the Loan Agreement or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

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

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

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

(Section 9.1)

Agreement to Pay Attorneys' Fees and Other Expenses

In the event the University should default under any of the provisions of the Loan Agreement and the Authority or the Trustee should employ attorneys or other professionals or incur other out-of-pocket expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the University contained in the Loan Agreement (or in the case of the Trustee under the Resolution), the University shall, on demand therefor, pay the reasonable fees of such attorneys or other professionals and such other reasonable out-of-pocket expenses so incurred to the Authority or the Trustee.

(Section 9.2)

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

(Section 9.3)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the University shall have been made or provision made for the payment thereof; provided, however, that Section 7.8 and 9.2 of the Loan Agreement and the liabilities and the obligations of the University to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to Sections 4.2(a)(vii), 4.2(b), 4.2(c), 4.2(h), 5.6, and 7.1 of the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the University to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the University to the Authority pursuant to the Loan Agreement.

(Section 10.1)

Payments to the University

The Authority shall, as soon as practicable after receipt of moneys paid to the Authority by the Trustee pursuant to Section 12.01 of the Resolution (other than Section 12.01(e) thereof), pay such moneys to the University

after deducting therefrom the amount, if any, then owed to the Authority by the University pursuant to the Loan Agreement.

(Section 10.2)

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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 pertaining to the Series 2021 Bonds. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.

Resolution and Bonds Constitute a Contract

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment 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, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds over any other Bonds except as expressly provided in or permitted by the Resolution.

(Section 1.03)

Additional Bonds and Other Obligations

The issuance of Bonds shall be authorized by a Series Resolution or Series Resolutions. The Authority shall receive, in addition to other requirements, a certificate of an Authorized Officer of the University stating that the University is not in default under the Loan Agreement, an opinion of Bond Counsel concerning the validity of the Resolution and the Bonds, and, if there is Collateral Security given to secure the Loan Agreement related to such Series of Bonds, which Collateral Security related to such Bonds constitutes Shared Collateral, an Intercreditor Agreement or an amendment to or modification of an existing Intercreditor Agreement, executed in connection with issuance of such Bonds.

(Section 2.02)

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)

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, 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 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 thereof.

The pledges made 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

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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.

(Section 5.01)

Establishment of Funds and Accounts

The following funds are established by the Resolution and shall be held and maintained by the Trustee:

Construction Fund, consisting of the Project Account, the Capitalized Interest Account and the Cost of Issuance Account;

Debt Service Fund; and

Arbitrage Rebate Fund.

(Section 5.02)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series of Bonds or by the Bond Series Certificate relating to such Series. Moneys deposited in the Construction Fund shall be used only to pay Costs of Issuance of the applicable Series of Bonds and the Costs of the Project. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the University which by the terms of the Loan Agreement are required to be deposited therein.

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 Debt Service Fund, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

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

First: To the Debt Service Fund (i) in the case of Revenues received during the first six months of each Bond Year, the amount, if any, necessary to make the amount on deposit 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 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 provisions of the Resolution summarized herein under the heading "Debt Service Fund" 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 provisions of the Resolution summarized herein under the heading "Debt Service Fund" 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 the Loan Agreements 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 University 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 University, in the respective amounts set forth in such direction. Any amounts paid to the University shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the 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 all 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.

The amounts paid out pursuant to the preceding clauses shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of this paragraph (a), the Authority may, at any time subsequent to the first day of July of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with 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 University 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.

(Section 5.06)

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Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the University for deposit therein and, notwithstanding any other provisions of this Article V, 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 on 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 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 Moneys 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 University. 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 Resolution, or (ii) give the Trustee irrevocable instructions in accordance with 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

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 provisions of the Resolution summarized herein under the headings “Debt Service Fund” and “Defeasance” 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) of this Section, 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 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 University 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 paragraphs (a), (b) and (c) of this Section. 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)

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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)

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 University, 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 Liquidity Facility Provider and the University. 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 University

The Authority shall take all legally available action to cause the University to perform fully all duties and acts and comply fully with the covenants of the University 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 or defer 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 or deferment 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 University 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 of 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. The provisions of this Section shall be subject to the provisions of the Resolution.

(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 University's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the University contained in the Loan Agreement; (ii) to prescribe further limitations and restrictions upon the University'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 University, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the University 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 University 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 of paragraph (a) of this Section, 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 hereinafter provided if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Revenues payable by the University 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 this Section.

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.

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

For the purposes of this Section, 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 this Section 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 shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by 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 this Section, 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 shall be binding and conclusive on the University, the Authority and all Holders of Bonds.

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

(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)

Modification and Amendment without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions: (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 moneys, Securities or funds; (f) to modify any of the provisions of the Resolution or 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 Insurers and 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 University and the Rating Service upon its becoming effective.

(Section 9.02)

General Provisions Relating to Series Resolutions and Supplemental Resolutions

The Resolutions 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 or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere provided in the Resolution or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, must 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

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terms. The Trustee shall transmit a copy of such Supplemental Resolution to the University and to each Liquidity Facility Provider upon its becoming effective.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of the Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee will 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)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in the provisions of the Resolution summarized herein under the heading "Consent of Holders of Bonds", (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. 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 this Section, 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.

(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 herein under the heading "Powers of Amendment" to take effect when and as provided in this paragraph. 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 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 provisions of the Resolution summarized herein under the heading "Powers of Amendment" and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted 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 hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is

sufficient in accordance with the Resolution shall be conclusive 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 hereinafter in this Section provided for 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 this Section, 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 hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section provided). 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.

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 therein, 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 provisions of the Resolution summarized herein under the heading "Consent of Holders of Bonds", except that no notice to the Bondholders either by mailing or publication shall be required.

(Section 10.03)

Events of Default

Events of default under the Resolution and each Series Resolution include: failure to pay the principal, Sinking Fund Installments or Redemption Price of, or an installment of interest on, any Bond when the same shall become due and payable; default in the due and punctual performance of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolutions or any Series Resolution on the part of the Authority to be performed and such default continues for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice upon 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; the Authority defaults in the due and punctual performance of any covenants contained in the Series Resolution and, as a result thereof, the interest on the Bonds for a Series is no longer excludable from gross income under Section

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103 of the Code (a “Taxability Default”); or an “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the University under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default specified in the provisions of the Resolution summarized herein under the heading “Events of Default”, other than a Taxability Default, 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 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. If all defaults shall have been remedied to the satisfaction of the Trustee, 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 Outstanding, by written notice to the Authority the Trustee may, provided certain conditions are satisfied, annul such declaration and its consequences.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default specified in the provisions of the Resolution summarized herein under the heading “Events of Default”, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series or, in the case of a happening and continuance of an Taxability Default, 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 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.

(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 under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series or, in the case of a Taxability Default, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

(Section 11.08)

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 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 University. 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 subdivision 1 of this Section. 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) of this Section 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 this Section 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, (iv) the Trustee shall have received an opinion of Bond Counsel to the effect that making provision pursuant to this Section 12.01(b) for payment of any Bond that is a Tax Exempt Bond will not cause said Bond to be considered to have been “reissued” for purposes of Section 1001 of the Code; and (v) 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 this Section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section 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 thereof 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

Appendix D

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 hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to 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 University. 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 paragraph (b) of this Section, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; **provided, however**, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this Section, 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 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 University. 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) Option Bonds will be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) above only if 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 paragraph (b) of this Section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the 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 University. 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)

Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds

For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an “event of default”, as provided in the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority, the University or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the Resolution, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) receiving payment of a Deferred Income Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision of the Resolution, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to the provisions of the Resolution summarized herein under the heading “Acceleration of Maturity”, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

(Section 14.07)

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**APPENDIX E – FORM OF APPROVING OPINIONS
OF CO-BOND COUNSEL**

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**FORM OF APPROVING OPINIONS
OF CO-BOND COUNSEL**

[Date of Delivery]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$119,585,000 aggregate principal amount of St. John's University Revenue Bonds, Series 2021A (the "Series 2021A Bonds") and \$44,055,000 aggregate principal amount of St. John's University Revenue Bonds, Series 2021B (Federally Taxable) (the "Series 2021B Bonds", and together with the Series 2021A Bonds, the "Series 2021 Bonds") by the Dormitory Authority of the State of New York (the "Authority"), a body corporate and politic constituting a public benefit corporation of the State of New York, created and existing under and pursuant to the Constitution and statutes of the State of New York, including the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions hereinafter set forth.

The Series 2021 Bonds are issued under and pursuant to the Act, the St. John's University Revenue Bond Resolution of the Authority, adopted on June 20, 2012 (the "Resolution"), the Series 2021A Resolution Authorizing Up To \$365,000,000 St. John's University Revenue Bonds, adopted on May 5, 2021 (the "Series 2021A Resolution"), the Series 2021B Resolution Authorizing Up To \$365,000,000 St. John's University Revenue Bonds, adopted on May 5, 2021 (the "Series 2021B Resolution", and together with the Series 2021A Resolution, the "Series Resolutions"), the Bond Series Certificate, dated as of May 13, 2021, relating to the Series 2021A Bonds (the "2021A Bond Series Certificate"), and the Bond Series Certificate, dated as of May 13, 2021, relating to the Series 2021B Bonds (the "2021B Bond Series Certificate", and together with the Series 2021A Bond Series Certificate, the "Bond Series Certificates"). Said resolutions and the Bond Series Certificates are herein collectively referred to as the "Resolutions." Unless otherwise defined herein, capitalized terms used herein have the respective meanings given to them in the Resolutions.

The Series 2021 Bonds are part of an issue of bonds of the Authority (the "Bonds"), which the Authority has established and created under the terms of the Resolution and is authorized to issue from time to time for the purposes authorized by the Act and the Resolution, as then in effect, and without limitation as to amount, except as provided in the Resolutions or as may be limited by law. The Series 2021 Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2021 Bonds, only upon the terms and conditions set forth in the Resolution and such Bonds, when issued, will with all other Bonds which have been or may be issued, be entitled to the benefit, protection and security of the provisions, covenants and agreements of the Resolution.

The Series 2021A Bonds are dated and bear interest from their date of delivery and mature on July 1, in each of the years in the respective principal amounts, and bear interest, payable January 1, 2022 and semiannually thereafter on each July 1 and January 1, at the respective rates per annum set forth below:

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<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$3,050,000	4.000%
2023	5,210,000	5.000
2024	6,290,000	5.000
2025	6,575,000	5.000
2026	7,105,000	5.000
2027	1,180,000	5.000
2028	1,265,000	5.000
2029	4,825,000	4.000
2030	4,960,000	4.000
2031	7,750,000	4.000
2032	8,155,000	4.000
2033	8,590,000	4.000
2034	9,035,000	4.000
2035	1,675,000	4.000
2036	1,785,000	4.000
2037	1,860,000	4.000
2048	40,275,000	4.000

The Series 2021B Bonds are dated and bear interest from their date of delivery and mature on July 1, in each of the years in the respective principal amounts, and bear interest, payable January 1, 2022 and semiannually thereafter on each July 1 and January 1, at the respective rates per annum set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$1,665,000	0.359%
2051	42,390,000	3.430

The Series 2021 Bonds are issuable in the form of fully registered Bonds in denominations of \$5,000 or integral multiples thereof. The Series 2021A Bonds and the Series 2021B Bonds are numbered consecutively from one upward in order of issuance. The Series 2021 Bonds are subject to redemption and purchase-in-lieu-of optional redemption prior to maturity as provided in the Resolutions.

The Series 2021 Bonds are being issued to finance a loan by the Authority to St. John's University (the "University"). The Authority and the University have entered into a Loan Agreement, dated as of May 26, 2021 (the "Loan Agreement"), by which the University is required to make payments sufficient to pay the principal and Redemption Price of and interest on the Series 2021 Bonds, as well as the Authority's annual administrative expenditures and costs. All amounts payable under the Loan Agreement which are required to be paid to the Trustee under the Resolution for payment of the principal or Redemption Price of or interest on the Series 2021 Bonds have been pledged by the Authority for the benefit of the Holders of Outstanding Series 2021 Bonds.

We are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2021 Bonds thereunder.

2. The Series Resolutions have been duly adopted by the Authority in accordance with the provisions of the Resolution and are authorized and permitted by the Resolution. The Series Resolutions and the Resolution have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2021 Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2021 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Loan Agreement and the Loan Agreement has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority enforceable in accordance with its terms.

5.* The Internal Revenue Code of 1986 (the “Code”) sets forth certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Bonds. Pursuant to the Series 2021A Resolution, the Loan Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141–150 of the Internal Revenue Code of the Authority and the University (the “Tax Certificate”), the Authority and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the University have made certain representations and certifications in the Series 2021A Resolution, the Loan Agreement and the Tax Certificate. We have also relied on the opinion of Bond, Schoeneck & King, PLLC, counsel to the University as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described above, and the accuracy of the aforementioned representations and certifications, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

6. Under existing law, interest on the Series 2021 Bonds is exempt from personal income taxes of the State of New York or any political subdivision thereof, including The City of New York.

We have examined an executed Series 2021A Bond and an executed Series 2021B Bonds and, in our opinion, the forms of said bonds and their execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2021 Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights generally or as to the availability of any particular remedy.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of the Series 2021 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

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

Very truly yours,

* This opinion is being given by Nixon Peabody LLP only.

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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
ST. JOHN'S UNIVERSITY REVENUE BONDS,
SERIES 2021A AND SERIES 2021B (FEDERALLY TAXABLE)**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the "Disclosure Agreement"), dated as of May 26, 2021, is executed and delivered by St. John's University, New York (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 is not obligated hereunder to 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.

Appendix F

“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 May 31, 2021, 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;

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- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;
 - 7. Modifications to rights of security holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;
 - 10. Release, substitution, or sale of property securing repayment of the securities, if material;
 - 11. Ratings changes;
 - 12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - 13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 - 15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
 - 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure

Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;”
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data;”

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- (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 5–THE UNIVERSITY” relating to: (1) *student admissions*, similar to that set forth under the heading “Student Admissions” in the table titled “Freshman Admission Statistics (Fall only);” (2) *student enrollment*, similar to that set forth under the heading “Student Enrollment” in the table titled “Enrollment Summary (based on Fall data);” (3) *tuition and other student charges*, similar to that set forth under the heading “Tuition and Fees” in the table titled “Full-Time Undergraduate Tuition and Fee Charges;” (4) *financial aid*, similar to that set forth under the heading “Student Financial Aid” in the table titled “Sources of Scholarship and Grant Aid;” (5) *faculty*, similar to that set forth under the heading “Faculty” in the table titled “Faculty Profile –Fall;” (6) *endowment and similar funds*, similar to that set forth under the heading “Cash and Cash Equivalents, and Investments” in the table titled “Fair Market Value of Investment Portfolio;” (7) *plant values*, similar to that set forth under the heading “Plant Facilities” in the table titled “Net Book Value of Plant Assets;” and (8) *outstanding long-term indebtedness*, similar to that set forth under the heading “Outstanding Indebtedness;” 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. Audited Financial Statements (if any) will 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

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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. Upon actual knowledge of the occurrence of a Notice Event, the Trustee shall promptly notify the Obligated Person and also shall notify the Disclosure Dissemination Agent in writing of the occurrence of such 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 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.

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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 have 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.

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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: _____

ST. JOHN'S UNIVERSITY, NEW YORK,
as 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): St. John's University, New York
 Name of Bond Issue: St. John's University Revenue Bonds, Series 2021A and Series 2021B
 (Federally Taxable)
 Date of Issuance: May 26, 2021
 Date of Official Statement: May 13, 2021

Series 2021A

<u>Maturity</u>	<u>CUSIP No.</u>
2022	65000BAA6
2023	65000BAB4
2024	65000BAC2
2025	65000BAD0
2026	65000BAE8
2027	65000BAF5
2028	65000BAG3
2029	65000BAH1
2030	65000BAJ7
2031	65000BAK4
2032	65000BAL2
2033	65000BAM0
2034	65000BAN8
2035	65000BAP3
2036	65000BAQ1
2037	65000BAR9
2048	65000BAS7

Series 2021B (Federally Taxable)

<u>Maturity</u>	<u>CUSIP No.</u>
2022	65000BAT5
2051	65000BAU2

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): St. John's University, New York
Name of Bond Issue: St. John's University Revenue Bonds, Series 2021A and Series 2021B
(Federally Taxable)
Date of Issuance: May 26, 2021
CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of May 26, 2021, by and among the Obligated Person, The Bank of New York Mellon, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Obligated Person

cc: Obligated Person

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material, and tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of May 26, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1. _____ “amendment to continuing disclosure undertaking;”
2. _____ “change in obligated person;”
3. _____ “notice to investors pursuant to bond documents;”
4. _____ “certain communications from the Internal Revenue Service;”
5. _____ “secondary market purchases;”
6. _____ “bid for auction rate or other securities;”
7. _____ “capital or other financing plan;”
8. _____ “litigation/enforcement action;”
9. _____ “change of tender agent, remarketing agent, or other on-going party;”
10. _____ “derivative or other similar transaction;” and
11. _____ “other event-based disclosures.”

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

**EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET**

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of May 26, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

- 1. _____ “quarterly/monthly financial information;”
- 2. _____ “change in fiscal year/timing of annual disclosure;”
- 3. _____ “change in accounting standard;”
- 4. _____ “interim/additional financial information/operating data;”
- 5. _____ “budget;”
- 6. _____ “investment/debt/financial policy;”
- 7. _____ “information provided to rating agency, credit/liquidity provider or other third party;”
- 8. _____ “consultant reports;” and
- 9. _____ “other financial/operating data.”

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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