Moody's: Aa3
Standard & Poor's: A+
Fitch: A+
(See "Ratings" herein)

NEW ISSUE

DASNY
DORMITORY AUTHORITY STATE OF NEW YORK

DAC Bond®

$440,025,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES REVENUE BONDS, SERIES 2013A

Dated: Date of Delivery **Due: July 1, as shown below**

Payment: The State University of New York Dormitory Facilities Revenue Bonds, Series 2013A (the "Series 2013A Bonds") will be special obligations of the Dormitory Authority of the State of New York ("DASNY") payable from third-party revenues (the "Dormitory Facilities Revenues") derived from payments made by students and others for the use and occupancy of certain dormitory facilities (each a "Dormitory Facility" and, collectively, the "Dormitory Facilities") located on 26 of the 29 campuses more particularly described herein (each a "SUNY Campus" and, collectively, the "SUNY Campuses") that are operated by the State University of New York ("SUNY"). See "PART 8 – THE RESIDENCE HALL PROGRAM" and "PART 9 – THE STATE UNIVERSITY OF NEW YORK."

The Series 2013A Bonds are being issued pursuant to DASNY's State University Dormitory Facilities Revenue Bond Resolution, adopted on May 15, 2013 (the "Resolution") and have been authorized to be issued thereunder by a Series Resolution Authorizing the Issuance of a Series of State University of New York Dormitory Facilities Revenue Bonds in an amount not to exceed $615,000,000 adopted on May 15, 2013 and amended and restated on June 26, 2013 (the "Series 2013A Resolution," and, together with the Resolution, the "Resolutions"). Pursuant to the Resolution, DASNY has pledged the Dormitory Facilities Revenues to payment of the Bonds (as hereinafter defined) issued under the Resolution. Payment of debt service on the Bonds issued under the Resolution, including the Series 2013A Bonds, is subordinate to payment of the debt service on the bonds issued and outstanding under the Prior Resolution, as hereinafter defined. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Prior Pledge."

Payment of the principal and Sinking Fund Installments of and interest on the Series 2013A Bonds is not payable from any money of DASNY other than the Dormitory Facilities Revenues or from any money of SUNY or the State of New York (the "State"). The Series 2013A Bonds are not a debt of SUNY or the State, and neither the State nor SUNY will be liable on them.

Description: The Series 2013A Bonds will be issued as fully registered bonds in the denominations of $5,000 or any integral multiple thereof. The Series 2013A Bonds will bear interest at the rates and mature at the times and in the respective principal amounts shown on the inside cover hereof.

Interest (due January 1, 2014 and semiannually on each July 1 and January 1 thereafter) will be payable by check mailed to the registered owners of the Series 2013A Bonds at their addresses as shown on the registration books held by U.S. Bank National Association, as trustee (the "Trustee"), or, at the option of the holder of at least $1,000,000 in principal amount of Series 2013A Bonds, by wire transfer to the holder of such Series 2013A 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 2013A Bonds will be payable at the principal corporate trust office of the Trustee or, with respect to the Redemption Price, at the option of the holder of at least $1,000,000 in principal amount of Series 2013A Bonds, by wire transfer to the holder of such Series 2013A Bonds as more fully described herein.

The Series 2013A 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 (the "DTC"). Individual purchases of beneficial interests in the Series 2013A Bonds will be made in Book–Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2013A Bonds, payments of the principal and Redemption Price of and interest on the Series 2013A Bonds will be made directly to DTC or its nominee. Disbursements of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC participants. See "PART 2 – DESCRIPTION OF THE SERIES 2013A BONDS – Book–Entry Only System."

Redemption and Purchase: The Series 2013A Bonds are subject to optional and mandatory redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein. See "PART 2 – DESCRIPTION OF THE SERIES 2013A BONDS – Optional and Mandatory Redemption and Purchase in Lieu of Optional Redemption."

Tax Matters: In the opinion of Nixon Peabody LLP, Bond Counsel to the DASNY, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by DASNY and SUNY described herein, interest on the Series 2013A 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"). Nixon Peabody LLP is further of the opinion that interest on the Series 2013A Bonds is, by virtue of the Act, exempt from personal income taxation imposed by the State of New York and its political subdivisions. See "PART 13 – TAX MATTERS" herein regarding certain other tax considerations.

The Series 2013A Bonds are offered when, as and if issued and received by the Underwriters. The offer of the Series 2013A Bonds may be subject to prior sale, or may be withdrawn or modified at any time without notice. The offer is subject to the approval of legality of Nixon Peabody LLP, New York, New York, Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their Co–Counsel, McKenna Long & Aldridge LLP., New York, New York, and the Law Offices of Joseph C. Reid. P.A, New York, New York. DASNY expects to deliver the Series 2013A Bonds in definitive form in New York, New York, on or about September 11, 2013.

BofA Merrill Lynch **Siebert Brandford Shank & Co., L.L.C.**

Barclays Capital	**Jefferies**	**J.P. Morgan**
M&T Securities, Inc.	**Ramirez & Co., Inc.**	**Raymond James**
RBC Capital Markets	**Rice Financial Products Company**	**Stifel, Nicolaus & Company, Incorporated**
	Wells Fargo Securities	

August 22, 2013

$440,025,000
DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES
REVENUE BONDS, SERIES 2013A

Maturity Schedule

$390,570,000 Serial Bonds

Due July 1,	Amount	Interest Rate	Price or Yield	CUSIP Number(1)	Due July 1,	Amount	Interest Rate	Price or Yield	CUSIP Number(1)
2014	$ 2,830,000	2.000%	0.250%	649907TQ5	2024	$29,080,000	5.000%	3.780%*	649907TY8
2015	6,805,000	5.000	0.520	649907TR3	2025	30,380,000	5.000	4.010*	649907TZ5
2016	10,180,000	4.000	0.870	649907TS1	2026	29,795,000	5.000	4.190*	649907UA8
2017	13,540,000	5.000	1.310	649907TT9	2027	31,110,000	5.000	4.360*	649907UB6
2018	1,365,000	3.000	1.860	649907TU6	2028	30,760,000	5.000	4.480*	649907UC4
2018	19,830,000	5.000	1.860	649907UL4	2029	5,620,000	4.500	4.600	649907UD2
2019	17,500,000	5.000	2.360	649907UM2	2029	15,700,000	5.000	4.600*	649907UQ3
2020	21,730,000	5.000	2.790	649907UN0	2030	17,790,000	5.250	4.630*	649907UE0
2021	2,265,000	3.125	3.150	649907TV4	2031	16,160,000	5.250	4.710*	649907UF7
2021	21,200,000	5.000	3.150	649907UP5	2032	10,845,000	5.250	4.770*	649907UG5
2022	24,475,000	5.000	3.440	649907TW2	2033	3,755,000	4.750	4.870	649907UH3
2023	27,855,000	5.000	3.600	649907TX0					

*Priced at the stated yield to the July 1, 2023 optional redemption date at a redemption price of 100%.

$49,455,000 Term Bonds

$21,725,000 5.000% Term Bond Due July 1, 2038, Priced to Yield 5.04%, CUSIP Number(1) 649907UK6
$27,730,000 5.000% Term Bond Due July 1, 2043, Priced to Yield 5.07%, CUSIP Number(1) 649907UJ9

(1) CUSIP numbers herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with DASNY and are included solely for the convenience of the holders of the Series 2013A Bonds. DASNY is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2013A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2013A Bonds.

No dealer, broker, salesperson or other person has been authorized by DASNY or SUNY to give any information or to make any representations with respect to the Series 2013A Bonds other than those contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by DASNY or SUNY.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be a sale of the Series 2013A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied or authorized by SUNY, a source that DASNY believes is reliable. DASNY does not guarantee the accuracy or completeness of such information, however, and the information provided by such source is not to be construed as a representation of DASNY. See "PART 21 – SOURCES OF INFORMATION AND CERTIFICATIONS" of the Official Statement for a description of the information provided by the various sources.

References in this Official Statement to the Act, the Resolutions, the Financing and Development Agreement and the Continuing Disclosure Agreement do not purport to be complete. Refer to the Act, the Resolutions, the Financing and Development Agreement and the Continuing Disclosure Agreement for full and complete details of their provisions. Copies of the Resolutions, the Financing and Development Agreement and the Continuing Disclosure 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 any determination of relevance, materiality or importance, and all material in the 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 SUNY have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2013A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2013A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Series 2013A Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used in this Summary Statement and not defined in this Summary Statement will have the meanings given to such terms in "APPENDIX A — CERTAIN DEFINITIONS" and elsewhere in this Official Statement.

Dormitory Facilities Revenue Bond Program

Enabling Legislation

In March 2013, the State enacted legislation (Chapter 57 of the Laws of 2013, Part B (the "Enabling Act")) amending the Public Authorities Law and Education Law of the State. The amendments, among other things, authorized the State University of New York ("SUNY") to assign to the Dormitory Authority of the State of New York ("DASNY") all of SUNY's rights, title and interest in third-party revenues (the "Dormitory Facilities Revenues") derived from payments made by students and others for use and occupancy of certain dormitory facilities (the "Dormitory Facilities," with each individual building or groupings of buildings being a "Dormitory Facility") located on 26 of the 29 campuses operated by SUNY and more particularly described herein (each a "SUNY Campus" and, collectively, the "SUNY Campuses"). See "PART 8 – THE RESIDENCE HALL PROGRAM." The amendments further authorized DASNY to issue its revenue bonds payable from and secured by the Dormitory Facilities Revenues assigned to it by SUNY, and authorized SUNY and DASNY to enter into agreements for the construction, reconstruction, rehabilitation, improvement, equipping and furnishing of Dormitory Facilities. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."

The Financing and Development Agreement and Resolution

Pursuant to the Enabling Act, SUNY executed an assignment (the "Assignment"), dated as of May 15, 2013, assigning all of its rights in and to the Dormitory Facilities Revenues to DASNY. DASNY and SUNY have entered into a Financing and Development Agreement (the "Financing and Development Agreement"), dated as of May 15, 2013, pursuant to which, among other things, (i) SUNY will continue to be responsible for establishing fees and charges for use and occupancy of the Dormitory Facilities, (ii) DASNY has appointed SUNY as its agent to bill and collect Dormitory Facilities Revenues, and (iii) SUNY and DASNY will provide for the construction, reconstruction, rehabilitation, improvement, equipping and furnishing of Dormitory Facilities. DASNY adopted its State University of New York Revenue Bond Resolution on May 15, 2013 authorizing the issuance of its State University of New York Dormitory Facilities Revenue Bonds (the "Bonds"), which are payable from and secured by the Dormitory Facilities Revenues.

Dormitory Facilities Revenue Fund

The Enabling Act creates a special fund designated as the "Dormitory Facilities Revenue Fund" (the "Fund") to be held by the State's Commissioner of Taxation and Finance (the "Commissioner") on behalf of DASNY. All Dormitory Facilities Revenues collected by SUNY are required by the Enabling Act and the Financing and Development Agreement to be deposited in the Fund.

Money on deposit in the Fund is to be applied by the Commissioner in accordance with certifications and directions given by DASNY to the payment of debt service on certain outstanding bonds (the "Prior Bonds") previously issued by DASNY pursuant to a resolution adopted by it on September 20, 1995 (as amended and restated, and further amended, the "Prior Resolution"), the payment of debt service on outstanding Bonds, the funding of reserves for the operations and maintenance of, and repairs and replacements to, Dormitory Facilities, and the payment of certain costs, expenses and overhead of DASNY. Money in the Fund remaining after the Commissioner has set aside enough money to provide for the aforementioned payments, may be paid to SUNY for the operations and maintenance of Dormitory Facilities and any other corporate purposes of SUNY.

The Fund and all money and investments from time to time held in the Fund are the property of DASNY. DASNY has pledged and assigned the Fund and the money and investments in it to the trustee for the holders of the Prior Bonds, who will have a first lien on them, and to the Trustee for the holders of Outstanding Bonds, whose lien on them will be subordinate to the lien securing the Prior Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."

Special Obligations — The Series 2013A Bonds, and all other Bonds issued under the Resolution, are special obligations of DASNY solely payable from and secured by the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Fund, the proceeds of the Bonds, and all funds and accounts established and pledged by the Resolution (collectively, the "Pledged Assets").

Authorization for the Bonds — The Series 2013A Bonds are authorized to be issued pursuant to the Enabling Act, the Resolution and the Series 2013A Resolution.

Purpose of the Issue — The Series 2013A Bonds are being issued to: (i) fund approximately one year of SUNY's capital plan for the construction and rehabilitation of various Dormitory Facilities; (ii) refund the Refunded Bonds (as defined herein); (iii) pay capitalized interest on a portion of the Series 2013A Bonds; and (iv) pay the costs of issuance of the Series 2013A Bonds. See "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS" and "PART 7 – THE PROJECT AND THE REFUNDING PLAN."

State University of New York — SUNY is the largest comprehensive state-sponsored higher education system in the United States, serving approximately 218,000 students (excluding community colleges). The SUNY system is comprised of four University Centers (two of which include Health Sciences Centers), two additional Health Science Centers, thirteen University Colleges, two Specialized Colleges, eight Colleges of Technology and five Statutory Colleges. SUNY is governed by a Board of Trustees comprised of 18 members, of whom 15 are appointed by the Governor with the consent of the New York State Senate. The president of the Student Assembly serves as a voting member, and the presidents of the SUNY Faculty Senate and the Faculty Council of Community Colleges serve as non-voting members. SUNY is accredited by the Middle States Association of Colleges and Secondary Schools. SUNY derives a portion of its funding from State appropriations to support its programs.

The Residence Hall Program

SUNY's residence hall program (the "Residence Hall Program" or the "Program") operates on 26 of the 29 SUNY Campuses and serves over 70,000 students on an annual basis. There are approximately 400 Dormitory Facilities in the Residence Hall Program. Dormitory Facilities consist of individual buildings located on SUNY Campuses. Each SUNY Campus has its own unique mix of housing options. These options include standard double occupancy rooms, suites which are 1-4 bedroom units that share a common space and bathroom, and apartment style housing with a kitchen, common area and bathroom. In Fiscal Year 2012, the Residence Hall Program generated total Dormitory Facilities Revenues of $477.6 million.

Security for the Bonds

Payment of the principal and Sinking Fund Installments of and interest on the Bonds ("Debt Service"), including the Series 2013A Bonds, will be secured by a lien on the Fund, the Dormitory Facilities Revenues, the proceeds from the sale of Bonds, and by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered or deemed tendered for purchase). The security for the Series 2013A Bonds will be for the benefit of all other Bonds issued under the Resolution, which Bonds will rank on a parity and be secured equally and ratably with each other and with the Series 2013A Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Security for the Bonds."

Payment of Debt Service on Bonds, including the Series 2013A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on the outstanding Prior Bonds issued under the Prior Resolution. The outstanding Prior Bonds will continue to be additionally secured by SUNY's general obligation to pay to DASNY from any other source of funds available to SUNY amounts sufficient to pay the debt service on the Prior Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Security for the Bonds."

The Series 2013A Bonds are special obligations of DASNY payable solely from the Dormitory Facilities Revenues collected by SUNY, as agent for DASNY, and deposited in the Fund. DASNY has no taxing power.

The Series 2013A Bonds and all other Bonds issued under the Resolution are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to the Debt Service on the Bonds. The Bonds, including the Series 2013A Bonds, are not a debt or general or special obligation of SUNY or the State, and neither SUNY nor the State will be liable on them.

Additional Bonds

DASNY is authorized under the Resolution to issue additional Bonds if the Net Revenues Available for Debt Service in each of the two Fiscal Years immediately preceding the date of issuance were at least equal to 120% of the Maximum Annual Debt Service on all outstanding Bonds and Prior Bonds, calculated after giving effect to the Bonds proposed to be issued.

In addition, Bonds may be issued to refund outstanding Bonds or Prior Bonds without complying with the aforementioned test if (i) the average annual debt service on the Bonds to be issued is not greater than the average annual debt service on the Bonds or Prior Bonds to be refunded and (ii) Maximum

Annual Debt Service, calculated after giving effect issuance of the Bonds to be issued and the refunding of the Bonds or Prior Bonds to be refunded, is not greater than Maximum Annual Debt Service immediately preceding issuance of the Bonds.

DASNY has reserved the right to issue bonds, notes or other obligations so long as they are not secured by a charge or lien on or right of payment that is equal or prior to the charge, lien and right of payment established by the Resolution for the benefit of the holders of Outstanding Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Continuing Disclosure

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission, DASNY, SUNY and the Trustee will enter into a Continuing Disclosure Agreement. See "PART 20 — CONTINUING DISCLOSURE."

DORMITORY AUTHORITY - STATE OF NEW YORK - 515 BROADWAY, ALBANY, N.Y. 12207
PAUL T. WILLIAMS JR. - PRESIDENT ALFONSO L. CARNEY JR. - CHAIR

OFFICIAL STATEMENT

relating to

$440,025,000
DORMITORY AUTHORITY
OF THE STATE OF NEW YORK
STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES
REVENUE BONDS, SERIES 2013A

PART 1 –INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page, the Summary Statement and appendices, is to provide information about DASNY, SUNY and the Residence Hall Program, all in connection with the offering by DASNY of $440,025,000 principal amount of its Series 2013A Bonds. The Series 2013A Bonds are authorized to be issued pursuant to Section 1680-q of the Public Authorities Law of the State, as added by the Enabling Act, the Resolution and the Series 2013A Resolution. The interest rates, maturity dates, and prices or yields of the Series 2013A Bonds being offered hereby are set forth on the inside cover page of this Official Statement.

The Series 2013A Bonds are special obligations of DASNY payable from the Dormitory Facilities Revenues derived from use and occupancy by students and others of Dormitory Facilities now or in the future located on the 29 SUNY Campuses more particularly described herein. The term "SUNY Campuses" refers to the 29 colleges and universities operated by SUNY, as distinguished from the five statutory or contract colleges operated by private universities, all 34 of which comprise SUNY. The Dormitory Facilities from which the Dormitory Facilities Revenues are derived do not include the privately owned dormitory facilities on or servicing nine SUNY Campuses. See "PART 8 – THE RESIDENCE HALL PROGRAM – Other Student Housing." Pursuant to Section 1680-q(3) (a) of the Public Authorities Law of the State and Section 355(2)(y) of the Education Law of the State, both of which were added by the Enabling Act, and an Assignment made by SUNY, as assignor, to DASNY, as assignee, SUNY has transferred and assigned to DASNY all of SUNY's rights, title and interest in and to all Dormitory Facilities Revenues. In accordance with the provisions of a Financing and Development Agreement, the Dormitory Facilities Revenues are collected by the SUNY Campuses, as DASNY's agent, and then deposited, without appropriation, to the Dormitory Facilities Revenue Fund (the "Fund") held for DASNY in the custody of the Commissioner of Taxation and Finance (the "Commissioner").

SUNY is the largest comprehensive state-sponsored higher education system in the United States, serving approximately 218,000 students (excluding community colleges). SUNY derives a portion of its funding from State appropriations to support its programs. See "PART 9 – THE STATE UNIVERSITY OF NEW YORK" and "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT."

The Residence Hall Program currently consists of approximately 400 Dormitory Facilities located on 26 of the 29 SUNY Campuses. On an annual basis, it serves over 70,000 students. During SUNY's 2012 Fiscal Year, the Residence Hall Program generated total Dormitory Facilities Revenues of approximately $477.6 million. See "PART 8 – THE RESIDENCE HALL PROGRAM" for a comprehensive description of the

Residence Hall Program, including its Dormitory Facilities, capital plan and student housing collection procedures.

Payment of the principal and Sinking Fund Installments of, and interest on, the Series 2013A Bonds and all other Bonds issued under the Resolution ("Debt Service") will be secured by a pledge of the Dormitory Facilities Revenues, the Fund and the money and investments in it from time to time, the proceeds from the sale of Series 2013A Bonds, and by all funds and accounts established under the Resolution (with the exception of the Arbitrage Rebate Fund and any fund established for the payment of the purchase price or Redemption Price of Option Bonds tendered or deemed tendered for purchase). The security for the Series 2013A Bonds will be for the benefit of all other Bonds issued under the Resolution, which Bonds will rank on a parity and be secured equally and ratably with each other and with the Series 2013A Bonds.

The Bonds are special obligations of DASNY payable solely from the Dormitory Facilities Revenues collected by SUNY, as agent for DASNY, and deposited in the Fund. DASNY has no taxing power.

The Series 2013A Bonds and all other Bonds issued under the Resolution are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to Debt Service on the Bonds. The Bonds, including the Series 2013A Bonds, are not a debt or general or special obligation of SUNY or the State, and neither SUNY nor the State will be liable on them.

Capitalized terms used herein unless otherwise defined have the same meanings given to them in "APPENDIX A – CERTAIN DEFINITIONS."

PART 2 – DESCRIPTION OF THE SERIES 2013A BONDS

General Description

The Series 2013A Bonds will be issued pursuant to the Act, the Resolution and the Series 2013A Resolution. The Series 2013A Bonds will be dated the date of delivery, will bear interest from that date (payable January 1, 2014 and on each July 1 and January 1 thereafter) at the rates per annum and will mature on July 1 of each of the years in the principal amounts shown on the inside cover page of this Official Statement.

The Series 2013A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Series 2013A Bonds will initially be registered in the name of Cede & Co., as nominee of DTC (defined under "Book-Entry Only System" below) pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2013A Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2013A Bonds, the Series 2013A Bonds will be exchangeable for other fully registered Series 2013A Bonds in any other authorized denominations of the same maturity without charge except for the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See "Book-Entry Only System" below.

Interest on the Series 2013A Bonds will be payable by check mailed to the registered owners as their names appear on the registration books of DASNY at the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding the applicable interest payment date. The principal or Redemption Price of the Series 2013A Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, the Trustee and Paying Agent. As long as the Series 2013A 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.

Optional and Mandatory Redemption

The Series 2013A Bonds are subject to optional and mandatory redemption as described below.

Optional Redemption

The Series 2013A Bonds maturing on or before July 1, 2023 are not subject to redemption prior to maturity. The Series 2013A Bonds maturing after July 1, 2023 are subject to redemption prior to maturity, at the election of DASNY, on or after July 1, 2023, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

Mandatory Redemption

In addition, the Series 2013A Bonds maturing on July 1, 2038 and July 1, 2043 are also subject to redemption, in part, on each July 1 of the years and in the respective principal amounts set forth below, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed from mandatory Sinking Fund Installments, plus accrued interest to the date of redemption, which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of the Series 2013A Bonds specified for each of the years shown below:

Series 2013A Bonds Maturing on July 1, 2038		Series 2013A Bonds Maturing on July 1, 2043	
Year	**Principal Amount**	**Year**	**Principal Amount**
2034	$3,930,000	2039	$5,020,000
2035	4,130,000	2040	5,270,000
2036	4,335,000	2041	5,530,000
2037	4,550,000	2042	5,810,000
2038†	4,780,000	2043†	6,100,000

† Final Maturity.

There will be credited against and in satisfaction of all or a portion of a Sinking Fund Installment payable on any date, the principal amount of Series 2013A 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 SUNY or DASNY and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolution. Series 2013A Bonds purchased with money in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2013A Bonds so purchased payable on the next succeeding July 1. Series 2013A Bonds redeemed at the option of DASNY, purchased by DASNY or SUNY (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolution will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as DASNY may direct in its discretion. To the extent DASNY's obligation to make Sinking Fund Installments in a particular year is so satisfied, the likelihood of redemption through mandatory Sinking Fund Installments of a Bondholder's Series 2013A Bonds of the maturity entitled to such Sinking Fund Installment will be reduced for such year.

Selection of Series 2013A Bonds to be Redeemed

In the case of redemptions of less than all of the Series 2013A Bonds, other than through mandatory Sinking Fund Installments, DASNY will select the maturities of the Series 2013A Bonds to be redeemed. If less than all of the Series 2013A Bonds of a maturity are to be redeemed, the Series 2013A Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption and its Effect

Notice of the redemption of the Series 2013A Bonds will be given by the Trustee in the name of DASNY to the registered owners of the Series 2013A Bonds to be redeemed by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date, but the failure of any registered owners to receive notice mailed in accordance with the Resolution will not affect the validity of the proceedings for the redemption of the Series 2013A Bonds. Any such notice may contain conditions to DASNY's obligation to redeem the Series 2013A Bonds. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

DASNY's obligation to optionally redeem a Series 2013A Bond may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2013A Bonds to be redeemed on the redemption date. If sufficient money is available on the redemption date to pay the Redemption Price and if notice has been mailed and the conditions, if any, to such redemption have been satisfied or waived by DASNY, then interest on the Series 2013A Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2013A Bonds will no longer be considered to be Outstanding under the Resolution.

Purchase In Lieu of Optional Redemption

The Series 2013A Bonds maturing after July 1, 2023 are also subject to purchase prior to maturity, at the election of DASNY, on or after July 1, 2023, in any order, in whole or in part at any time, at a purchase price equal to 100% of the principal amount of the Series 2013A Bonds to be purchased (the "Purchase Price"), plus accrued interest to the date of purchase (the "Purchase Date").

Notice of Purchase and its Effect

Notice of the purchase of Series 2013A Bonds will be given in the name of DASNY to the registered owners of the Series 2013A Bonds to be purchased by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2013A Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2013A Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. Such purchase will not operate to extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2013A Bonds and such Series 2013A Bonds need not be cancelled, but will remain Outstanding under the Resolution and continue to bear interest.

DASNY's obligation to purchase a Series 2013A Bond may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2013A Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2013A Bonds to be purchased, the former registered owners of such Series 2013A Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2013A Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2013A Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2013A Bonds of a maturity are to be purchased, the Series 2013A Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2013A Bonds of a maturity to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2013A Bonds, see "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION." Also, see "Book-Entry System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2013A Bonds when the Book-Entry Only System is in effect.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2013A Bonds. The Series 2013A 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 2013A Bond certificate will be issued for each maturity of the Series 2013A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that

DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2013A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013A 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, but Beneficial Owners are 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 2013A 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 2013A Bonds, except in the event that use of the book entry system for the Series 2013A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013A 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 2013A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013A 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 will be sent to DTC. If less than all of the Bonds within a maturity of the Series 2013A Bonds 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 such other nominee) will consent or vote with respect to Series 2013A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "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 2013A 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 2013A 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 receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its service as securities depository with respect to the Series 2013A Bonds at any time by giving notice to DASNY or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2013A Bond certificates are required to be delivered as described in the Resolution.

DASNY, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2013A Bonds if DASNY determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2013A Bonds, or (ii) a continuation of the requirement that all of the Series 2013A Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of Beneficial Owners. In the event that no substitute securities depository is found by DASNY or restricted registration is not in effect, Series 2013A Bond certificates will be delivered as described in the Resolution.

Each person for whom a Participant acquires an interest in the Series 2013A Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER DASNY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2013A BONDS.

So long as Cede & Co. is the registered owner of the Series 2013A Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2013A Bonds (other than under the captions “PART 13 – TAX MATTERS” and “PART 20 – CONTINUING DISCLOSURE” herein) means Cede & Co., as aforesaid, and not the Beneficial Owners of the Series 2013A Bonds.

Any references to any action required or permitted by the Beneficial Owner relates only to those permitted by 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 2013A 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.

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PART 3 – SOURCES OF PAYMENT AND SECURITY

Set forth below is a narrative description of certain contractual and legislative provisions relating to the sources of payment of and security for the Series 2013A Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Resolution, the Series 2013A Resolution, and the Financing and Development Agreement for a more complete description of such provisions. Copies of the Resolution, the Series 2013A Resolution, and the Financing and Development Agreement are on file with DASNY and the Trustee. For a more complete statement of the rights, duties and obligations of the parties thereto, see also "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

General

The Resolution authorizes the issuance of an unlimited principal amount of Bonds, subject only to compliance with the conditions to the issuance of additional Bonds contained in the Resolution. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Additional Bonds." Bonds may be issued under the Resolution to provide funds to pay the Costs of one or more Dormitory Facilities, to pay the Costs of Issuance of Bonds, to pay or provide for the payment of outstanding Bonds or Prior Bonds, and to be exchanged for other bonds, notes or evidences of indebtedness incurred in connection with Dormitory Facilities. The Bonds that may be issued under the Resolution include, in addition to fixed rate Bonds on which interest is payable semiannually, Variable Interest Rate Bonds, Option Bonds, Capital Appreciation Bonds and Deferred Income Bonds.

All Bonds issued under the Resolution, including the Series 2013A Bonds, are special obligations of DASNY solely payable from and secured by a pledge and assignment of the Pledged Assets, which consist of the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time held in the Fund, the right to receive the Dormitory Facilities Revenues, the proceeds of the Bonds until applied for the purposes for which they were issued in accordance with the Resolution, and all of the funds and accounts established and pledged by the Resolution. The pledge and assignment of the Fund and the Dormitory Facilities Revenues and the investments from time to time in the Fund is subordinate to a pledge and assignment thereof made by DASNY to secure the outstanding Prior Bonds issued under the Prior Resolution. The Prior Bonds will have a right of payment from the Dormitory Facilities Revenues that is prior to the right of payment from the Dormitory Facilities Revenues of the Bonds. See "PART 3 – SOURCES OF PAYMENT AND SECURITY – Prior Pledge."

Payment of the Bonds

Billing and Collection of Dormitory Facilities Revenues

The Bonds, including the Series 2013A Bonds, are payable solely from the Dormitory Facilities Revenues and the other Pledged Assets. The Dormitory Facilities Revenues, which were previously revenues of SUNY, have been assigned by SUNY to the Authority pursuant to the Assignment. As provided in the Enabling Act, by the Assignment, DASNY became vested with all of SUNY's rights, title and interest in the Dormitory Facilities Revenues and they became the absolute property of DASNY.

SUNY remains responsible for the establishment of the fees and charges to be charged to students and others for the use and occupancy of the Dormitory Facilities, and, pursuant to the Financing and Development Agreement, has agreed to bill and collect the Dormitory Facilities Revenues as agent for the Authority. The establishment of the fees and charges and the billing and collections will be done by each of the SUNY Campuses. SUNY has agreed in the Financing and Development Agreement to have each SUNY Campus, as nearly as practicable on the first and fifteenth day of each month, deposit the Dormitory Facilities Revenues collected by it in the Fund.

Payments from the Fund for Debt Service

Money in the Fund will, at the direction of DASNY, be transferred by the Commissioner to the trustee for the Prior Bonds and to the Trustee at times and in amounts sufficient for payment of debt service on the Prior Bonds and the Bonds as it becomes due. While DASNY may direct the Commissioner to make the transfers at any time, it is expected that the transfers will be directed to be made on each December 10^{th} and June 10^{th}

preceding each January 1st on which interest is payable and each July 1st on which the principal or Sinking Fund Installments and interest are due. In addition, if there are any Outstanding Bonds on which interest is paid more frequently than semiannually on January 1st and July 1st, the transfer to be made on each December 10th and June 10th will include amounts sufficient to pay the interest on such Bonds payable prior to the next succeeding December 10th or June 10th, respectively. However, no money may be transferred by the Commissioner to the Trustee unless at the time the transfer is made no further transfers to the trustee for the Prior Bonds are required to be made for the payment of the principal, including principal due through scheduled mandatory redemption, and interest due on the Prior Bonds on and prior to July 1 of the next succeeding Fiscal Year, or money has been retained in the Fund for payment to the trustee for the Prior Bonds sufficient to pay such principal and interest. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

The Bonds, including the Series 2013A Bonds, are not payable out of any money or property of the Authority other than the Pledged Assets. Further, the Bonds are not payable from any money of SUNY or the State. Neither SUNY nor the State has any obligation to make any payments with respect to the Debt Service on the Bonds.

Security for the Bonds

The Bonds, including the Series 2013A Bonds, are secured by the pledge and assignment to the Trustee made by DASNY in the Resolution of the Pledged Assets, which consist of the Fund, the Dormitory Facilities Revenues and the investments thereof from time to time held in the Fund, the right to receive the Dormitory Facilities Revenues, the proceeds of the Bonds until applied for the purposes for which they were issued in accordance with the Resolution, and all of the funds and accounts established and pledged by the Resolution. Among the funds and accounts established by the Resolution and pledged to secure the Bonds are the Debt Service Fund and a Construction Fund consisting of a Construction Account from which Costs of the Facilities will be paid, a Capitalized Interest Account and a Cost of Issuance Account. The Resolution also establishes an Arbitrage Rebate Fund from which DASNY will make rebate payments to the United States Treasury in connection with Tax Exempt Bonds as required by the Internal Revenue Code and the regulations thereunder. The Resolution also permits the establishment of special funds or accounts for the payment of the purchase price of Option Bonds tendered for purchase. Any such fund or account may be pledged by DASNY solely for the benefit of the holders of such Option Bonds and the payment of the purchase price payable upon their tender, and will not secure any other Bonds.

The pledge and assignment of the Pledged Assets are for the benefit of all Bonds issued under the Resolution, including the Series 2013A Bonds, all of which will rank on a parity and be secured equally and ratably with each other.

Prior Pledge

Prior to the assignment of the Dormitory Facilities Revenues to the Authority and the establishment of the Fund, the Dormitory Facilities Revenues were the property of SUNY. In connection with the Prior Bonds, SUNY was obligated by agreement with DASNY to collect and deposit the Dormitory Facilities Revenues in a special SUNY account (the "SUNY Income Account") held on behalf of SUNY by the State Comptroller. To secure the Prior Bonds, the SUNY Income Account was pledged to DASNY to secure payments required to be made to DASNY or the trustee for the Prior Bonds for payments, among other things, of the principal and redemption price of and interest on outstanding Prior Bonds. By the Prior Resolution, DASNY pledged and assigned its rights in the SUNY Income Account for the benefit of the holders of the Prior Bonds.

The Enabling Act and the Financing and Development Agreement require that from and after SUNY's assignment of the Dormitory Facilities Revenues to DASNY, all Dormitory Facilities Revenues are to be paid to the Commissioner for deposit to the Fund. The Dormitory Facilities Revenues will no longer be deposited in the SUNY Income Account. In order to preserve the rights of the holders of the Prior Bonds in the Dormitory Facilities Revenues, by a supplemental resolution adopted pursuant to the Prior Resolution on March 13, 2013 (the "Supplemental Pledge"), DASNY pledged the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Fund to the trustee for the Prior Bonds for the benefit of the holders of the Prior Bonds. The pledge creates a first lien on the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in it. The Resolution expressly provides that the pledge and assignment of the Fund and the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in it made for the benefit of the holders of Bonds is subject and subordinate to the pledge made by the Supplemental Pledge for the benefit of the holders of the Prior Bonds.

Pursuant to §1680-q of the Public Authorities Law of the State, as added by the Enabling Act, and the Financing and Development Agreement, money in the Fund is to be paid by the Commissioner in accordance with a specified priority of payment. Each provides that no money in the Fund during a Fiscal Year is to be paid for any purposes, other than the payment of debt service on the Prior Bonds, unless sufficient money has been set aside for payment of the principal, whether due at maturity or through scheduled mandatory redemption, and interest on the Prior Bonds remaining to be paid on and prior to July 1st of the next succeeding Fiscal Year. Accordingly, the Prior Bonds have a right of payment from the Dormitory Facilities Revenues that is prior to the right of payment from the Dormitory Facilities Revenues of the Bonds.

After giving effect to the refunding of the Refunded Bonds, there will be approximately $1.3 billion of Prior Bonds outstanding. The amounts required to be made available for the payment of debt service on the outstanding Prior Bonds, excluding debt service on outstanding Prior Bonds issued by the Authority that are expected to be refunded with a portion of the proceeds of the Series 2013A Bonds, during each Fiscal Year ranges from a low of $13.3 million during the Fiscal Year ending June 30, 2042, to a high of $109.9 million during the Fiscal Year ending June 30, 2015. See “PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS – Outstanding Prior Resolution Bonds.”

DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION.”

Ability to Grant Rights to Providers of Credit Facilities

Pursuant to the Resolution, if provided in or authorized by a Series Resolution, DASNY may provide for the rights of the Facility Provider of a Credit Facility or Liquidity Facility in connection with a Series of Bonds, which rights may include that, whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to any amendment, change, modification or waiver, or request or direct the Trustee to take an action, such Facility Provider may be deemed to be the Holder of such Bonds.

Additional Bonds

The Resolution permits DASNY to issue additional Bonds if the Net Revenues Available for Debt Service in each of the two Fiscal Years immediately preceding the date of issuance were at least equal to 120% of the Maximum Annual Debt Service on all outstanding Bonds and Prior Bonds, calculated after giving effect to the Bonds proposed to be issued. In addition, Bonds may be issued to refund outstanding Bonds or Prior Bonds without complying with the aforementioned test if (i) the average annual Debt Service on the Bonds to be issued is not greater than the average annual Debt Service on the Bonds or Prior Bonds to be refunded and (ii) Maximum Annual Debt Service, calculated after giving effect to the issuance of the Bonds to be issued and the refunding of the Bonds or Prior Bonds to be refunded, is not greater than Maximum Annual Debt Service immediately preceding issuance of the Bonds.

DASNY has reserved the right to issue bonds, notes or other obligations so long as they are not secured by a charge or lien on or right of payment that is equal or prior to the charge, lien and right of payment established by the Resolution for the benefit of the holders of Outstanding Bonds. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION.”

Covenants of SUNY

Under the Financing and Development Agreement, SUNY covenants that, so long as Bonds are Outstanding under the Resolution: (i) it will comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements applicable to each Dormitory Facility; (ii) it will permit DASNY and its authorized agents to inspect the books and records of SUNY related to the establishment, collection and payment of Dormitory Facilities Revenues; (iii) it will not sell, sublease or otherwise dispose of, encumber or permit the use of a Dormitory Facility if the same would adversely affect the exclusion of interest on any Bonds; (iv) it will not take any action with respect to a Dormitory Facility which would impair the exclusion of interest on any Bond's gross income for purposes of federal income taxation; (v) it will provide and certify such information concerning SUNY, the Dormitory Facilities, and the operations and finances of SUNY whenever requested by DASNY; (vi) it will not create, cause to be created or suffer or permit the creation of any lien or charge on Dormitory Facilities Revenues; and (vii) the rents and charges established and imposed by it and payable during each Fiscal Year for the use and occupancy of Dormitory Facilities shall be at least sufficient at all times to pay Debt Service on the Bonds and the costs of operation, maintenance, repair and replacement of Dormitory Facilities budgeted by SUNY for the next succeeding Fiscal Year. For a more complete description of SUNY's covenants under the Financing and Development Agreement, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

PART 4 – DORMITORY FACILITIES REVENUE FUND

The Fund was established by §1680-q(3) of the Public Authorities Law of the State (the "Fund Provisions"), as added by the Enabling Act. The Fund is a special fund to be held in the custody of the Commissioner on behalf of DASNY into which all Dormitory Facilities Revenues collected by SUNY are to be deposited. Deposits to and disbursements from the Fund, including the order of priority, are governed by the Fund Provisions and implemented through the Financing and Development Agreement and a Dormitory Facilities Revenue Fund Administration Agreement, dated as of May 15, 2013, among DASNY, SUNY and the Commissioner (the "Fund Administration Agreement"), which establishes procedures to be followed by the Commissioner, DASNY and SUNY in connection with the Commissioner's administration of the Fund, including with respect to deposits to and disbursements from the Fund.

The Fund Provisions require that all Dormitory Facilities Revenues collected by SUNY be deposited in the Fund. It also states that all Dormitory Facilities Revenues collected by SUNY and deposited in the Fund are the "sole and exclusive property" of DASNY. By the Financing and Development Agreement, DASNY has appointed SUNY as its agent for the billing and collection of the Dormitory Facilities Revenues, and each SUNY Campus, as an operating division of SUNY, will be responsible for billing students and others for use and occupancy of its Dormitory Facilities, and for collecting the Dormitory Facilities Revenues generated by such use and occupancy. Deposits to the Fund are to be made by each SUNY Campus as nearly as practicable on the first and fifteenth day of each month. Pursuant to the Fund Administration Agreement, amounts remitted by a SUNY Campus will be deposited in an account (a "Collection Account") within the Fund that has been established by the Commissioner for such SUNY Campus.

No money may be disbursed from a Collection Account other than in accordance with the Fund Provisions, the Financing and Development Agreement and the Fund Administration Agreement. The Fund Provisions set forth the purposes for which money in the Fund may be disbursed and establish a priority among the purposes for which disbursement from the Fund may be made. Generally, the money in the Fund during a Fiscal Year is to be applied in order of priority:

(i) to be set aside and paid to the trustee for the Prior Bonds for payment of the principal (including amounts due through scheduled mandatory redemption) of and interest on outstanding Prior Bonds payable during such Fiscal Year and on July 1 of the succeeding Fiscal Year; then

(ii) to fund, at the times and in the amounts required by the financing documents related to the Prior Bonds, a reserve (the "Income Account Reserve") for Dormitory Facilities operations and maintenance and repair and rehabilitation expenses at the Income Account's reserve requirement for such Fiscal Year; then

(iii) to be set aside and paid to the Trustee for payment of the principal (including amounts due through scheduled mandatory Sinking Fund Installments) of and interest on outstanding Bonds payable during such Fiscal Year and on July 1 of the succeeding Fiscal Year; then

(iv) to fund, at the times and in the amounts required by the Financing and Development Agreement, the Operations and Maintenance Reserve and the Repair and Rehabilitation Reserve within the Fund at their requirements for such Fiscal Year; and then

(v) to fund the Administrative Expenses of DASNY.

The Fund Provisions, the Financing and Development Agreement and the Fund Administration Agreement require DASNY, by June 10th of each Fiscal Year, to certify to the Commissioner and SUNY the amount of Dormitory Facilities Revenues required during the next Fiscal Year for each of the above purposes (the "Annual Certification"). As provided in the Fund Administration Agreement, the Annual Certification will also specify the dates on which money in the Fund is to be paid or transferred from the Fund for each purpose and the amount of money to be paid or transferred on each date. DASNY may amend the Annual Certificate from time to time during the Fiscal Year as DASNY considers necessary. All payments and transfers from the Fund by the Commissioner are to be made in accordance and consistent with the Annual Certification.

The balance of the money in the Fund in excess of the amounts required to provide for the payment of the foregoing purposes (the "Residual Dormitory Facilities Revenues") is to be paid to SUNY for the Operating Expenses and repair and rehabilitation expenses of the Dormitory Facilities during the Fiscal Year. Money in the Fund paid to SUNY that is in excess of the Operating Expenses, and repair and rehabilitation expenses for the Fiscal Year is available to SUNY for any of its corporate purposes. The Residual Dormitory Facilities Revenues, when paid to SUNY, become the property of SUNY in which DASNY has no further interest, and will be free and clear of the pledge of Dormitory Facilities Revenues made by the Resolution.

The Fund Administration Agreement provides that no payment or transfer of money in the Fund will be made by the Commissioner for any purpose, including payment to SUNY of the Residual Dormitory Facilities Revenues, except pursuant to written directions given contemporaneously with the transfer or payment. Transfers and payments to the trustee for the Prior Bonds and to the Trustee, in each case for payment of the principal of and interest on the outstanding Prior Bonds and Outstanding Bonds, respectively, and for payment of DASNY's Administrative Expenses, will be made upon the written direction of DASNY. All other transfers and payments from the Fund will be made pursuant to the joint written direction of DASNY and SUNY.

The Resolution requires that DASNY establish or cause to be established reserves for the operations and maintenance (the "Operations and Maintenance Reserve") and repair and rehabilitation (the "Repair and Rehabilitation Reserve") of Dormitory Facilities. In accordance with the Financing and Development Agreement and the Fund Administration Agreement, each of the reserves is to be funded by the end of each Fiscal Year at its respective Operations and Maintenance Reserve Requirement or Repair and Rehabilitation Reserve Requirement for that Fiscal Year. As a result, the amount in each reserve on July 1st of a Fiscal Year is to be an amount equal to the reserves' respective requirements for the immediately preceding Fiscal Year. Money in each reserve is available during the Fiscal Year to fund each SUNY Campus' Operating Expenses and repair and rehabilitation costs.

Because SUNY allocates the amount of the Operations and Maintenance Reserve and Repair and Rehabilitation Reserve that will be available to each SUNY Campus during a Fiscal Year, in addition to the Collection Accounts, a separate account has been established within the Fund (each a "Campus Reserve Account") for each SUNY Campus's allocable share of the Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve Requirement. Each Campus Reserve Account will be funded from transfers of money from the SUNY Campus' Collection Account that is in excess of the amount required to fund debt service on the Prior Bonds and Bonds. The transfers will be made at times and in amounts determined by SUNY and DASNY to ensure that by June 30th of each Fiscal Year the aggregate amounts in the Campus Reserve Accounts is equal to the sum of that Fiscal Year's Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve Requirement.

On or prior to June 1st of each Fiscal Year SUNY is required to provide DASNY with separate allocations showing each SUNY Campus' share of the aggregate amount of debt service on the Prior Bonds and Bonds and DASNY Administrative Expenses that are payable out of the Fund during the next Fiscal Year. Prior to May 15th of each Fiscal Year SUNY is also required to provide DASNY with each SUNY Campus' allocable share of the Fiscal Year's Operations and Maintenance Reserve Requirement and Repair and Rehabilitation Reserve

Requirement for the next Fiscal Year. The allocations prepared by SUNY are to be attached to and become a part of DASNY's Annual Certification.

Notwithstanding the allocation to each SUNY Campus of a portion of the debt service on the Prior Bonds and the Bonds payable out of the Fund during a Fiscal Year, the money in each and every account within the Fund is available and required to be applied to fund, first, the principal of and interest on the outstanding Prior Bonds and, then, principal of and interest on the Outstanding Bonds at any time needed to assure that payment of the Prior Bonds and the Bonds, when due.

PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS

Outstanding Debt and Debt Service Requirements of Prior Bonds

As of June 30, 2013, DASNY has outstanding $1,546,315,000 of bonds previously issued under the Prior Resolution. Debt service requirements for the Prior Resolution are shown below under "PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS - Schedule of Debt Service Requirements for Series 2013A Bonds and Outstanding Prior Bonds." Payment of Debt Service on Bonds, including the Series 2013A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on outstanding bonds issued under the Prior Resolution, which will continue to be additionally secured by SUNY'S general obligation pledge. See "PART 4 – DORMITORY FACILITIES REVENUE FUND." DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

Schedule of Debt Service Requirements for Series 2013A Bonds and Outstanding Prior Bonds

The following table sets forth, for each Fiscal Year ending June 30, the amounts, rounded to the nearest dollar, required to be made available in such Fiscal Year for the payment of the principal, including Sinking Fund Installments, of and interest on the Series 2013A Bonds, debt service on other Outstanding Prior Bonds and the total debt service for all such bonds Outstanding under the Resolution and the Prior Resolution. The principal of the Bonds matures on each July 1 one day following the close of the respective Fiscal Years listed.

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Fiscal Year	Series 2013A Principal Payments	Series 2013A Interest Payments	Total Debt Service on the Series 2013A Bonds	Total Debt Service on the Prior Bonds*	Total Debt Service
2014	$ 2,830,000	$17,576,643	$20,406,643	$109,913,311	$130,319,954
2015	6,805,000	21,762,681	28,567,681	109,946,011	138,513,692
2016	10,180,000	21,422,431	31,602,431	107,471,521	139,073,952
2017	13,540,000	21,015,231	34,555,231	102,656,731	137,211,962
2018	21,195,000	20,338,231	41,533,231	94,590,794	136,124,025
2019	17,500,000	19,305,781	36,805,781	96,775,019	133,580,800
2020	21,730,000	18,430,781	40,160,781	92,199,281	132,360,062
2021	23,465,000	17,344,281	40,809,281	89,219,019	130,028,300
2022	24,475,000	16,213,500	40,688,500	86,012,394	126,700,894
2023	27,855,000	14,989,750	42,844,750	79,925,781	122,770,531
2024	29,080,000	13,597,000	42,677,000	76,531,619	119,208,619
2025	30,380,000	12,143,000	42,523,000	75,398,456	117,921,456
2026	29,795,000	10,624,000	40,419,000	73,752,425	114,171,425
2027	31,110,000	9,134,250	40,244,250	67,841,806	108,086,056
2028	30,760,000	7,578,750	38,338,750	65,524,000	103,862,750
2029	21,320,000	6,040,750	27,360,750	65,522,500	92,883,250
2030	17,790,000	5,002,850	22,792,850	65,525,731	88,318,581
2031	16,160,000	4,068,875	20,228,875	65,517,525	85,746,400
2032	10,845,000	3,220,475	14,065,475	65,491,525	79,557,000
2033	3,755,000	2,651,112	6,406,112	65,526,400	71,932,512
2034	3,930,000	2,472,750	6,402,750	62,353,175	68,755,925
2035	4,130,000	2,276,250	6,406,250	59,017,900	65,424,150
2036	4,335,000	2,069,750	6,404,750	55,219,250	61,624,000
2037	4,550,000	1,853,000	6,403,000	52,077,250	58,480,250
2038	4,780,000	1,625,500	6,405,500	44,889,250	51,294,750
2039	5,020,000	1,386,500	6,406,500	38,608,250	45,014,750
2040	5,270,000	1,135,500	6,405,500	33,926,500	40,332,000
2041	5,530,000	872,000	6,402,000	26,570,000	32,972,000
2042	5,810,000	595,500	6,405,500	13,335,000	19,740,500
2043	6,100,000	305,000	6,405,000	--	6,405,000

*Excludes debt service on outstanding Prior Bonds issued by the Authority that are refunded with a portion of the proceeds of the Series 2013A Bonds.

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PART 6 – ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the Series 2013A Bonds are as follows:

Sources of Funds	
Principal Amount of the Series 2013A Bonds	$440,025,000
Net Original Issue Premium	32,388,959
Total Sources	$472,413,959
Uses of Funds	
Deposit to the Construction Fund	$171,835,843
Deposit to the Refunding Account	282,396,543
Capitalized Interest	10,601,036
Costs of Issuance*	4,508,008
Underwriters' Discount	3,072,529
Total Uses	$472,413,959

*Includes State Bond Issuance Charge.

PART 7 – THE PROJECT AND THE REFUNDING PLAN

The 2013 Project

SUNY primarily operates its Dormitory Facilities construction program on a cash flow borrowing basis, issuing bonds to fund ongoing system-wide construction costs and not on a specific project-by-project basis. SUNY currently has approximately $200 million in Dormitory Facilities construction in progress, consisting of $75 million in renovation and rehabilitation on numerous campuses and $125 million in new facility construction, primarily at Stony Brook, New Paltz, Oneonta, Farmingdale and Maritime. See "PART 8 – THE RESIDENCE HALL PROGRAM – Capital Plan and Prior Debt Issuance." The proceeds of the Series 2013A Bonds may be expended on any Dormitory Facility.

The Refunding Plan

A portion of the proceeds of the Series 2013A Bonds will be used to provide for the payment of the outstanding principal amount of DASNY's Lease Revenue Bonds (State University Dormitory Facilities Issue) Series 2003A and 2003B of the maturities shown below, all of which were previously issued under the Prior Resolution (the "Refunded Bonds"). Such proceeds will be deposited with M&T Bank, as trustee for the Refunded Bonds, to be held in a special trust account (the "Refunding Account") for the redemption of the Refunded Bonds on their respective redemption dates and at their respective redemption prices shown on the following page.

Simultaneously with deposit of the proceeds and other money in the Refunding Account, DASNY will give the trustee for the Refunded Bonds irrevocable instruction to give notice of the redemption of the Refunded Bonds and to apply the amounts deposited in the Refunding Account to the payment of the redemption price of and interest on the Refunded Bonds coming due on their redemption dates. The money in the Refunding Account, without regard to any investment earnings on such money, will be used to pay the redemption prices of and interest to become due on and prior to their respective redemption dates on the Refunded Bonds. Upon making such deposits with the trustee for the Refunded Bonds and giving irrevocable instructions to such trustee, the Refunded Bonds will be deemed to have been paid and will no longer be outstanding under the Prior Resolution, and the pledge of the revenues or other money and securities pledged to the Refunded Bonds and all other rights granted by the applicable documents will be discharged and satisfied.

TABLE OF REFUNDED BONDS

DORMITORY AUTHORITY
OF THE STATE OF NEW YORK

Lease Revenue Bonds
(State University Dormitory Facilities Issue)

Series	Maturing July 1,	Principal Amount Outstanding	Principal Amount to be Refunded	Redemption Date	Redemption Price
2003A	2014	$ 2,250,000	$ 2,250,000	October 17, 2013	100%
2003A	2015	2,350,000	2,350,000	October 17, 2013	100%
2003A	2016	2,480,000	2,480,000	October 17, 2013	100%
2003A	2017	2,605,000	2,605,000	October 17, 2013	100%
2003A	2018	2,735,000	2,735,000	October 17, 2013	100%
2003A	2019	1,525,000	1,525,000	October 17, 2013	100%
2003A	2020	1,605,000	1,605,000	October 17, 2013	100%
2003A	2021	1,685,000	1,685,000	October 17, 2013	100%
2003A	2022	1,770,000	1,770,000	October 17, 2013	100%
2003A	2023	1,855,000	1,855,000	October 17, 2013	100%
2003A	2024	1,935,000	1,935,000	October 17, 2013	100%
			$22,795,000		
2003B	2029	$ 33,945,000	$ 33,945,000	October 1, 2013	100%
2003B	2030	35,000,000	35,000,000	October 1, 2013	100%
2003B	2031	85,000,000	85,000,000	October 1, 2013	100%
2003B	2032	105,000,000	105,000,000	October 1, 2013	100%
			$258,945,000		

PART 8 – THE RESIDENCE HALL PROGRAM

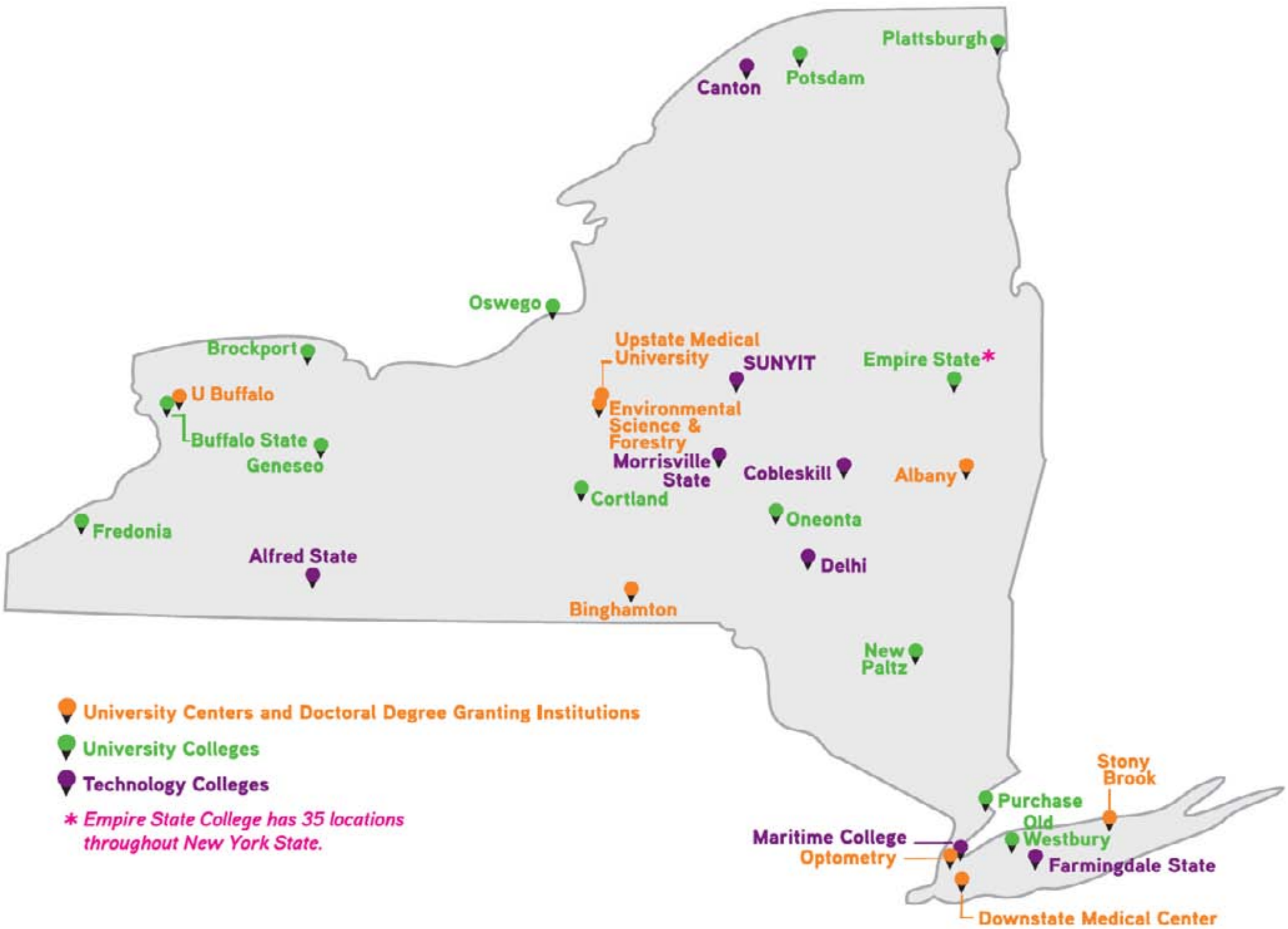
Overview of Residence Hall Program

SUNY has operated Dormitory Facilities for over 60 years as an integral component of its higher education programs. The SUNY Residence Hall Program currently operates on 26 SUNY Campuses providing housing and other ancillary services for over 70,000 students annually. There are approximately 400 Dormitory Facilities in the Residence Hall Program. Each SUNY Campus manages the housing on its campus and has its own unique mix of options including: (1) standard double occupancy rooms along a corridor with common shared bathrooms; (2) suites of 2–4 bedrooms with a single entry that share a "common space" and bathroom within; and (3) apartment style housing containing a kitchen, common area and typically more than one bedroom and bathroom. Historically, SUNY has been able to sustain a consistent rate of occupancy of its Dormitory Facilities with an occupancy rate for the past five years averaging approximately 96.4% for all SUNY Campuses combined. In Fiscal Year 2012, the Residence Hall Program generated total Dormitory Facilities Revenues of $477.6 million.

Competition to attract students to SUNY within the State, as well as nationally and internationally is an important reason to ensure that the condition and desirability of its residence halls meet the standards which have become the norm. Today's students seek out and demand facilities offering a high quality of life, including amenities that did not exist a decade ago. To meet this competitive demand, SUNY strives to maintain its residence halls in a state of good repair through ongoing maintenance, continual rehabilitation, and periodic expansion.

Much of the management functions of the Residence Hall Program take place at the individual campus level. Such management includes operation and maintenance of the individual buildings used for dormitories and ancillary services. Each SUNY Campus is also responsible for capital planning, establishing room rents, and the billing and collection of associated revenues. SUNY's Office for Capital Facilities (the "OCF") reviews and approves capital plans and campus cash flow projections and provides overall support for the Residence Hall Program to the campuses.

The following map sets forth the location of the 29 SUNY Campuses:



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The Dormitory Facilities

In 2012, SUNY's Residence Hall Program was comprised of 70,880 available beds. The details of the Program operations at the campus level are listed below, broken down by individual SUNY Campus classifications. The SUNY Campuses are divided into three categories: (i) University Centers and Doctoral Degree Granting Institutions, (ii) University Colleges, and (iii) Technology Colleges. These categories or sectors differ on educational mission, the kinds of academic opportunities available, and degrees offered. All campuses offer excellent academic and student life programs. Below is a listing of the beds available broken-out by campus:

Dormitory Facilities—Available Beds by Campus

Sector	Campus	Beds
University Centers and Doctoral Degree Granting Institutions	Albany	6,189
	Binghamton	6,756
	Buffalo University	4,689
	Stony Brook	9,540
	College of Optometry	0
	Environmental Science and Forestry	0
	Health Science Center at Brooklyn	408
	Health Science Center at Syracuse	185
University Centers and Doctoral Degree Granting Institutions Total		**27,767**
University Colleges	Brockport	2,672
	Buffalo College	1,860
	Cortland	3,069
	Empire State	0
	Fredonia	2,658
	Geneseo	2,929
	New Paltz	2,953
	Old Westbury	1,549
	Oneonta	3,406
	Oswego	4,253
	Plattsburgh	2,671
	Potsdam	2,563
	Purchase	2,102
University Colleges Total		**32,685**
Technology Colleges	SUNY IT	581
	Alfred	2,534
	Canton	1,014
	Cobleskill	1,527
	Delhi	1,566
	Farmingdale	609
	Maritime	1,298
	Morrisville	1,299
Technology Colleges Total		**10,428**
Grand Total		**70,880**

The nearly 400 buildings that comprise the Residence Hall Program throughout the SUNY system range in both age and condition. Recognizing the importance of maintaining each of the facilities, SUNY actively manages its capital program to ensure that each of the facilities is maintained in a good state of repair and in compliance with SUNY policies which require certain minimum living standards. Moreover, in addition to regular maintenance, there are constant upgrades and improvements including major modernization made to the Dormitory Facilities on an ongoing basis. This continual improvement is a priority to SUNY to maintain its competitive standing and attract new students.

The SUNY Dormitory Facilities also include the ownership and operation of 3 freestanding parking structures, consisting of approximately 2,500 spaces at the Binghamton, Stony Brook and Health Science Center at Syracuse campuses.

Nine SUNY Campuses also have "off-budget housing" which are facilities that are privately-owned by entities other than SUNY or DASNY and are not part of SUNY's Residence Hall Program. For more information on SUNY's off-budget housing capacity and occupancy, See "Other Student Housing" in this Part.

Demand for On-Campus Housing

SUNY has operated Dormitory Facilities for over 60 years as an integral component of its higher education offerings and the growth of the Residence Hall Program has reflected growth in demand for a SUNY education. SUNY has been able to sustain a consistent rate of occupancy of its Dormitory Facilities as presented in the table below. The occupancy rate for SUNY's past five Fiscal Years has averaged approximately 96.4% for all SUNY Campuses combined.

Residence Hall Program—Historical Occupancy*
(Fall Semester)

SUNY Fiscal Year	DASNY Beds	Beds Occupied	Occupancy Rate
2008	71,142	68,707	96.6%
2009	69,970	67,600	96.6%
2010	70,632	68,498	97.0%
2011	70,547	67,725	96.0%
2012	70,880	67,882	95.8%

*Excludes Residence Advisor (RA) beds.

Over the past decade, the continued enrollment growth and the rising number of students who prefer to live on campus have created demand for additional bed capacity across SUNY Campuses. To meet the consistent needs of students attending SUNY, the Residence Hall Program has increased the number of beds by 18% since the Fall of 1998, as illustrated in the table below:

Residence Hall Program-
Historical Growth of Available Beds*
(Fall Semester)

SUNY Fiscal Year	Number of Beds Available	Capacity Growth Since 1998
1998	59,899	--
1999	59,298	-1%
2000	58,953	-2%
2001	60,062	0%
2002	62,652	5%
2003	64,211	7%
2004	65,746	10%
2005	67,270	12%
2006	68,533	14%
2007	69,690	16%
2008	71,142	18%
2009	69,970	16%
2010	70,632	18%
2011	70,547	18%
2012	70,880	18%

*Excludes Residence Advisor (RA) beds.

During the same period, total enrollment of students has risen more than 20% while the percentage of full-time students choosing to live on campus in Dormitory Facilities has continued to be at 38% or more as noted in the table below. The consistency of this data over a sustained period of time demonstrates the continued demand for the Residence Hall Program. On-campus living data is presented below:

SUNY Residence Hall Program- Students Choosing to Live on Campus*
(Fall Semester)

SUNY Fiscal Year	Total Enrollment	Full Time Undergraduate Students	Full Time Graduate Students	Total Full Time Students	% of Full Time Students Living on Campus
1998	168,759	120,131	22,859	142,990	39%
1999	172,058	123,082	23,533	146,615	39%
2000	173,949	124,524	24,288	148,812	39%
2001	179,858	128,936	26,054	154,990	39%
2002	183,898	130,902	28,006	158,908	38%
2003	184,337	132,598	27,901	160,499	40%
2004	183,316	134,381	27,383	161,764	42%
2005	184,693	136,795	27,056	163,851	42%
2006	186,339	139,248	27,574	166,822	42%
2007	189,801	142,038	27,822	169,860	42%
2008	194,008	145,191	27,987	173,178	42%
2009	196,891	147,747	28,273	176,020	41%
2010	198,639	149,080	28,933	178,013	41%
2011	197,336	148,094	27,938	176,031	42%
2012 *	195,961	147,520	27,594	175,114	42%

*Not Final.

The success of the Residence Hall Program is evidenced by the long history of near full occupancy. Dormitory Facilities on SUNY Campuses have historically been filled at or above 95% of their design capacity at the beginning of each Fall Semester, as reflected in the tables below. Sustained strong demand for on-campus housing, finite bed availability, and projected student enrollment growth at SUNY Campuses suggest that a high occupancy rate is likely to continue.

Occasionally, SUNY Campuses will experience a shortage in available rooms due to a variety of factors, including: (i) a greater than expected percentage of returning students choosing to remain on campus rather than moving off-campus, (ii) a higher than expected level of matriculation at a given institution, and (iii) facilities being removed from service for rehabilitation. When a shortage in available rooms exists, standard double rooms will be temporarily tripled by adding an extra bed and dresser. SUNY will relocate students who have been placed in temporary triples as soon as available space in standard accommodations is identified. It is SUNY's policy to relocate students to standard double rooms during the Fall semester. Students assigned to temporarily tripled accommodations will be billed at a standard double rate, but will be issued a credit based on the length of time the student has resided in the tripled room. This credit results in a reduction of the student's charge, but a positive net result for the extra bed.

In 2012, the Residence Hall Program had approximately 70,880 available beds across the SUNY Campuses, of which 67,882 were occupied, representing an occupancy rate of nearly 96%. The following table presents occupancy rates by campus for 2012:

Dormitory Facilities Occupancy* - Fall 2012

Sector	Campus	Beds	Beds Occupied	Occupancy Rate
University Centers and Doctoral Degree Granting Institutions	Albany	6,189	6,157	99%
	Binghamton	6,756	6,606	98%
	Buffalo University	4,689	4,614	98%
	Stony Brook	9,540	9,351	98%
	College of Optometry	0	0	N/A
	Environmental Science and Forestry	0	0	N/A
	Health Science Center at Brooklyn	408	396	97%
	Health Science Center at Syracuse	185	74	40%
University Centers and Doctoral Degree Granting Institutions Total		**27,767**	**27,198**	**88%**
University Colleges	Brockport	2,672	2,573	96%
	Buffalo College	1,860	1,822	98%
	Cortland	3,069	3,040	99%
	Empire State	0	0	N/A
	Fredonia	2,658	2,421	91%
	Geneseo	2,929	2,794	95%
	New Paltz	2,953	2,711	92%
	Old Westbury	1,549	1,336	86%
	Oneonta	3,406	3,360	99%
	Oswego	4,253	4,017	94%
	Plattsburgh	2,671	2,535	95%
	Potsdam	2,563	2,321	91%
	Purchase	2,102	2,102	100%
University Colleges Total		**32,685**	**31,036**	**95%**
Technology Colleges	SUNY IT	581	494	85%
	Alfred	2,534	2,242	89%
	Canton	1,014	1,014	100%
	Cobleskill	1,527	1,286	84%
	Delhi	1,566	1,566	100%
	Farmingdale	609	609	100%
	Maritime	1,298	1,229	95%
	Morrisville	1,299	1,208	93%
Technology Colleges Total		**10,428**	**9,648**	**93%**
Grand Total		**70,880**	**67,882**	**96%**

*Excludes Residence Advisor (RA) beds.

Dormitory Facilities at a small number of SUNY Campuses are currently operating at less than 90% occupancy. The Health Science Center at Syracuse is the lowest at 40% due to the opening in 2012 of an off-budget housing facility and because the Health Science Center has a small campus population with only 1,500 full-time equivalent students. The Health Science Center at Syracuse has the smallest number of Program beds at 185, and therefore the low occupancy has no significant statistical impact on the overall occupancy percentage. Three of the other four SUNY Campuses below 90% have each had a small decline in overall full-time equivalent students over the past several years, resulting in the lower housing demand. In addition, in 2011, SUNY IT added 203 new Program beds, resulting in a lower overall occupancy rate.

Establishing Residence Hall Rental Rates

The Residence Hall Program is a completely self-supporting function of SUNY. The Program generates sufficient revenues to support its operations and annual maintenance, and provides the ongoing revenue to support its capital investment. Each SUNY Campus has the ability to set its own room rental rates. Such rates reflect the market dynamics that are unique to the individual campus or geographic market. Additionally, in accordance with SUNY's Residence Hall Operation Policy and Guidelines, each SUNY Campus is responsible for developing a residence hall budget, a multi-year capital plan and determining all room rental rates to support both. However, room rates must be sufficient to cover debt service, dormitory operations and to maintain reserve requirements. Each SUNY Campus is required to submit its budget with a schedule of residence hall rates to SUNY System Administration for review by the Budget Office and the OCF. The procedure for determining room rental rates must include a process that provides for consultation with students residing in residence halls.

The following table presents each campus's room rate for the past five SUNY Fiscal Years for double occupancy rooms within the Residence Hall Program on an annual per student basis. Recently, room rates have increased by an average of approximately 5% on a yearly basis. The Program includes other types of available housing, including single occupancy, suite style, apartment and others. While the rates differ for each of the room configurations, the chart below reflects the rates associated with the Residence Hall Program for double occupancy rooms only. Such double occupancy rooms represent nearly three-quarters of all rooms within the Residence Hall Program.

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Dormitory Facilities Room Rates
(in thousands)

Description	2008-09	2009-10	2010-11	2011-12	2012-13	08-09 to 09-10 Increase	09-10 to 10-11 Increase	10-11 to 11-12 Increase	11-12 to 12-13 Increase	Average Annual Change
SUNY-wide Average	**$5,486**	**$5,748**	**$6,032**	**$6,313**	**$6,605**	**4.8%**	**4.9%**	**4.7%**	**4.6%**	**4.8%**
University Centers	**$5,911**	**$6,183**	**$6,496**	**$6,836**	**$7,135**	**4.6%**	**5.1%**	**5.2%**	**4.4%**	**4.8%**
Albany	6,052	6,324	6,577	6,840	6,976	4.5%	4.0%	4.0%	2.0%	3.6%
Binghamton	6,088	6,546	7,036	7,528	8,054	7.5%	7.5%	7.0%	7.0%	7.3%
Buffalo University	5,698	5,748	5,928	6,228	6,540	0.9%	3.1%	5.1%	5.0%	3.5%
Stony Brook	5,804	6,112	6,442	6,748	6,968	5.3%	5.4%	4.8%	3.3%	4.7%
Doctoral Campuses	**$5,419**	**$5,631**	**$5,892**	**$6,187**	**$6,490**	**3.9%**	**4.6%**	**5.0%**	**4.9%**	**4.6%**
College of Optometry	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Science and Forestry	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Health Science Center at Brooklyn	4,744	4,889	5,201	5,329	5,329	3.1%	6.4%	2.5%	0.0%	3.0%
Health Science Center at Syracuse	4,127	4,170	4,170	4,449	5,075	1.0%	0.0%	6.7%	14.1%	5.5%
Comprehensive	**$5,628**	**$5,933**	**$6,250**	**$6,523**	**$6,748**	**5.4%**	**5.3%**	**4.4%**	**3.4%**	**4.6%**
Brockport	5,700	6,040	6,400	6,780	6,880	6.0%	6.0%	5.9%	1.5%	4.9%
Buffalo College	5,354	5,748	6,036	6,338	6,592	7.4%	5.0%	5.0%	4.0%	5.4%
Cortland	5,460	5,840	6,260	6,730	7,070	7.0%	7.2%	7.5%	5.1%	6.7%
Empire State	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Fredonia	5,350	5,650	5,950	6,250	6,550	5.6%	5.3%	5.0%	4.8%	5.2%
Geneseo	5,720	6,000	6,350	6,600	6,950	4.9%	5.8%	3.9%	5.3%	5.0%
Old Westbury	6,222	6,440	6,600	6,600	6,600	3.5%	2.5%	0.0%	0.0%	1.5%
New Paltz	5,600	6,020	6,364	6,490	6,554	7.5%	5.7%	2.0%	1.0%	4.1%
Oneonta	5,030	5,202	5,534	5,870	6,152	3.4%	6.4%	6.1%	4.8%	5.2%
Oswego	6,390	6,890	7,390	7,890	7,990	7.8%	7.3%	6.8%	1.3%	5.8%
Plattsburgh	5,350	5,500	5,800	6,100	6,284	2.8%	5.5%	5.2%	3.0%	4.1%
Potsdam	5,120	5,370	5,570	5,570	5,970	4.9%	3.7%	0.0%	7.2%	4.0%
Purchase	6,240	6,490	6,746	7,060	7,378	4.0%	3.9%	4.7%	4.5%	4.3%
Technology Colleges	**$5,324**	**$5,558**	**$5,809**	**$6,094**	**$6,476**	**4.4%**	**4.5%**	**4.9%**	**6.3%**	**5.0%**
SUNY IT	5,130	5,400	5,670	5,960	6,380	5.3%	5.0%	5.1%	7.0%	5.6%
Alfred	4,870	5,240	5,600	6,100	6,650	7.6%	6.9%	8.9%	9.0%	8.1%
Canton	5,200	5,400	5,800	6,200	6,300	3.8%	7.4%	6.9%	1.6%	5.0%
Cobleskill	5,420	5,690	5,980	6,280	6,600	5.0%	5.1%	5.0%	5.1%	5.1%
Delhi	5,200	5,400	5,620	5,820	5,936	3.8%	4.1%	3.6%	2.0%	3.4%
Farmingdale	6,050	6,230	6,290	6,450	7,190	3.0%	1.0%	2.5%	11.5%	4.5%
Maritime	6,000	6,180	6,340	6,340	6,594	3.0%	2.6%	0.0%	4.0%	2.4%
Morrisville	4,720	4,920	5,170	5,600	6,160	4.2%	5.1%	8.3%	10.0%	6.9%

Student Housing Payment and Collection Procedures

Each SUNY Campus requires that students desiring to reside in a residence hall execute a residence hall license or housing contract which sets forth occupancy guidelines, room rates and financial obligations. Each residence hall license/contract obligates the student signing it to remain in campus-provided housing for the designated semester, and a student's failure to remain in campus housing will not relieve the student of the responsibility to fulfill its terms. The license/contract is not room and hall specific such that if a student is moved from one room or hall to another, the license agreement remains in effect. Students cannot reside in campus residence halls without executing a license agreement.

Each SUNY Campus is responsible for the billing and collecting of Dormitory Facilities Revenues as agent for DASNY. Students are sent initial consolidated bills itemizing all charges for academic, residential and miscellaneous items due for the semester. Payments are required prior to the start of the semester unless the student elects a payment plan offered by the campus. A deferral of all or part of a student's payment beyond the date when full payment would otherwise be due may be granted if the student's charges are intended to be subsidized by State, federal, or other-third party assistance programs (i.e., scholarship, grant, loans). When student payment and related financial aid program (i.e., Pell, other grants and loans) amounts are received by a SUNY Campus, they will be credited toward the student's outstanding charges, including room rent. Each SUNY Campus has a designated priority of payment for apportioning receipts to tuition, fees, room or board as payments are received. Revenue has two primary peaks – one from late summer to mid-fall for the fall semester billings and the other from early winter to late-winter for the spring semester billings.

Over the past five SUNY Fiscal Years, the collection rate for all student housing payments has averaged over 99%. The table below shows historical collection rates for students within residence halls that are part of the Residence Hall Program:

Residence Hall Program
Collection Rates

Year	Collection Rate
2007-08	99.21%
2008-09	99.06%
2009-10	99.09%
2010-11	99.03%
2011-12	99.11%

Pursuant to the Financing and Development Agreement, DASNY has appointed SUNY as its agent to collect, receive, remit and account for all Dormitory Facilities Revenues. SUNY may designate the chief fiscal officer of each SUNY Campus, or such other officer or employee of such SUNY Campus, to act on DASNY's behalf to collect, receive, remit and account for Dormitory Facilities Revenues. In accordance with the Financing and Development Agreement, SUNY has covenanted to diligently collect and enforce the obligations of each student or other person using or occupying a Dormitory Facility to pay the rents, fees or charges imposed by SUNY for such use and occupancy. All Dormitory Facilities Revenues, as collected by SUNY, acting by and through the officers designated by SUNY as DASNY's agents for collection, are to be paid to the Commissioner for deposit to the Fund as nearly as practicable on the first and fifteenth day of each calendar month. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT."

Residence Hall Management/Staffing

The Residence Hall Capital Program is administered through the OCF, which is responsible for general oversight and management of the Program. Each SUNY Campus manages the buildings and residences and ancillary facilities on its individual campus. This includes operation and maintenance of the buildings, capital planning, and the delivery of the numerous services required for the students who are housed in each of the buildings. Additionally, each SUNY Campus is responsible for the establishment of rental rates and the billing and collection of all rents, fees and other revenues attributable to the Program. SUNY employs approximately 2,500 full-time equivalent employees and 100 temporary staff system-wide to manage approximately 500 Dormitory Facilities across the SUNY Campuses (which includes approximately 100 off-budget buildings). See "Other Student Housing" below. Staff includes professionals, civil service employees, students and non-students, and is comprised of custodians, maintenance technicians, clerical staff, live-in residence hall directors, program professionals and administrators.

Each SUNY Campus has a Director of Residential Life who is responsible for overseeing the management and day-to-day operations of the SUNY-operated Dormitory Facilities on his or her respective campus. The Directors of Residential Life also supervise Resident Directors ("RDs"). RDs are full-time professionals who live in the residence halls. The RDs promote a comfortable living/learning atmosphere for the residents living in their hall. The campus Student Life staff includes professionals who work with students in all aspects of campus life. Each floor/wing of the residence halls has Resident Assistants ("RAs") who assist residents and provide training, educational and social opportunities. Each building has an RA on duty each evening as a resource to the students.

Capital Plan and Prior Debt Issuance

SUNY, through the OCF, annually develops a five-year capital plan (the "Residence Hall Capital Plan") that identifies major capital projects required to maintain the quality of the Dormitory Facilities. Continued enrollment growth and the growing number of students who prefer to live on campus have created demand for additional bed capacity across SUNY Campuses. As such, the long-term capital planning for SUNY's Residence Hall Program includes not only funds for reinvestment and rehabilitation to ensure residence halls remain in good repair, but also for the construction of new beds. The SUNY Campuses utilize both bond proceeds and available Residence Hall Program monies including available reserves and excess funds in order to execute their respective capital plans. As reflected in the chart below, the majority (approximately 75%) of the capital expenditures for this Program are for the rehabilitation of existing facilities, with over 80% of the cash for overall capital expenses coming from bond proceeds. SUNY's current five (5) year Residence Hall Capital Plan is summarized in the table below.

SUNY Residence Hall Capital Plan by Project Type/Funding Source

Project Type	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**Total**
New Construction	$ 246,821,742	$ 10,000,000	$ -	$ -	$ -	$ **256,821,742**
Rehabilitation	113,081,395	98,775,138	209,748,218	207,508,500	255,107,675	**884,220,927**
Total	$ 359,903,137	$ 108,775,138	$ 209,748,218	$ 207,508,500	$ 255,107,675	$ **1,141,042,668**
Funding Source	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**Total**
Bond Proceeds	$ 317,840,646	$ 78,773,731	$ 170,494,177	$ 164,367,891	$ 212,296,543	$ **943,772,988**
Excess Funds and Available Reserves	42,062,491	30,001,407	39,254,041	43,140,609	42,811,132	**197,269,681**
Total	$ 359,903,137	$ 108,775,138	$ 209,748,218	$ 207,508,500	$ 255,107,675	$ **1,141,042,668**

SUNY's Residence Hall Capital Plan is formulated based on input from each SUNY Campus and provides a multi-year forecast of projects along with a cash flow analysis that demonstrates that each SUNY Campus can operate its individual program in an effective and solvent manner. The Table below sets forth the capital plan expenditures for each SUNY Campus. A number of new construction projects are planned at various SUNY Campuses including Stony Brook, New Paltz, Farmingdale, and Maritime as reflected by the large dollar amounts expected to be spent in certain years for these Campuses.

SUNY Residence Hall Capital Plan by Sector and Campus

Sector	Campus	2013-14	2014-15	2015-16	2016-17	2017-18	Total
University Centers and Doctoral Degree Granting Institutions	Albany	$7,300,000	$13,254,000	$13,653,000	$12,323,000	$39,159,000	**$85,689,000**
	Binghamton	3,000,000	5,400,000	25,800,000	25,800,000	23,400,000	**83,400,000**
	Buffalo University	3,253,840	3,587,392	14,533,064	15,369,223	16,048,614	**52,792,134**
	Stony Brook	137,338,248	6,999,020	29,398,255	31,089,681	32,463,991	**237,289,194**
	Health Science Center at Brooklyn	-	-	1,755,644	1,856,655	1,938,728	**5,551,027**
	College of Optometry	-	-	-	-	-	**-**
	Environmental Science and Forestry	14,254,963	-	-	-	-	**14,254,963**
	Health Science Center at Syracuse	4,552,575	-	2,981,083	3,152,600	3,291,959	**13,978,217**
University Centers and Doctoral Campuses Total		**$169,699,626**	**$29,240,412**	**$88,121,046**	**$89,591,159**	**$116,302,292**	**$492,954,535**
University Colleges	Brockport	$ -	$ -	$6,931,766	$7,330,584	$7,654,631	**$21,916,981**
	Buffalo College	10,960,000	5,035,000	11,800,000	950,000	12,300,000	**41,045,000**
	Cortland	9,340,000	7,810,000	8,560,000	8,100,000	7,850,000	**41,660,000**
	Empire State	-	-	-	-	-	**-**
	Fredonia	2,986,582	1,999,720	6,373,719	6,740,430	7,038,389	**25,138,839**
	Geneseo	1,231,666	13,561,767	8,021,101	8,482,595	8,857,565	**40,154,694**
	New Paltz	43,577,012	4,999,300	7,682,441	8,124,450	8,483,589	**72,866,792**
	Old Westbury	622,205	246,965	5,797,914	6,131,496	6,402,537	**19,201,117**
	Oneonta	21,660,000	9,650,000	9,850,000	9,550,000	9,925,000	**60,635,000**
	Oswego	4,201,698	4,304,871	10,573,303	11,181,637	11,675,918	**41,937,427**
	Plattsburgh	10,115,000	7,070,000	10,230,000	11,540,000	7,710,000	**46,665,000**
	Potsdam	5,378,611	4,962,313	5,916,878	6,257,305	6,533,907	**29,049,014**
	Purchase	7,352,894	942,120	4,606,755	6,790,875	16,453,934	**36,146,578**
University Colleges Total		**$117,425,668**	**$60,582,056**	**$96,343,877**	**$91,179,372**	**$110,885,470**	**$476,416,443**
Technology Colleges	Alfred	$3,185,687	$2,909,593	$5,269,760	$5,572,955	$5,819,305	**$22,757,300**
	Canton	-	-	2,029,282	2,146,036	2,240,901	**6,416,219**
	Cobleskill	4,442,513	3,833,385	3,590,606	3,797,191	3,965,045	**19,628,739**
	Delhi	2,040,831	1,659,768	2,945,494	3,114,963	3,252,659	**13,013,715**
	Farmingdale	20,000,000	10,000,000	3,275,079	3,463,510	3,616,614	**40,355,203**
	Maritime	35,000,000	549,923	3,511,613	3,713,654	3,877,815	**46,653,004**
	Morrisville	8,108,814	-	4,032,194	4,264,186	4,452,683	**20,857,877**
	SUNY IT	-	-	629,268	665,473	694,890	**1,989,632**
Technology Colleges Total		**$72,777,845**	**$18,952,669**	**$25,283,296**	**$26,737,968**	**$27,919,912**	**$171,671,690**
Grand Total		**$359,903,139**	**$108,775,137**	**$209,748,219**	**$207,508,499**	**$255,107,674**	**$1,141,042,668**

SUNY has historically funded its Residence Hall Capital Plan from the proceeds of Prior Resolution bonds issued by DASNY as well as excess revenues and available reserves. A summary of Prior Resolution debt issuance is shown below.

Bonds Issued by DASNY Under Prior Resolution
(in thousands)

	2007-08	2008-09	2009-10	2010-11	2011-12
Outstanding Beginning of Period	$752,200	$873,355	$974,760	$1,043,710	$1,139,920
Issued/Refunded During Period	145,405	129,375	100,120	128,340	260,000
Retired During Period	(24,250)	(27,390)	(31,170)	(32,130)	(36,670)
Outstanding End of Period	$873,355	$974,760	$1,073,710	$1,139,920	$1,364,250

Payment of Debt Service on Bonds, including the Series 2013A Bonds, will be subordinate to the payment from the Dormitory Facilities Revenues of debt service on outstanding bonds issued under the Prior Resolution, which will continue to be additionally secured by SUNY'S general obligation pledge. DASNY has covenanted in the Resolution not to issue any additional bonds under the Prior Resolution.

Results of Operations

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Dormitory Facilities Revenues in excess of debt service generated by residence halls operating activities are available for improvements and maintenance of the residence halls. There is also parking revenue generated by the three parking facilities that is included as Dormitory Facilities Revenue as well as a small amount of other revenue (consisting of various ancillary dormitory facility activity involving transfers from other campus funds) that is shown on the chart below as net of the expenses associated with this revenue. Parking revenue is generally offset by the expenses associated with operation of the parking facilities. Net Dormitory Facilities Revenues have increased steadily since 2008 and have produced very strong net debt service coverage in excess of 1.6 times since 2008.

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Dormitory Facilities Debt Service Coverage
(in millions)

	2007-08	2008-09	2009-10	2010-11	2011-12
Dormitory Facilities Revenues					
Room Rentals	$377.2	$401.1	$422.4	$448.1	$469.8
Parking Revenues	12.5	3.9	9.4	7.1	7.0
Other Revenues and Programs	(0.1)	(0.1)	6.1	10.9	0.8
Total Dormitory Facilities Revenues	**$389.6**	**$404.9**	**$437.9**	**$466.1**	**$477.6**
Operating Expenses					
Total SUNY-Owned Dorm Operating Expenses	$248.2	$261.3	$258.9	$282.4	$272.6
Overhead and Insurance	6.4	9.0	13.2	12.1	14.0
Parking Expenses	8.9	7.1	5.9	8.6	6.9
Total Operating Expenses	**$263.5**	**$277.4**	**$278.0**	**$303.1**	**$293.5**
Net Dormitory Facilities Revenues	$126.1	$127.5	$159.9	$163.0	$184.1
Prior Bonds Debt Service Payments	$70.0	$77.5	$81.2	$89.6	$108.4
Dormitory Facilities Revenue Bonds Debt Service Payments	0.0	0.0	0.0	0.0	0.0
Total Debt Service Payments	$70.0	$77.5	$81.2	$89.6	$108.4
Debt Service Coverage (Net)	1.80	1.65	1.97	1.82	1.70

Other Student Housing

Several SUNY Campuses also have “off-budget housing” which are facilities that are privately owned by entities other than SUNY or DASNY and are not part of SUNY’s Residence Hall Program. Consequently, revenues derived from the use and occupancy of this off-budget housing will not be assigned or paid into the Fund or pledged to payment of Debt Service on Bonds issued under the Resolution, including the Series 2013A Bonds.

The term “off-budget housing” refers to residential facilities in which a SUNY alumni association or foundation, or an affiliate thereof, participates as lessee, lessor, developer, manager or owner, and with respect to which SUNY has agreed to certain obligations including the obligation to cause its students to occupy on a “first-priority basis” until certain prescribed occupancy or revenue levels are met.

To date, 16 off-budget facilities, comprised of roughly 100 buildings, have been constructed on or near nine SUNY Campuses, representing an aggregate bed capacity of approximately 6,254. In 2012, the SUNY Campuses had approximately 6,254 off-budget beds of which 6,171 were occupied, resulting in an occupancy rate of nearly 99%. The following table presents occupancy rates by campus for 2012:

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Off-Budget Housing Occupancy by Sector and Campus*
Fall 2012

Sector	Campus	Beds	Beds Occupied	Rate
University Centers and Doctoral Degree Granting Institutions	Albany	1,176	1,167	99.2%
	Binghamton	0	0	N/A
	Buffalo University	2,690	2,681	99.7%
	Stony Brook	0	0	N/A
Doctoral Campuses	College of Optometry	0	0	N/A
	Health Science Center at Brooklyn	0	0	N/A
	Health Science Center at Syracuse	210	180	85.7%
	Environmental Science and Forestry	436	436	100.0%
University Centers and Doctoral Campuses Total		**4,512**	**4,464**	**98.9%**
Comprehensive	Brockport	0	0	N/A
	Buffalo College	499	491	98.4%
	Cortland	0	0	N/A
	Empire State	0	0	N/A
	Fredonia	0	0	N/A
	Geneseo	0	0	N/A
	New Paltz	0	0	N/A
	Old Westbury	0	0	N/A
	Oneonta	0	0	N/A
	Oswego	0	0	N/A
	Plattsburgh	0	0	N/A
	Potsdam	0	0	N/A
	Purchase	396	396	100.0%
Comprehensive Total		**895**	**887**	**99.1%**
Technology Colleges	SUNY IT	0	0	N/A
	Alfred	0	0	N/A
	Canton	290	290	100.0%
	Cobleskill	0	0	N/A
	Delhi	117	116	99.1%
	Farmingdale	0	0	N/A
	Maritime	0	0	N/A
	Morrisville	440	414	94.1%
Technology Colleges Total		**847**	**820**	**96.8%**
Grand Total		**6,254**	**6,171**	**98.7%**

*Excludes Residence Advisor (RA) beds.

SUNY has been able to sustain a consistent rate of off-budget housing occupancy as presented in the table below. The occupancy rate for the past five years has averaged approximately 98% for these off-budget beds.

Historical Off-Budget Housing Occupancy
(Fall Semester)

Year	Beds	Beds Occupied	Occupancy Rate
2008	3,845	3,827	99.5%
2009	4,130	4,042	97.9%
2010	4,129	4,096	99.2%
2011	5,416	5,357	98.9%
2012	6,254	6,171	98.7%

DASNY Participation

DASNY provides complete project management services or services-as-needed for all phases of residence hall construction. Pre-design services include programming and feasibility studies, State Environmental Quality Reviews (SEQR), planning and sustainability options. DASNY procures design consultants with residence hall experience, and manages and reviews design submissions for code compliance, coordination and constructability, ultimately issuing building permits for the projects. During the bid phase, DASNY advertises projects for competitive pricing, reviews the bids and awards construction contracts to the lowest responsible contractors, while incorporating minority and women-owned business enterprises (MWBEs) and sustainability goals. During the construction phase, DASNY manages all contracts, as well as the financial and scheduling aspects of each project, and delivers associated project reporting on a regular basis.

DASNY oversees the day-to-day construction activities, insuring the original design intent is closely followed. DASNY also requires and enforces safety plans from DASNY contractors that comply with local, state and Occupational Safety and Health Administration standards. Finally, DASNY provides project closeout services including training on building systems, contract closeout, and management of warranties and guarantees. During calendar year 2012, DASNY managed 25 renovation projects undertaken during the summer months while the dormitories are not occupied with a value of $35.2 million, and seven capital projects with a value of $116 million.

DASNY has assisted SUNY in achieving high levels of sustainability, including nine SUNY buildings that are rated either Silver or Gold in the U.S. Green Building Council's LEED rating systems. These projects have achieved their sustainability goals and LEED ratings within the established budgets and in full support of the programmatic needs of the project and the overall campus plans.

PART 9 – THE STATE UNIVERSITY OF NEW YORK

General

SUNY was created in 1948, as a corporate entity in the Education Department of the State of New York under the Board of Regents. On April 1, 1949, SUNY assumed jurisdiction over the SUNY Campuses. These institutions were primarily professional and technical schools, placing emphasis on applied arts and sciences and the training of teachers. In the period between 1957 and 1962, the Trustees established three university centers: the State University of New York at Albany, the State University of New York at Binghamton, and the State University of New York at Stony Brook. In addition, the former private University of Buffalo, comprised of 14 divisions, was merged into SUNY system and became the State University of New York at Buffalo and the fourth university center. Two health science centers were added, one in Brooklyn serving the New York City metropolitan area and one in Syracuse serving upstate New York. In 1961, SUNY Trustees set into motion a plan under which the teachers colleges included in the system became multipurpose institutions offering baccalaureate preparation in liberal arts, business and technologies, as well as education courses. In 1964, the six two-year Agricultural and Technical Institutes became Agricultural and Technical Colleges and in 1987 were redesignated either Colleges of Technology or Colleges of Agriculture and Technology. Two additional colleges of arts and science were opened in 1968, the State University College at Old Westbury and the State University College at Purchase.

Other components of the present SUNY system are the State University of New York Institute of Technology at Utica/Rome, the Empire State College in Saratoga Springs, the Maritime College at Fort Schuyler, the State University of New York College of Environmental Science and Forestry at Syracuse, the College of Optometry at New York City, the five statutory colleges - four at Cornell University (College of Veterinary Medicine, School of Industrial and Labor Relations, College of Agriculture and Life Sciences, and College of Human Ecology) and one at Alfred University (College of Ceramics). In addition, SUNY is also associated with the New York State Agricultural Experiment Station at Geneva. The statutory colleges are administered by the private universities under the general supervision of SUNY Board of Trustees. See "Operating Units" below.

Each University Center and College of SUNY is administered locally although subject to overall review and supervision by SUNY's Board of Trustees. Graduate study at the doctoral level is offered by SUNY at 15 of its institutions, and graduate work at the master's level at 29 campuses. SUNY is continuing to broaden and expand overall opportunities for advanced degree study. Graduate study areas embrace a wide spectrum including agriculture, business administration, criminal justice, dentistry, education, engineering, forestry, law, library science, medicine, nursing, optometry, pharmacy, social work, and veterinary medicine as well as the liberal arts and sciences. Four-year programs strongly emphasize the liberal arts and sciences and also include specialization in teacher education, business, forestry, maritime service, ceramics, and the fine and performing arts. Two-year programs include nursing and liberal arts transfer programs and a wide variety of technical curriculums such as agriculture, business, and the industrial and medical technologies. SUNY Educational Opportunity Centers located throughout the State provide training for skilled and semiskilled occupations and college foundation courses. In addition to courses such as high school equivalency, college preparation, typing, bookkeeping, and vending and business machine repair, these centers provide a broad range of services, including personal counseling, diagnostic testing, placement and referral services.

Since 1952, SUNY as an entity has maintained accreditation by the Middle States Association of Colleges and Secondary Schools. This accreditation applies to all SUNY Campuses.

SUNY has actively assisted in the development of 30 locally-sponsored community colleges. These colleges are designed to provide postsecondary education for students whose needs would not ordinarily be met by a traditional four-year college curriculum and to provide general courses for students who wish to transfer after completing the community college program to institutions providing a traditional four-year college program. The community colleges are established by cities or counties acting with the approval of the local legislative body and SUNY Board of Trustees. The exceptions are Corning Community College and Jamestown Community College, which are administered by regional boards of trustees and SUNY's Board of Trustees. The community colleges are subject to the general supervision of SUNY in matters relating to curriculum and are eligible to receive State financial assistance in an amount not to exceed one-half of the costs of capital construction and two-fifths of the annual operating costs if the college is implementing a program of full opportunity approved by SUNY's Board of Trustees and meets other criteria. As of the Fall of 2012, approximately 138,483 students were enrolled on a full-time basis in community colleges and another 105,348 students were enrolled on a part-time basis. As of the Fall of 2013, approximately 142,414 students are expected to be enrolled on a full-time basis in community colleges and another 106,754 students are expected to be enrolled on a part-time basis. The community colleges are not part of the SUNY Residence Hall Program but are a major source of transfer students to SUNY's four-year institutions.

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Operating Units

SUNY is comprised of the following institutions (excluding community colleges):

UNIVERSITY CENTERS

State University of New York at Albany*
State University of New York at Binghamton*
State University of New York at Buffalo*
State University of New York at Stony Brook*

HEALTH SCIENCES CENTERS

Health Science Center at Brooklyn*
Health Science Center at Syracuse*
Health Science Center at Buffalo University Center*
Health Science Center at Stony Brook University Center*

UNIVERSITY COLLEGES

State University College at Brockport
State University College at Buffalo
State University College at Cortland
State University College at Fredonia
State University College at Geneseo
State University College at New Paltz
Empire State College
State University College at Old Westbury
State University College at Oneonta
State University College at Oswego
State University College at Plattsburgh
State University College at Potsdam
State University College at Purchase

SPECIALIZED COLLEGES

College of Environmental Science and Forestry at Syracuse*
College of Optometry at New York City*

COLLEGES OF TECHNOLOGY

College of Technology at Alfred
College of Technology at Canton
College of Agriculture and Technology at Cobleskill
College of Technology at Farmingdale
College of Technology at Delhi
College of Agriculture and Technology at Morrisville
Institute of Technology at Utica/Rome
Maritime College at Fort Schuyler

STATUTORY COLLEGES**

College of Agriculture and Life Sciences at Cornell University*
College of Human Ecology at Cornell University*
College of Ceramics at Alfred University*
College of Veterinary Medicine at Cornell University*
School of Industrial and Labor Relations at Cornell University*

OTHER INSTITUTIONS

Agricultural Experimental Station at Geneva

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* Doctoral degree granting institutions.
**These operate as "contract colleges" on the campuses of independent universities.

Governance

SUNY is governed by a Board of Trustees comprised of 18 members, 15 appointed by the Governor with the advice and consent of the Senate, the president of the SUNY-wide Student Assembly, ex officio and voting, the president of the SUNY Faculty Senate, ex officio and non-voting, and the president of the Faculty Council of Community Colleges, ex officio and non-voting. The Chairman and Vice-Chairman of the Board are designated by the Governor. The 15 Trustees appointed by the Governor currently serve overlapping terms of seven years, the student Trustee a one-year term, and the faculty Trustees two-year terms. Trustees receive no compensation for their services other than reimbursement of expenses. The Board of Trustees appoints its own officers, the Chancellor, the senior System Administration staff and campus Presidents.

The current members of SUNY's Board of Trustees are as follows:

H. CARL MCCALL

H. Carl McCall joined the State University Board of Trustees as a member on October 22, 2007 and was appointed Chairman on October 17, 2011. Mr. McCall served as Comptroller of the State of New York from May 1993 to December 2002 and has had a distinguished career as a public servant. He served three terms as a New York State Senator representing the upper Manhattan district of New York City; as an Ambassador to the United Nations; as a Commissioner of the Port Authority of New York and New Jersey; as the Commissioner of the New York State Division of Human Rights; and as President of the New York City Board of Education from 1991 – 1993. He was educated at Dartmouth College, Andover Newton Theological Seminary and the University of Edinburgh.

JOSEPH W. BELLUCK

Joseph W. Belluck was appointed as a member of SUNY's Board of Trustees on June 3, 2010. He graduated in 1989 with a B.S. in Sociology from Binghamton University and graduated magna cum laude from the University at Buffalo School of Law in 1994, where he later served as an adjunct lecturer on mass torts. Currently, he is a partner in the Manhattan law firm of Belluck & Fox, LLP and previously served as counsel to the New York State Attorney General. He is an active member of several bar associations and serves as a member of the New York State Commission on Judicial Conduct.

ERIC CORNGOLD

Eric Corngold was appointed as a member of the SUNY Board of Trustees on June 20, 2013. Mr. Corngold received his B.A. from Swarthmore College, where he was a member of Phi Beta Kappa and received his law degree from Yale Law School. Mr. Corngold is a partner at Friedman Kaplan Seiler & Adelman LLP, leading the firm's white-collar criminal defense and investigations practice. Mr. Corngold served as New York State's Executive Deputy Attorney General for Economic Justice from 2007 to 2009. Prior, he was an Assistant United States Attorney in the Eastern District of New York for more than a decade. In that office, Mr. Corngold held a number of different positions, including Chief Assistant United States Attorney from 2005 to 2007, and the Chief of the office's Business and Securities Frauds Unit from 1999 to 2005. In 2003, Mr. Corngold was awarded the Henry L. Stimson Medal for outstanding contribution to the Office of the United States Attorney by the New York City Bar Association.

HENRIK N. DULLEA

Henrik N. Dullea, Ph.D., B.A., D.H.L., an experienced higher education and government administrator, was appointed as a member of SUNY's Board of Trustees on June 21, 2012. Dr. Dullea served as Director of State Operations and Policy Management for Governor Mario Cuomo from 1983-91, and as Assistant Secretary to the Governor for Education and the Arts for Governor Hugh Carey from 1976-80. He is a recipient of a number of major awards and is the author of *Charter Revision in the Empire State: The Politics of New York's 1967 Constitutional Convention* and co-editor of *Decision 1997: Constitutional Change in New York*.

RONALD G. EHRENBERG

Ronald G. Ehrenberg, Ph.D., is the Irving M. Ives Professor of Industrial and Labor Relations and Economics at Cornell University and a Stephen H. Weiss Presidential Fellow. He is also the Director of the Cornell Higher Education Research Institute. Governor David Paterson nominated him for membership on SUNY's Board of Trustees in May 2009 for a term ending in June 2013. Dr. Ehrenberg is also a member of the Board of Trustees of Emeriti Retirement Health Solutions, and a member of the National Research Council Committees on Measuring Higher Education Productivity and Research Universities. He is a Fellow of the Society of Labor Economists, the TIAA-CREF Institute, and the American Educational Research Association; a member of the National Academy of Education; and a National Associate of the National Academies of Science and Engineering.

ANGELO M. FATTA

Angelo M. Fatta, Ph.D., was appointed as a member of SUNY's Board of Trustees on June 21, 2012. Dr. Fatta is founder and Chief Executive Officer of ANSECO Group headquartered in Buffalo, NY, with operations in Hong Kong and Chicago. He was co-founder of ACTS Testing Labs, a global consumer products testing company specializing in toy safety, where he led ACTS from a small start-up operation in 1973 to an organization of more than 700 employees in 10 locations and six countries in 1998, when he sold the company. He was instrumental in developing robust QA systems for leading toy manufacturers, retailers and importers. Dr. Fatta is also immediate past chair of the University at Buffalo Foundation. Mr. Fatta holds a PhD in chemistry.

TINA GOOD

Dr. Tina Good, Ph.D., Professor of English and the Faculty Coordinator for Assessment at Suffolk County Community College, was elected President of the Faculty Council of Community Colleges in April 2008 and took office on July 1, 2009. She has also served as the organization's Secretary and Vice-President/Treasurer. She was the co-chair for the SUNY General Education Assessment Review (GEAR) Group and the SUNY Joint Committee for Transfer and Articulation and currently serves as the Chair of the SUNY Steering Committee on Student Mobility. Dr. Good is also co-editor of "In Our Own Voice, Graduate Students Teach Writing" and recently co-authored the article, "A Cautionary Tale About System-wide Assessment in the State University of New York: Why and How Faculty Voices Can and Must Unite."

STEPHEN J. HUNT

Stephen J. Hunt is currently the President of Seven Valley Associates, a real estate consulting firm. Prior to this he served as President and CEO of the New York State Housing Finance Agency (HFA) and the State of New York Mortgage Agency (SONYMA). Mr. Hunt was appointed to the State's affordable housing finance agencies by Governor George E. Pataki in May of 1995 and served until December of 2006. He currently serves as a member of the Board of Directors for the following organizations: the National Housing Conference, Inc., the New York Housing Conference and the Student Assistance Services Alcohol and Drug Abuse Prevention Program in Westchester County. Mr. Hunt earned a B.A. in History at SUNY Cortland and received a MBA in Finance from Pace University.

PETER KNUEPFER

Dr. Peter L.K. Knuepfer, Associate Professor of Geological Sciences and Environmental Studies at Binghamton University and President of the Faculty Senate, joined the SUNY Board of Trustees July 1, 2013. A member of Binghamton's faculty since 1986, Professor Knuepfer specializes in the study of processes operating at the Earth's surface, particularly rivers and flood hazards. He has taught undergraduate courses in environmental studies and both undergraduate and graduate courses in geology, as well as courses in the Binghamton Scholars program and freshmen seminars. Professor Knuepfer has served Binghamton, SUNY, and the public in many ways during his time at Binghamton. He served as director of the Environmental Studies Program at Binghamton University for more than a decade, has chaired several committees on campus, been a member of a number of senior administrative search committees, and a member of SUNY-wide committees on system-wide assessment as well as University Faculty Senate committees on undergraduate education, graduate education and research, and academic integrity. He received the Chancellor's Award for Excellence in Faculty Service in 2005. Professor Knuepfer received his B.S. and M.S. degrees in geology from Stanford University and his Ph.D. in geosciences from the University of Arizona.

EUNICE A. LEWIN

Eunice A. Lewin was appointed to SUNY's Board of Trustees on February 2, 2010. Ms. Lewin serves on several Boards of Directors, including as commissioner of the Niagara Frontier Transportation Authority, founding member of Roswell Park Alliance, and member of Buffalo Urban League, Hispanic United of Buffalo and Canisius College Board of Regents. She was honored with the Ebony and Ivory Civic Award in 1994; inducted into The Western New York Women's Hall of Fame on March 14, 2002; and received the Governor's Award for Excellence in Education in 2002; the National Conference for Community and Justice of Western New York 50th Annual Citation Award in 2003; and the Marcus Garvey Community Service Award in 2004.

MARSHALL A. LICHTMAN

Marshall A. Lichtman, M.D., has been reappointed to SUNY's Board of Trustees June 21, 2012, to a second term that expires June 30, 2018. Dr. Lichtman is Professor of Medicine (Hematology) and of Biochemistry and Biophysics at the University of Rochester Medical Center. Dr. Lichtman was named a Scholar of the Leukemia Society of America and, simultaneously, awarded research support from the National Cancer Institute to pursue his research interests in the cellular biochemical abnormalities in leukemia. He is a Master of The American College of Physicians and has received the Distinguished Alumnus Award of the State University of New York at Buffalo School of Medicine and Biomedical Sciences and the Certificate of Merit of the Rochester Academy of Medicine. Dr. Lichtman has been elected to the American Society for Clinical Investigation and the American Association of Physicians, and is a member of several scientific societies.

JOHN L. MURAD, JR.

John L. Murad, Jr. was appointed to SUNY's Board of Trustees on June 3, 2009. Mr. Murad is a partner in the Syracuse, New York law firm of Hancock Estabrook, LLP, where he has served as Chair of the firm's Litigation Department and is currently a member of its Executive Committee. In addition, he is a Fellow in the American College of Trial Lawyers, whose membership is by invitation only. Mr. Murad was selected as one of the "Best Lawyers in America", and has also been selected by fellow Upstate New York attorneys to the list of New York's "Super Lawyers" in the category of general litigation. Mr. Murad has served as a member of the SUNY Upstate Medical University Council and on the Board of Directors of the Onondaga Historical Association. Mr. Murad is a 1980 graduate of Hamilton College and a 1983 graduate of Georgetown University Law Center.

TREMAYNE T. PRICE

Tremayne T. Price was elected President of the Student Assembly of the State University of New York in May 2013. The position requires him to serve as the Student Trustee on SUNY's Board from June 1, 2013 – May 31, 2014.

LINDA SANFORD

Linda Sanford was appointed to SUNY's Board of Trustees on January 29, 2008. Ms. Sanford leads the strategy for IBM's internal transformation to the industry's premier on demand business as Senior Vice President, Enterprise Transformation. Ms. Sanford is a member of the Women in Technology International Hall of Fame and the National Academy of Engineering. She has been named one of the 50 Most Influential Women in Business by Fortune Magazine, one of the Top Ten Innovators in the Technology Industry by Information Week Magazine, and one of the Ten Most Influential Women in Technology by Working Woman Magazine. Ms. Sanford co-authored "Let Go To Grow: Escaping the Commodity Trap" which was published by Prentice Hall in December 2005. Ms. Sanford is a graduate of St. John's University and earned an M.S. in Operations Research from Rensselaer Polytechnic Institute.

RICHARD SOCARIDES

Richard Socarides was appointed as a member of SUNY's Board of Trustees on June 21, 2012. Mr. Socarides is a New York-based attorney and public policy advocate who served as White House Special Assistant and Senior Advisor during the Clinton Administration, where he worked on legal, policy, and political issues. He was President Clinton's chief advisor on gay rights and later was the founding President of Equality Matters. Currently, Socarides serves as Of Counsel at the firm of Brady Klein Weissman LLP, where his practice is focused on litigation, family law and gay rights. He has received distinguished service awards from the LeGaL, the Human Rights Campaign, the New York City Gay and Lesbian Anti-Violence Project, and the Hetrick-Martin Institute. He was also a founding board member of Friends of the Highline.

CARL SPIELVOGEL

Ambassador Carl Spielvogel, Chairman and CEO of Carl Spielvogel Associates, Inc., joined SUNY's Board of Trustees in June 2008. He started his working career as a reporter and columnist at The New York Times, and later spent 20 years at McCann-Erickson and The Interpublic Group of Companies as Vice Chairman, before starting his own global marketing services company, Backer Spielvogel Bates Worldwide, as Chairman and CEO. In his government service, he was the U.S. Ambassador to The Slovak Republic, and a Governor of the U.S. Board of Broadcasting. He was a 2nd Lieutenant in the U.S. Air Force Reserve, and served in the U.S. Army for two years.

CARY F. STALLER

Cary F. Staller was appointed to SUNY's Board of Trustees on June 3, 2009, for a term that will expire on June 30, 2015. He is President of Staller Associates, Inc., a commercial real estate firm, with offices in Hauppauge, New York. Mr. Staller is the Secretary and a Member of the Board of Trustees of the Stony Brook Foundation at Stony Brook University. Mr. Staller served as the Mayor of the Village of Old Field from 1999 until 2008. Mr. Staller is a graduate of the University of Pennsylvania and was awarded a J.D. from Harvard Law School.

GERRI WARREN-MERRICK

Ms. Warren-Merrick was appointed to SUNY's Board of Trustees on June 15, 2006. Ms. Warren-Merrick has held several executive positions in community relations, public affairs, government relations and communications for Time Warner Cable and Time Warner Inc. Most recently, she was Vice President of Global Public Policy for Time Warner Inc. Ms. Warren-Merrick's work has been recognized with awards from numerous organizations over the past two decades. Most recently, she received the National Ethnic Coalition of Organizations prestigious Ellis Island Medal of Honor, The Penn State University College of Communications Alumni of the Year Award, New York Women's Agenda Star Award, Medgar Evers College Legacy Award for Outstanding Corporate Leadership, the Girl Scouts Woman of Distinction Award, and the Abyssinian Baptist Church Unsung Heroine Award.

Senior Management of SUNY

The principal staff of SUNY is as follows:

NANCY L. ZIMPHER

On June 1, 2009, Nancy L. Zimpher became the 12th Chancellor of SUNY. A nationally recognized leader in education, Chancellor Zimpher spearheaded and launched a new strategic plan for SUNY in her first year as chancellor. Chancellor Zimpher is active in numerous state and national education organizations and is a leader in the areas of teacher preparation, urban education, and university-community engagement. She has authored or co-authored numerous books, monographs, and academic journal articles on teacher education, urban education, academic leadership, and school/university partnerships. She holds a bachelor's degree in English Education and Speech, a master's degree in English Literature, and a Ph.D. in Teacher Education and Higher Education Administration, all from The Ohio State University.

ELIZABETH L. BRINGSJORD

On August 1, 2013, Dr. Elizabeth J. Bringsjord became Interim Provost and Vice Chancellor of the State University of New York. Dr. Bringsjord has over 23 years of experience in higher education as a faculty member and administrator at public and private institutions. With an established record of excellence in teaching, research and service at both the University of Rhode Island and The Sage Colleges, she was initially recruited to SUNY to serve as the project manager for Mission Review, then a system-wide academic strategic planning process involving all 64 campuses. Her tenure at SUNY has been marked by successive promotions and appointments, from Associate for Academic Affairs to Assistant Provost in 2001; to Senior Assistant Provost for Academic Programs, Planning and Assessment in 2008, following a national search; to Associate Provost in January 2010, followed by Vice Chancellor for Academic Programs and Assessment and Vice Provost in September 2010; and, most recently, Vice Chancellor for Academic Programs and Planning and Vice Provost in 2011. Dr. Bringsjord holds a Ph.D. and M.S. in Educational Psychology and Statistics from the University at Albany, a Master of Science in Nursing from the University of Pennsylvania, and a B.S. in Nursing from Boston University.

JOHANNA DUNCAN-POITIER

Johanna Duncan-Poitier is the Senior Vice Chancellor for Community Colleges and the Education Pipeline for SUNY. With over 25 years of experience providing results driven leadership, Ms. Duncan-Poitier provides system oversight and coordination for SUNY's 30 community colleges that educate a quarter of a million students with an annual operating budget of $1.8 billion. Ms. Duncan-Poitier earned a baccalaureate degree from Queens College of the City University of New York and a master's degree in public administration from Bernard M. Baruch College of the City University of New York. She has received two honorary degrees, a Doctor of Laws from Saint Joseph's College and a Doctor of Humane Letters from D'Youville College, and has been recognized with numerous honors and awards.

WILLIAM F. HOWARD

William F. Howard joined SUNY in March 2011 and now serves as Senior Vice Chancellor, General Counsel and Secretary of SUNY. In addition to the Office of General Counsel, Mr. Howard oversees the System Administration offices of Human Resources, Employee Relations, Internal Audit, Compliance, Special Events, and the Charter Schools Institute. Previously Mr. Howard was the chief counsel at the Washington University School of Medicine in St. Louis and associate vice chancellor, deputy general counsel for that university. He also served as deputy general counsel, as well as interim vice president and general counsel, at George Washington University. Mr. Howard received his bachelor's degree in Economics with high honors from Michigan State University and his J.D. magna cum laude from the University of Michigan Law School.

ROBERT HAELEN

Robert Haelen is the Vice Chancellor for Capital Facilities and Interim Chief Financial Officer for SUNY, and General Manager of the State University Construction Fund (the "Construction Fund"). Previously, Mr. Haelen held positions of Assistant Manager of Fiscal Affairs, Director of Capital Program Management, Treasurer, and Assistant General Manager of Program and Finance, and Deputy General Manager of the Construction Fund. Mr. Haelen is responsible for the Board of Trustees policy implementation, capital budget development and implementation, and leading Construction Fund professionals in the planning, design, construction and funding of SUNY's capital projects. Mr. Haelen graduated with a B.S. in Psychology from New York University and received his M.S. in Accounting from SUNY at Albany. Mr. Haelen is a certified public accountant.

BRIAN HUTZLEY

Brian Hutzley is Vice Chancellor for Shared Services and Regional Economic Development. Previously, Mr. Hutzley held the position of Vice Chancellor for Financial Services and Chief Financial Officer for SUNY. Prior to joining SUNY System Administration, Mr. Hutzley served as the President of the State University Business Officers Association (SUBOA) while serving as the Vice President for Business and Finance at SUNY Delhi. Before joining SUNY, Mr. Hutzley was the Director of Finance and Strategy for Mead and held management positions at Amphenol Aerospace, AT&T, and NCR. Mr. Hutzley has a B.A. from Michigan State University and an M.B.A. from Syracuse University.

JAMES MALATRAS

Dr. James J. Malatras joined SUNY July 1, 2013 as Vice Chancellor for Policy and Chief of Staff. In this position, he is a senior advisor to the Chancellor's Executive team, the Board of Trustees, and the University's 64 campuses on strategic communications, and all matters of higher education, state and federal policy. Dr. Malatras previously served as Deputy Secretary for Policy Management for Governor Andrew M. Cuomo. Prior to that, Dr. Malatras served as deputy director for policy on Andrew Cuomo's successful campaign for Governor, executive director of legislative affairs and state policy for Attorney General Cuomo, and legislative director to Assemblyman Richard L. Brodsky. Dr. Malatras received his B.A. in Political Science, his M.A. in Political Science, and his Ph.D. in Political Science, all from the University at Albany.

TIMOTHY KILLEEN

Dr. Timothy Killeen was appointed SUNY vice chancellor for research and president of the Research Foundation of SUNY, effective July 9, 2012. As RF president, Dr. Killeen is the chief executive officer responsible for supervision and operation of the largest, most comprehensive university-connected research foundation in the country. In his dual role, Dr. Killeen is at the center of SUNY's strategy for the growth of basic, translational, and clinical research. His interaction with campus presidents, provosts, vice presidents for research and economic development, deans, faculty, students and SUNY leadership will drive the implementation of innovative programs, initiatives, resources, policies, infrastructure, investment, and business practices that support SUNY research. Prior to joining the RF and SUNY Dr. Killeen was the National Science Foundation's assistant director for geosciences beginning in 2008. Dr. Killeen, a US citizen, grew up in Wales and completed his undergraduate and graduate education at University College London, earning his Ph.D. in Atomic and Molecular Physics at the age of 23.

Student Housing

Residence Hall Program

SUNY's Residence Hall Program currently services 26 of the 29 SUNY Campuses across the State and serves over 70,000 students on an annual basis. These Dormitory Facilities total approximately 400 and have evolved over time from simple living quarters to centers of activity and interaction for many SUNY students. See "PART 8 – THE RESIDENCE HALL PROGRAM" for a comprehensive description of the Residence Hall Program.

Application and Enrollment Data

Total enrollment at SUNY has averaged over 220,000 over the past five years, including full and part time enrollees. SUNY projects a decrease of approximately 0.6% in enrollment from Fiscal Year 2012 to 2013, the result of a reduction primarily of part-time students. This reduction represents approximately 1,362 students and is the fourth consecutive year of modest enrollment decline experienced by SUNY. Despite a decline in overall total enrollment over the past four years, undergraduate enrollment has remained stable and is actually projected to increase from 2012 to 2013. Such a rise is expected to contribute to increasing the demand for student housing. SUNY believes the relationship between enrollment and the Residence Hall Program utilization to be significant. Historically, approximately one-third of the students enrolled have lived in Dormitory Facilities. Continued enrollment growth of full-time students should continue to increase the demand for on-campus housing. The following table sets forth the number of applications received SUNY-wide and the percentage of those students accepted and enrolled over the past five academic years:

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SUNY Enrollment Data

Year	Description	Applicants	Applicants Accepted	% of Applicants Accepted	Enrollment	% of Applicants Enrolled	% of Accepted Applicants Enrolled
Fall 2008	First year	235,488	106,920	45%	31,567	13%	30%
	Transfer	56,782	29,831	53%	18,226	32%	61%
	Total	292,270	136,751	47%	49,793	17%	36%
Fall 2009	First year	248,625	104,958	42%	30,334	12%	29%
	Transfer	54,480	22,380	41%	18,681	34%	83%
	Total	303,105	127,338	42%	49,015	16%	38%
Fall 2010	First year	252,222	111,639	44%	29,921	12%	27%
	Transfer	67,233	32,655	49%	18,005	27%	55%
	Total	319,455	144,294	45%	47,926	15%	33%
Fall 2011	First year	243,279	112,062	46%	30,015	12%	27%
	Transfer	63,956	32,716	51%	18,114	28%	55%
	Total	307,235	144,778	47%	48,129	16%	33%
Fall 2012	First year	242,279	113,094	47%	30,676	13%	27%
	Transfer	61,102	31,655	52%	18,182	30%	57%
	Total	303,381	144,749	48%	48,858	16%	34%

The following are certain Fall enrollment statistics (excluding community colleges) for SUNY:

Selected Fall Headcount Enrollment Statistics

	2008	2009	2010	2011	2012*
Full-Time					
Undergraduate	153,441	157,739	158,439	158,080	158,069
Graduate	22,830	23,120	23,737	23,190	23,509
Part-Time	42,257	41,344	39,610	39,069	37,289
Total Enrollment	218,528	222,203	221,786	220,339	218,867

* Included in these totals are preliminary numbers for SUNY's Statutory Colleges.

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The following are certain annual average full-time equivalent ("FTE") enrollment statistics (excluding community colleges) for SUNY:

Selected Average Annual Enrollment Statistics
(Fiscal Years Ended June 30)

	2008	2009	2010	2011	2012*
Full-Time					
Undergraduate	144,347	147,612	150,038	152,314	151,223
Graduate	22,820	22,716	23,056	23,478	22,970
Part-Time	18,580	19,310	19,188	19,560	19,550
Total FTE Enrollment	185,747	189,638	192,282	195,352	193,743

* Preliminary, subject to change.

Financial Structure

As set forth in "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT," SUNY has several sources of revenue. Revenues and expenditures relating to SUNY's core instructional budget, (i.e., tuition and fees and State general fund support), dormitory operations (other than Dormitory Facilities Revenues), and hospital and clinics, and certain user fees are subject to State appropriation. Revenues generated from sponsored research and food service and bookstore operations that are administered by legally separate not-for-profit organizations are not subject to State appropriations.

SUNY receives an annual allotment of State funds as a transfer from the State's General Fund. The major source of revenues for the General Fund is State tax money supplemented by transfers from other funds and miscellaneous revenue sources. Transfers to SUNY from the State, along with tuition and fees, comprise SUNY's core instructional budget, and are expended within the requirements of the State Finance Law. Certain expenditures are subject to the pre-audit of the State Comptroller. Post-audits are also conducted periodically at the various campuses of SUNY by the State Comptroller. SUNY's internal audit staff also conducts periodic audits of campus activities. In addition, SUNY obtains an audit of SUNY's annual financial statements in accordance with generally accepted accounting principles by independent certified public accountants.

The annual budget request of SUNY contains its estimated financial requirements for all programs for which expenditures are subject to State appropriations, existing and proposed, and is submitted to the Governor and the legislative fiscal committees. The Governor prepares recommendations on the requests of all agencies and departments (including SUNY) which comprise the Executive Budget as submitted to the State Legislature. The State Legislature may not alter an Executive budget bill submitted by the Governor except to strike out or reduce items, but it may add items that are stated separately. Items added by the State Legislature are subject to approval by the Governor. In addition to the Executive Budget bills, the State Legislature has also enacted from time to time a "deficiency" budget bill, covering obligations incurred near the close of a fiscal period and, in some years, a "supplemental" budget bill containing amendments to the "regular" bill. The State's fiscal year begins on April 1st and ends on March 31st, while SUNY's Fiscal Year begins on July 1st and ends on June 30th.

The majority of sponsored research that generates restricted grant revenue is operated through The Research Foundation for the State University of New York (the "Research Foundation"). The Research Foundation is a separate, not-for-profit educational corporation, chartered by the State Board of Regents in 1951 to administer gifts, grants and contracts for SUNY's campuses, with particular emphasis on federally-sponsored research grants. Annual audits of the financial activities of the Research Foundation are performed by independent certified public accountants, and periodic audits are performed by the State Comptroller and the Research Foundation's internal audit staff. Other programs supported by restricted revenues are operated through State treasury funds which are subject to normal State fiscal controls.

Comparative Financial Information

"APPENDIX B – SUNY ANNUAL FINANCIAL REPORT" contains the audited financial statements, including the Statements of Revenues, Expenses and Changes in Net Position for each of the Fiscal Years ended June 30, 2012 and June 30, 2011. KPMG, LLP, SUNY's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

Annual appropriations of State funds to SUNY have historically provided a significant portion of SUNY's annual revenues enabling SUNY to pay, together with its other indicated sources of revenues, its operating expenses and other required obligations. For a more complete description of such appropriations, see "Appropriations of State Funds to SUNY" below.

Appropriations of State Funds to SUNY

In addition to its own sources of revenues, the successful maintenance and operation of SUNY and its overall financial viability are dependent upon the ability and willingness of the State to continue making appropriations of State funds in the amounts which, together with other available revenues of SUNY, are sufficient to pay the operating expenses and to meet other financial obligations of SUNY. Appropriations of State funds have historically constituted a significant portion of SUNY's revenues, and no assurance can be given that State funds will be available in the future in the amounts contemplated or required by SUNY or which have been historically appropriated and paid to SUNY.

The State has made appropriations to SUNY from the General Fund. These appropriations are made in connection with the State's annual budget process and are therefore dependent upon the availability of budgetary resources and the allocation thereof.

Prior to 2012-13, a portion of the total State appropriation to this component of SUNY was offset by the application of other SUNY income for operating expenses, with the remainder of the appropriation constituting the State-funded portion. Starting in 2012-13, this process was altered, with the State-funded portion of this support being transferred multiple times a year into accounts holding other SUNY income. The history of total appropriations for the operations of SUNY which includes both State-funded support and spending authority for tuition revenue, but excludes student aid appropriations, fringe benefits, debt service for educational facilities, community colleges and other special programs, is as follows:

State-Funded and Tuition Disbursement Authority Appropriations for SUNY

State Fiscal Year Ended March 31,	Appropriated from State Purposes Account	Appropriations for the Disbursement of Tuition Revenue	Percentage State Purposes****	Percentage Tuition Revenue****
2009	$1,270,277,500*	$1,126,110,000	50.0%	50.0%
2010	1,223,540,000**	1,281,784,000	46.9%	53.1%
2011	1,086,314,000***	1,281,784,000	45.3%	54.7%
2012	964,578,300	1,333,984,000	42.0%	58.0%
2013	969,050,300	1,467,205,000	39.8%	60.2%

* State-funded appropriation was reduced to $1,123,955,500 due to mid-year reductions and is shown net of collective bargaining

** State-funded appropriation was reduced by $90 million due to mid-year reductions in the State budget.

*** State-funded appropriation was reduced to $1,063,063,900 due to mid-year reductions in the State budget.

**** Percentages reflect final values of appropriations.

In prior years, SUNY experienced operating cash flow deficits precipitated by cash flow difficulties at its hospitals. In connection with these cash-flow deficits, as authorized by the State Finance Law, SUNY borrowed funds with interest from the short-term investment pool ("STIP") of the State. An agreement was reached between SUNY and the State in 2000 to jointly repay the total shortfall over a period of seven to nine years. The repayment is not expected to adversely affect ongoing operations of SUNY. As of June 30, 2012, the amount outstanding under this borrowing was $44.2 million. During the 2011-12 Fiscal Year, the amount paid on the borrowing was $8.3 million.

Tuition and Other Unrestricted Revenue

The following table presents SUNY's tuition schedule for the 2013 Fall Semester for State residents and students who do not reside in New York State:

SUNY Annual Tuition Schedule
2013 Fall Semester

	State Residents	Non-State Residents
Undergraduate	$ 5,870	$15,320*
Graduate	9,870	18,350
Students of:		
Pharmacy	22,610	43,840
Law	21,970	38,040
Medicine	32,190	57,380
Dentistry	27,740	62,950
Optometry	21,890	40,880
Physical Therapy & Nursing (Professional)	19,550	35,440
Physician's Assistant (Graduate)	10,830	20,010
Architecture (Masters)	10,940	18,350
Social Work (Masters)	10,900	18,350
Business Administration (Masters)	12,130	20,150

* $17,810 at the University Centers at Buffalo and Stony Brook; $16,190 at the University Centers at Albany and Binghamton; $9,740 at the Colleges of Technology at Alfred and Morrisville, and $10,040 at the Colleges of Technology at Canton and Delhi.

There are various tuition charges for students taking classes at off-campus locations during the summer or winter recesses. Tuition charges are fixed by the Trustees of SUNY and remain in effect until changed by the Trustees. In addition, there are other miscellaneous charges. Pursuant to legislation enacted in 2011, the Trustees are authorized to increase resident undergraduate tuition by not more than $300 each year through the 2015-16 academic year. ***The receipts from such tuition charges and other miscellaneous charges are not pledged to the payment of Debt Service payable on Bonds issued under the Resolution, including the Series 2013A Bonds.***

The following table indicates the source and amount of tuition and other unrestricted revenue, exclusive of Dormitory Facilities Revenues, for each of SUNY's five most recent Fiscal Years as indicated.

Tuition and Other Unrestricted Revenue
(in thousands)

	2008	2009	2010	2011	2012
Tuition and fees*	$ 1,284,276	$1,407,900	$1,563,051	$ 1,622,706	$ 1,711,328
State appropriations for operations**	2,364,114	2,342,523	2,148,424	2,204,587	2,100,528
SUNY Hospital and clinics	1,595,895	1,723,164	1,876,918	2,011,711	2,459,497
Food service*	227,753	243,307	255,663	267,848	280,361
Other auxiliary*	227,145	235,542	248,142	262,850	268,714
Interest and other unres. revenue	196,892	113,129	77,742	137,401	152,206
Total	$ 5,896,075	$ 6,065,565	$ 6,169,940	$ 6,507,103	$ 6,972,634

* Gross, includes scholarship allowances applied.
** Excludes debt service appropriation for SUNY's Educational Facilities.

Outstanding Debt

SUNY and DASNY have entered into the Financing and Development Agreement for the purpose of financing capital construction and major rehabilitation of Dormitory Facilities. Improvements to these Dormitory Facilities are financed with bonds issued by DASNY, including the Series 2013A Bonds, and debt service on the bonds is payable from Dormitory Facilities Revenues. Outstanding bonds issued under the Prior Resolution will continue to be additionally secured by SUNY's general obligation pledge. See "PART 3 – SOURCES OF PAYMENT AND SECURITY."

Since 2003, DASNY has financed SUNY's educational and hospital facilities, other than by the issuance of refunding bonds under prior resolutions, through the issuance of personal income tax ("PIT") revenue bonds as to which a portion of the State's personal income tax revenues are pledged. DASNY educational facilities bonds and PIT bonds are repaid through appropriations from the State. The outstanding educational facilities and PIT bond debt of approximately $6.61 billion at June 30, 2012 is comprised of approximately $4.73 billion in PIT bond debt and $1.88 billion in educational facility debt.

The table below presents the debt activity of SUNY for the five Fiscal Years indicated.

SUNY Debt Activity
(in thousands)

	2008	2009	2010	2011	2012
Dormitory Authority-Residence Facilities Long-term (Bonds—Prior Resolution)					
Outstanding Beginning of Period	$ 752,200	$ 873,355	$ 974,760	$1,043,710	$1,139,920
Issued During Period	145,405	129,375	100,120	128,340	260,000
Retired During Period	(24,250)	(27,390)	(31,170)	(32,130)	(35,670)
Refunding	-	-	-	-	-
Outstanding End of Period	$ 873,355	$ 974,760	$1,043,710	$1,139,920	$1,364,250
Dormitory Authority-Educational Facilities Long-term and PIT (Bonds)					
Outstanding Beginning of Period	$4,549,253	$4,782,950	$5,096,730	$5,456,489	$6,261,160
Issued During Period	418,105	508,412	585,521	1,035,771	797,788
Retired During Period	(184,408)	(229,032)	(593,907)	(324,305)	(305,941)
Refunding	-	34,400	368,145	93,205	838,100
Special Defeasance	-	-	-	-	(978,595)
Outstanding End of Period	$4,782,950	$5,096,730	$5,456,489	$6,261,160	$6,612,512

Construction at SUNY

The Construction Fund is primarily responsible for the design, construction and renovation of the educational and hospital facilities of SUNY. Except for funds appropriated by the State for the payment of debt service on educational facilities bonds, the Construction Fund's principal source of revenue is the reimbursement for capital outlay from the proceeds of bonds issued by DASNY to finance educational and hospital facilities of SUNY. Campuses as well as public and private sponsors also contribute funds toward construction projects.

SUNY's construction program expended $1.17 billion in Fiscal Year 2011-12 for construction of educational facilities and Dormitory Facilities. Of this amount, construction of educational and hospital facilities in the amount of approximately $904.5 million was financed from PIT bond proceeds and approximately $66 million from campus funds. Of the $202.5 million expended in Fiscal Year 2011-12 for the Residence Hall Program, approximately $182.2 million was financed with bonds issued under the Prior Resolution and $20.3 million from campus funds.

Construction and renovation of educational facilities constitute the major portion of the capital improvement program of SUNY.

The following table presents construction receipts and disbursements in connection with SUNY's construction program for the State's five fiscal years ended March 31 of the years indicated.

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SUNY Construction Receipts and Disbursements
(in thousands)

	State Fiscal Year Ended March 31,				
	2008	**2009**	**2010**	**2011**	**2012**
RECEIPTS:					
Bond Proceeds					
PIT Bonds (Ed Facilities)	$ 489,142	$ 515,413	$ 729,077	$ 773,058	$ 904,541
SUNY Ed Facility Bonds	239	226	1,172	2,332	136
SUNY Dorm Facility Bonds	89,790	94,370	164,743	192,725	182,216
Campus Funds:					
Academic Program	12,418	22,292	30,390	28,513	66,034
Residence Hall Program	10,517	13,167	13,713	21,041	20,323
Total	$ 602,106	$ 645,468	$ 939,095	$1,017,669	$1,173,250
DISBURSEMENTS: *					
Academic Program	$ 501,799	$ 537,931	$ 760,639	$ 803,903	$970,711
Residence Hall Program	100,307	107,537	178,456	213,766	202,539
Total	$ 602,106	$ 645,468	$ 939,095	$1,017,669	$1,173,250

* Disbursements include the amounts paid for design, construction, equipment and property acquisition.

See "PART 8 – THE RESIDENCE HALL PROGRAM – Capital Plan" for a description of SUNY's five year Residence Hall Capital Plan and how the same is developed.

Litigation

At any given time SUNY is involved in a number of legal actions and proceedings. The greater number involves special proceedings seeking the reversal of various administrative determinations. A number of cases are pending against the State in the Court of Claims seeking damages in tort or contract cases involving SUNY. Upon the basis of information presently available, SUNY believes that there are substantial defenses in connection with such disputes. SUNY further believes that, in any event, its ultimate liability, if any, resulting from such disputes will not materially affect its financial position, will be satisfied from money available to SUNY from State appropriations and insurance funds, and will in no way affect SUNY's obligations or its ability to carry out its obligations under the provisions of the Financing and Development Agreement.

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, constituting Titles 4 and 4-B of Article 8 of the Public Authorities Law of the State, 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 Personal Income Tax Revenue Bonds, on behalf of public clients such as The State University of New York, The City University of New York, the Departments of Health and Education of the State, the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Office of General Services, and the Office of General Services of the State on behalf of the Department of Audit and Control. Other public clients for whom DASNY issues debt include Boards of Cooperative Educational Services ("BOCES"), school districts across the State and certain cities and counties that have accessed DASNY for the purpose of providing court facilities. DASNY's private clients include independent colleges and universities, private hospitals, certain private secondary schools, special education schools, facilities for the aged, primary care facilities, libraries, museums, research centers and government-supported voluntary agencies, among others.

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions. At June 30, 2013, DASNY had approximately $45 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 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 520 employees located in three main offices (Albany, New York City and Buffalo) and at approximately 55 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. One of the appointments to the Board by the Governor is currently vacant.

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

The 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 current term expires on March 31, 2016.

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 and Chief Executive Officer 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 expires on March 31, 2016.

JACQUES JIHA, Ph.D., *Secretary*, Woodbury.

Jacques Jiha was appointed as a Member of DASNY by the Governor on December 15, 2008. Mr. Jiha is the Executive Vice President/Chief Operating Officer & Chief Financial Officer of Earl G. Graves, Ltd/Black Enterprise, a multi-media company with properties in print, digital media, television, events and the internet. He is a member of the Investment Advisory Committee of the New York Common Retirement Fund and previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller. He holds a Ph.D. and a Master's degree in Economics from the New School University and a Bachelor's degree in Economics from Fordham University. His current term expired on March 31, 2011 and by law he continues to serve until a successor shall be chosen and qualified.

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

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

SANDRA M. SHAPARD, Delmar.

Sandra M. Shapard was appointed as a Member of DASNY by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of the Budget from 1991 to 1994. She began her career in New York State government with the Assembly where she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

GERARD ROMSKI, Esq., Mount Kisco.

Gerard Romski was reappointed as a Member of DASNY by the Temporary President of the State Senate on June 21, 2012. 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, NY. Mr. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Roman B. Hedges was appointed as a Member of DASNY by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

JOHN B. KING, JR., J.D., Ed.D., *Commissioner of Education of the State of New York,* Slingerlands; *ex-officio.*

John B. King, Jr., was appointed by the Board of Regents to serve as President of the University of the State of New York and Commissioner of Education on July 15, 2011. As Commissioner of Education, Dr. King serves as Chief Executive Officer of the State Education Department and as President of the University of the State of New York, which is comprised of public and non-public elementary and secondary schools, public and independent colleges and universities, libraries, museums, broadcasting facilities, historical repositories, proprietary schools and services for children and adults with disabilities. He holds a Bachelor of Arts degree in Government from Harvard University, a Master of Arts degree in Teaching of Social Studies from Teachers College, Columbia University, a Juris Doctor degree from Yale Law School and a Doctor of Education degree in Educational Administrative Practice from Teachers College, Columbia University.

NIRAV R. SHAH, M.D., M.P.H., *Commissioner of Health*, Albany; *ex-officio*.

Nirav R. Shah, M.D., M.P.H.., was appointed Commissioner of Health on January 24, 2011. Prior to his appointment he served as Attending Physician at Bellevue Hospital Center, Associate Investigator at the Geisinger Center for Health Research in central Pennsylvania, and Assistant Professor of Medicine at the NYU Langone Medical Center. Dr. Shah is an expert in use of systems-based methods, a leading researcher in use of large scale clinical laboratories and electronic health records and he has served on the editorial boards of various medical journals. He is a graduate of Harvard College, received his medical and master of public health degrees from Yale School of Medicine, was a Robert Wood Johnson Clinical Scholar at UCLA and a National Research Service Award Fellow at NYU.

ROBERT L. MEGNA, *Budget Director of the State of New York,* Albany*; ex-officio.*

Robert L. Megna was appointed Budget Director on June 15, 2009. 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, as well as pensions and employee benefits. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than $90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of DASNY is as follows:

PAUL T. WILLIAMS, JR. is the President and chief executive officer of DASNY. Mr. Williams is responsible for the overall management of DASNY's administration and operations. He most recently served as Senior Counsel in the law firm of Nixon Peabody LLP. Prior to working at Nixon Peabody, Mr. Williams helped to establish a boutique Wall Street investment banking company. Prior to that, Mr. Williams was a partner in, and then of counsel to, the law firm of Bryan Cave LLP. He was a founding partner in the law firm of Wood, Williams, Rafalsky & Harris, which included a public finance practice. Mr. Williams is licensed to practice law in the State of New York and holds professional licenses in the securities industry. He holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

MICHAEL T. CORRIGAN is the Vice President of DASNY, and assists the President in the administration and operation of DASNY. Mr. Corrigan came to DASNY in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County, and served as the County's Budget Director from 1986 to 1995. Immediately before coming to DASNY, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

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's degree from the State University of New York at Albany.

LINDA H. BUTTON is the Acting Chief Financial Officer and Treasurer of DASNY. Ms. Button oversees and directs the activities of the Office of Finance. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable and financial reporting functions, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Ms. Button has served in various capacities at DASNY over a long career, most recently as Director, Financial Management in the Office of Finance. She holds a Bachelor of Business Administration degree in Accounting from Siena College.

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

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology 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 20 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.

CARRA L. WALLACE is the Managing Director of the Office of Executive Initiatives. Ms. Wallace is responsible for strategic efforts in program development, including maximizing the utilization of Minority and Women Owned Businesses, sustainability, training and marketing, as well as communicating with DASNY's clients, vendors, the public and governmental officials. She has more than 20 years of senior leadership experience in diverse private sector telecommunications businesses and civic organizations. Ms. Wallace holds a Bachelor's Degree from Pepperdine University and a Master's Degree in Public Administration from Columbia University.

Claims and Litigation

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

Other Matters

New York State Public Authorities Control Board

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

Legislation

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

Environmental Quality Review

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

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2013. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

PART 11 – LEGALITY FOR INVESTMENT AND DEPOSIT

The Act provides that the Series 2013A 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. However, enabling legislation or bond resolutions of individual authorities of the State may limit the investment of funds of such authorities in the Series 2013A Bonds.

The Series 2013A Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 12 – NEGOTIABLE INSTRUMENTS

The Series 2013A 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 2013A Bonds.

PART 13 – TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2013A 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 2013A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2013A Bonds. Pursuant to the Resolution and the Tax Certificate, DASNY and SUNY have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2013A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, DASNY and SUNY have made certain representations and certifications in the Resolution and the Tax Certificate. Nixon Peabody LLP, Bond Counsel, has not independently verified the accuracy of those representations and certifications.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by DASNY and SUNY described above, interest on the Series 2013A 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 with respect to individuals and corporations. Interest on the Series 2013A Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

State Taxes

Nixon Peabody LLP is also of the opinion that interest on the Series 2013A Bonds is, by virtue of the Act, exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York. Nixon Peabody LLP, Bond Counsel, expresses no opinion as to other state or local tax consequences arising with respect to the Series 2013A Bonds nor as to the taxability of the Series 2013A Bonds or the income therefrom under the laws of any state other than New York.

Original Issue Discount

Bond Counsel is further of the opinion that the difference between the principal amount of the Series 2013A Bonds maturing on July 1, 2021 bearing interest at 3.125%, on July 1, 2029 bearing interest at 4.50%, on July 1, 2033 bearing interest at 4.750%, on July 1, 2038 and July 1, 2043 (collectively the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2013A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

All of the Series 2013A Bonds other than the Discount Bonds described above (collectively, the "Premium Bonds") are being offered at prices in excess of their principal amounts. 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 2013A 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, and individuals seeking to claim the earned income credit. Ownership of the Series 2013A Bonds may also result in other federal tax consequences to taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2013A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2013A 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 2013A 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.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX E. 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 2013A 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 2013A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2013A 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 2013A Bonds from gross income for federal or state income tax purposes, or otherwise. We note that in 2011, and again in 2012 and 2013, President Obama released legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series 2013A Bonds) for taxpayers whose income exceeds certain thresholds. 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 2013A Bonds may occur. Prospective purchasers of the Series 2013A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2013A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2013A Bonds may affect the tax status of interest on the Series 2013A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2013A Bonds, or the interest thereon, if any action is taken with respect to the Series 2013A Bonds or the proceeds thereof upon the advice or approval of other counsel.

PART 14 – STATE NOT LIABLE ON THE SERIES 2013A BONDS

The Act provides that notes and bonds of DASNY are not a debt of the State and that the State will not be liable on them. The Bonds are not payable from any money of DASNY other than money in the Fund.

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 and 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 – UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Series 2013A Bonds from DASNY at an aggregate purchase price of $469,341,429.56 (consisting of the principal amount of the Series 2013A Bonds plus net original issue premium of $32,388,958.94 less underwriters' discount of $3,072,529.38) and to make a public offering of the Series 2013A Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement. The Underwriters will be obligated to purchase all such Series 2013A Bonds if any are purchased. The Series 2013A Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices or yields higher than such public offering yields, and such public offering prices or yields may be changed from time to time by the Underwriters.

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

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for 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.

The Underwriters and their respective 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.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2013A Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS&Co. will purchase offered bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any offered bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"). WFBNA, one of the underwriters of the Series 2013A Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2013A Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2013A Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the Series 2013A Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

PART 17 – LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2013A Bonds are subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel to DASNY, whose approving opinion will be delivered with the Series 2013A Bonds. Certain legal matters will be passed upon for the Underwriters by their co-counsel, McKenna Long & Aldridge LLP, New York, New York, and the Law Offices of Joseph C. Reid, P.A., New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2013A Bonds or questioning or affecting the validity of the Series 2013A Bonds or the proceedings and authority under which they are to be issued.

PART 18 – RATINGS

The Series 2013A Bonds are rated “Aa3” by Moody’s Investors Service, Inc., “A+” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, and “A+” by Fitch, Inc. An explanation of the significance of such ratings should be obtained from the rating agency furnishing the same. There is no assurance that such ratings will prevail for any given period of time or that they will not be changed or withdrawn by the respective rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2013A Bonds.

PART 19 – FINANCIAL ADVISOR

Lamont Financial Services Corporation is serving as Financial Advisor to DASNY in connection with the issuance of the Series 2013A Bonds.

PART 20 – CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended (“Rule 15c2-12”), DASNY, SUNY and the Trustee will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2013A Bonds to provide to Digital Assurance Certification LLC (“DAC”), on behalf of DASNY as DASNY’s disclosure dissemination agent, on or before 150 days after the end of each fiscal year of SUNY, commencing with the fiscal year of SUNY ending June 30, 2013, for filing by DAC with the Municipal Securities Rulemaking Board (“MSRB”) and its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures, on an annual basis, operating data and financial information of the type hereinafter described which is included in “PART 8 – THE RESIDENCE HALL PROGRAM,” “PART 9 – THE STATE UNIVERSITY OF NEW YORK” and “APPENDIX B – SUNY ANNUAL FINANCIAL REPORT” of this Official Statement (the “Annual Information”).

If, and only if, and to the extent that it receives the Annual Information described above from SUNY, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for SUNY and DASNY, to file such information, as promptly as practicable, but no later than three business days after receipt of the information by DAC from SUNY, with the MSRB.

SUNY will also undertake in the Continuing Disclosure Agreement to provide to DASNY, the Trustee and DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the “Notices”). In addition, DASNY and the Trustee have undertaken, for the benefit of the Bondholders, to provide such Notices to DAC, should DASNY have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from DASNY, SUNY or the Trustee, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2013A Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC’s obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent SUNY has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and

DAC has no duty or obligation to review or verify any information contained in the Annual Information, Notices or any other information, disclosures or notices provided to it by SUNY, the Trustee or DASNY and shall not be deemed to be acting in any fiduciary capacity for DASNY, SUNY, the Holders of the Series 2013A Bonds or any other party. DAC has no responsibility for the failure of DASNY to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether SUNY, the Trustee or DASNY has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of SUNY, the Trustee and DASNY with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as DASNY's disclosure dissemination agent terminate, DASNY will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

The Annual Information will consist of the following: (a) operating data and financial information of the Residence Hall Program of the type included in this Official Statement in tables in "PART 8 - THE RESIDENCE HALL PROGRAM" under the headings "Dormitory Facilities – Available Beds by Campus," "Residence Hall Program – Historical Occupancy," "Residence Hall Program – Historical Growth of Available Beds," "Residence Hall Program – Students Choosing to Live on Campus," "Dormitory Facilities Occupancy," "Dormitory Facilities Room Rates," Residence Hall Program – Collection Rates," "SUNY Residence Hall Capital Plan by Project Type/Funding Source," "SUNY Residence Hall Capital Plan by Sector and Campus," "Dormitory Facilities Debt Service Coverage," "Off-Budget Housing Occupancy by Sector and Campus" and "Historical Off-Budget Housing Occupancy;" (b) operating data and financial information of SUNY of the type included in this Official Statement in the tables in "PART 9 - THE STATE UNIVERSITY OF NEW YORK" under the headings "SUNY Enrollment Data," "Selected Fall Headcount Enrollment Statistics," "Selected Average Annual Enrollment Statistics," "State-Funded and Tuition Disbursement Authority Appropriations for SUNY," "SUNY Annual Tuition Schedule," "Tuition and Other Unrestricted Revenue," "SUNY Debt Activity" and "SUNY Construction Receipts and Disbursements;" (c) operating data and financial information of SUNY of the type included in "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT," including SUNY's annual financial statements prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States to the MSRB through its EMMA System, if and when such statements are available commencing with the fiscal year ending June 30, 2013; and (d) a narrative explanation, if necessary, to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the SUNY and the Residence Hall Program and in judging the financial and operating condition of SUNY and the Residence Hall Program.

The Notices include notices of any of the following events (the "Notice Events") with respect to the Series 2013A Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (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 or events affecting the tax-exempt status of the Series 2013A Bonds; (7) modifications to the rights of holders of the Series 2013A Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2013A Bonds; (11) rating changes; (12) tender offers; (13) bankruptcy, insolvency, receivership or similar event of SUNY; (14) merger, consolidation, or acquisition of SUNY; and (15) appointment of a successor or additional trustee, or the change of name of a trustee. In addition, DAC will undertake, for the benefit of the Holders of the Series 2013A Bonds, to provide to the MSRB, in a timely manner, notice of any failure by SUNY to provide the Annual Information by the date required in SUNY's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertaking of DAC, SUNY, the Trustee and/or DASNY, and no person, including any Holder of the Series 2013A Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution, the Series 2013A Resolution or the Financing and Development Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided; the description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2013A Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto upon the delivery of the Series 2013A Bonds will be on file at the principal office of DASNY.

PART 21 – SOURCES OF INFORMATION AND CERTIFICATIONS

Certain information concerning SUNY included in this Official Statement has been furnished or reviewed and authorized for use by DASNY by such sources as described below. While DASNY believes that these sources are reliable, DASNY has not independently verified this information and does not guarantee the accuracy or completeness of the information furnished by the respective sources. DASNY is relying on certificates from each source, to be delivered at or prior to the time of delivery of the Series 2013A Bonds, as to the accuracy of such information provided or authorized by it.

SUNY. SUNY provided certain information contained in this Official Statement, including the information relating specifically to SUNY contained on the cover page hereof and under the headings entitled "Summary Statement," "PART 1 – INTRODUCTION," "PART 7 – THE PROJECT AND THE REFUNDING PLAN," "PART 8 – THE RESIDENCE HALL PROGRAM," "PART 9 – THE STATE UNIVERSITY OF NEW YORK" and "APPENDIX B – SUNY ANNUAL FINANCIAL REPORT." SUNY has also reviewed "PART 3 – SOURCES OF PAYMENT AND SECURITY – Covenants of SUNY," "PART 4 – DORMITORY FACILITIES REVENUE FUND," "PART 5 – DEBT SERVICE REQUIREMENTS FOR THE BONDS," "PART 6 – ESTIMATED SOURCES AND USES OF FUNDS" and "PART 20 – CONTINUING DISCLOSURE." As a condition to the issuance of the Series 2013A Bonds, SUNY is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2013A Bonds, such parts do not contain any untrue statement of 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.

DTC. The information regarding DTC and DTC's book-entry system has been furnished by DTC. DASNY believes that this information is reliable, but DASNY makes no representation or warranties whatsoever as to the accuracy or completeness of this information.

"APPENDIX A – CERTAIN DEFINITIONS," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" and "APPENDIX E – FORM OF APPROVING OPINION OF BOND COUNSEL" have been prepared by Nixon Peabody LLP, New York, New York, Bond Counsel.

DASNY. DASNY provided the balance of the information in this Official Statement, except as otherwise specifically noted herein.

DASNY will certify that, both as of the date of this Official Statement and on the date of delivery of the Series 2013A Bonds, the information contained in this Official Statement is and will be fairly presented in all material respects, and that this Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (it being understood that DASNY has relied upon and has not undertaken independently to verify the information contained in this Official Statement relating to SUNY or the State, but which information DASNY has no reason to believe is untrue or incomplete in any material respect).

The references herein to the Act, other laws of the State, the Resolutions and the Financing and Development Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and reference should be made to each for a full and complete statement of its provisions. The agreements of DASNY with the registered owners of the Series 2013A Bonds are fully set forth in the Resolutions (including any Supplemental Resolutions thereto), and neither any advertisement of the Series 2013A Bonds nor this Official Statement is to be construed as a contract with the purchasers of the Series 2013A Bonds. So far as any statements are made in this Official Statement involving matters of opinion or an estimate, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of DASNY and the Trustee.

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/ Paul T. Williams, Jr.
Authorized Officer

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APPENDICES

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Appendix A

CERTAIN DEFINITIONS

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

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

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

Arbitrage Rebate Fund means the fund so designated, 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 hereafter succeed to the rights, powers, duties and functions of the Dormitory Authority of the State of New York.

Authority Facility has the meaning given to such term in the Financing and Development Agreement.

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, any Assistant Treasurer, the Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director, the Vice President, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Monitoring, the Managing Director of Construction, and the General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by–laws of the Authority to perform such act or execute such document; (ii) in the case of the State University, when used with reference to any act or document, means the person identified in the Resolution as authorized to perform such act or execute such document, and in all other cases means the

Chancellor, the Senior Vice Chancellor and the Secretary of the Board, and when used with reference to any act or document also means any other person authorized by resolution or by-laws of the State 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 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.

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 an attorney or 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 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.

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.

Capitalized Interest means the interest on the Bonds that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of a Dormitory Facility.

Capitalized Interest Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

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

Commissioner means the Commissioner of Taxation and Finance of the State, and any successor or assign of the powers, functions and duties of said Commissioner of Taxation and Finance.

Construction Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

Construction Fund means the fund so designated, created and established for a Project pursuant to the Resolution.

Cost or **Costs of the Facilities** means when used in relation to a Dormitory Facility the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Dormitory Facility, 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 consultants, contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of such Dormitory Facility, (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 such Dormitory Facility, 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 such Dormitory Facility, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Authority or State University shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of such Dormitory Facility, (vii) any sums required to reimburse the State 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 such Dormitory Facility, (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Facilities that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of such Dormitory Facility, and (ix) fees, expenses and liabilities, including attorney's fees, of the State University or the Authority incurred in connection with such Dormitory Facility or pursuant to the Resolution or to a Credit Facility, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

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 expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee 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 Credit Facility, 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.

Costs of Issuance Account means the account within the Construction Fund so designated, created and established pursuant to the Resolution.

Counterparty means when used in connection with a Bond, any person with which the Authority or the State 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. When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

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

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

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

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

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

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

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Appendix A.

Debt Service Fund means the fund so designated, created and established pursuant to the Resolution.

Defeasance Security means:

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

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

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

provided, however, that (1) such term shall not include 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.

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.

Dormitory Facilities Revenue Fund means the fund by that name established in the custody of the Commissioner pursuant to section 1680–q(3) of the Public Authorities Law of the State.

Dormitory Facilities Revenues means all money including rent, fees and charges, derived from the use or occupancy of Dormitory Facilities.

Dormitory Facility means a dormitory acquired or to be acquired, constructed, reconstructed, rehabilitated or improved for use by the State University, as such term is defined in section 1676(2)(a) of the Act, including any dining, parking, recreational or other facility that is necessary, usually attendant and related to a housing unit.

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a "specified private activity bond" within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in 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 wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as "+" or "–" and numerical notation, no lower than in 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 obligations; and

(iii) a share or interest in a mutual fund, partnership or other fund wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Financing and Development Agreement means the Financing and Development Agreement, dated as of May 15, 2013, by and between the Authority and the State University, as from time to time amended, supplemented and restated in accordance with the provisions of the Resolution and thereof.

Fiscal Year means the fiscal year of the State University in effect from time to time, which until changed shall be the period of twelve (12) consecutive months beginning July 1 in any calendar year and continuing to and including June 30 of the succeeding calendar year.

Government Obligation means:

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

(ii) an obligation 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 wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar ($1.00).

Hedge Agreement means when used in connection with a Bond, any financial arrangement entered into by the Authority or the State University with a Counterparty that is or in the nature of an interest rate exchange agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or creating with respect to any Variable Interest Rate Bond the economic or financial equivalent of a fixed rate of interest on such Bond; provided, however, that no such agreement entered into by the State University shall constitute a Hedge Agreement for purposes of the Resolution unless consented to in writing by the Authority. When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

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.

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

Lease and Agreement means that certain Lease and Agreement, by and between the Authority and the State University, dated as of September 20, 1995, as amended and restated as of September 24, 2003, and further amended by an Amendment of Lease, dated as of May 15, 2013, by and between the Authority and the State University.

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

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

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

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

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

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

Maximum Annual Debt Service means, as of any date of computation, an amount equal to the greatest amount required in the then current or any future Fiscal Year to pay the sum of the principal of, whether at maturity or by virtue of a scheduled mandatory redemption, and interest on Outstanding Bonds and bonds outstanding under and within the meaning of the Prior Resolution; ***provided, however***, that for purposes of calculating Maximum Annual Debt Service, the following assumptions shall be applicable:

(i) that the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a scheduled mandatory redemption shall be included in the calculations of interest and principal payable on July 1 and January 1 of the Fiscal Year in which such Capital Appreciation Bond or Deferred Income Bond matures or in which such Sinking Fund Installment is due;

(ii) that the principal of an Option Bond Outstanding is due on its stated maturity date regardless of any optional or mandatory tenders;

(iii) that a Variable Interest Rate Bond, prior to its conversion to bear interest at a fixed rate to its maturity, bears interest at the higher of (1) the lesser of (x) a fixed rate of interest equal to the rate, as estimated by an Authorized Officer of the Authority, after consultation with the Remarketing Agent, if any, for such Variable Interest Rate Bond if it is also an Option Bond or, if not, with an investment banking firm which is regularly engaged in the underwriting of or dealing in bonds of substantially similar character, on a day not more than twenty (20) days prior to the date of initial issuance of such Variable Interest Rate Bond, which such Variable Interest Rate Bond would have to bear to be marketed at par on such date as a fixed rate obligation maturing on the maturity date of such Variable Interest Rate Bond and (y) if in connection with such Variable Rate Bonds a Hedge Agreement has been entered into, which provides that the Authority is to pay to the Counterparty an amount determined based upon a fixed rate of interest on the Outstanding principal amount of such Variable Rate Bonds or that the Counterparty is to pay to the Authority an amount determined based upon the amount by which the rate at which such Variable Rate Bonds bear interest exceeds a stated rate of interest on all or any portion of such Variable Rate Bonds, the fixed rate of interest to be paid by the Authority or the rate in excess of which the Counterparty is to make payment to the Authority in accordance with such agreement and (2) the then current rate of interest borne by such Variable Interest Rate Bonds or (3) the average rate of interest borne by such Variable Interest Rate Bonds over the shorter of the immediately preceding twelve (12) month period (including the month of such determination) or the period during which such Variable Interest Rate Bonds have been Outstanding; and

that the foreign exchange rate applicable to Bonds of a Series payable in a foreign currency shall be assumed to be the average rate of exchange of one United States dollar to such foreign currency over the shorter of the immediately preceding twelve (12) month period (including the month of such determination) or the period during which such Bonds have been Outstanding.

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.

Net Revenues Available for Debt Service means, when used in connection with any Fiscal Year, the amount by which the Dormitory Facilities Revenue deposited in the Dormitory Facilities Revenue Fund during such Fiscal Year, as certified to the Authority and the State University by the Commissioner or the Commissioner's designee, exceeds the Operating Expenses for such Fiscal Year, as certified to the Authority by the chief financial officer of the State University.

Operating Expenses means all reasonable or necessary current expenses of the ordinary maintenance and repair and of operating and managing the Dormitory Facilities, including, but not limited to, all salaries, administrative, general, commercial, architectural, engineering, advertising, public notices, auditing, billing, collection and enforcement and legal expenses, costs and expenses of utility services, insurance and surety bond premiums, consultants' fees and charges, payments to pension, retirement, health and hospitalization funds, any taxes which may lawfully be imposed on a Dormitory Facility or the income or operation thereof, payments to any taxing jurisdiction in lieu of real property taxes, costs of public hearings, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair (including replacements), and all other expenses necessary, incidental or convenient for the efficient operation of the Dormitory Facilities.

Operation and Maintenance Reserve means a reserve held for the payment of Operating Expenses in excess of the amount of Dormitory Facilities Revenues available to the State University when such Operating Expenses are payable.

Option Bond means, when used in connection with a Bond, 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; and when used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

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.

When used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

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

Permitted Collateral means:

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

(ii) Federal Agency Obligations described in clause (i) 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; or

(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.

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) are fully collateralized by Permitted Collateral;

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

(vii) to the extent any of the following constitute permitted investments under the "Investment Policy and Guidelines" of the Authority in effect at the time an investment is made:

(1) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, is rated in the highest short term rating category by at least two Rating Services and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least two Rating Services no lower than in the second highest rating category;

(2) an uncollateralized, unsecured certificate of deposit, time deposit or bankers' acceptance that (A) has a maturity of not more than three hundred sixty–five (365) days and (B) is issued by, or are of or with, a bank the short term obligations of which are, at the time an investment in such certificate of deposit, time deposit or bankers' acceptance is made or the same is deposited in any fund or account under the Resolution, rated "A–1" by Standard & Poor's Rating Services and "P–1" by Moody's Investors Service, Inc.; and

(3) shares or an interest in any other mutual fund, partnership or other fund whose objective is to maintain a constant share value of one dollar ($1.00) and that, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, are rated at least "AAm" or "AAm–G" by Standard & Poor's Rating Services and "Aa1" by Moody's Investors Service, Inc.

Pledged Assets means the proceeds from the sale of the Bonds, the Dormitory Facilities Revenue Fund, the Dormitory Facilities Revenues and the investments thereof from time to time on deposit in the Dormitory Facilities Revenue Fund, and the Authority's right to receive the Dormitory Facilities Revenues, all funds and accounts established by the Resolution or by a Series Resolution or Supplemental Resolution, other than the Arbitrage Rebate Fund.

Prior Resolution means the Lease Revenue Bond Resolution (State University Dormitory Facilities Issue), adopted by the Authority on September 20, 1995, as amended and restated in its entirety by a First Supplemental Resolution adopted on September 24, 2003, and further amended by a Second Supplemental Resolution adopted by the Authority on March 13, 2013, as from time to time amended, supplemented and restated in accordance with the provisions thereof.

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

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

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

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

(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., which in each case has assigned a rating to Outstanding Bonds at the request of the Authority or the State University, or their respective successors and assigns.

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 State University and the Remarketing Agent, relating to the remarketing of such Bonds.

Rentals mean for any particular Bond Year the amount payable by the State University during such Bond Year pursuant to Section 4.01 of the Prior Agreement.

Repair and Rehabilitation Reserve means a reserve for the payment of the costs of the repair, rehabilitation and improvement of Dormitory Facilities.

Repair and Rehabilitation Reserve Requirement shall have the meaning given to such term in the Financing and Development Agreement.

Resolution means this State University Dormitory Facilities Revenue Bond Resolution, adopted by the Authority on May 15, 2013, as from time to time amended, supplemented and restated in accordance with its provisions.

Revenues means all amounts paid to the Trustee (i) from amounts on deposit in the Dormitory Facilities Revenue Fund on account of the principal, Sinking Fund Installments and Redemption Price of and interest on Outstanding Bonds, and (ii) pursuant to Section 5.06(b), 5.07(b), 8.02 or 9.02 of the Prior Agreement.

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

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 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 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.

State University means the State University of New York, a corporation created in the Education Department of the State and within the University of the State of New York by and under Article 8 of Title 1 of the Education Law of the State, as amended.

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 a certificate executed by an Authorized Officer of the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Tax Exempt Bonds in which the Authority makes representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, 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 Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for 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.

University Facility shall have the meaning given to such term in the Financing and Development Agreement.

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

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

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

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

Variable Interest Rate Bond means when used in connection with a Bond, 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; and when used in connection with a bond issued under the Prior Resolution and in connection with the calculation of Maximum Annual Debt Service, such term shall have the meaning given to it in the Prior Resolution.

Appendix B

SUNY ANNUAL FINANCIAL REPORT

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

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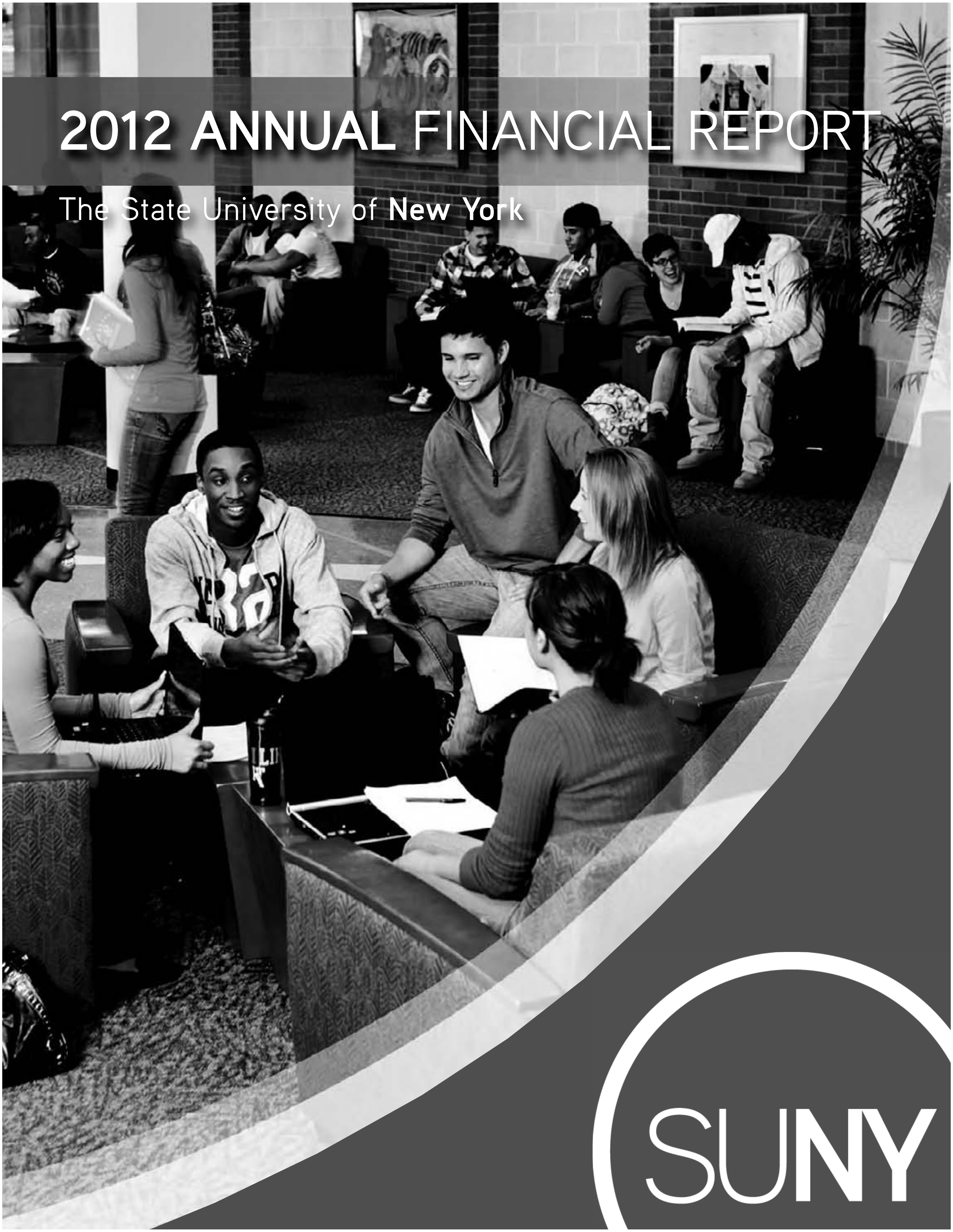
2012 ANNUAL FINANCIAL REPORT

The State University of New York



SUNY

Message from the Chancellor

I am pleased to present the Annual Financial Report of the State University of New York, providing an overview of SUNY's finances and operating results for the year ending June 30, 2012.

In accordance with our strategic plan – *The Power of SUNY* – our university system now serves as an economic engine for every region and the state as a whole while also improving the quality of life for all New Yorkers.

As outlined in the pages of this report, SUNY continues to make meaningful gains toward its mission to enhance educational excellence, affordability, and accessibility. The passage of our rational tuition plan in 2011 is among SUNY's greatest accomplishments in decades and continues to allow our students and their families to plan for the cost of their higher education in its entirety.

As our students invest more in us, we have also promised to invest more in them. In the first year of our shared services initiative, in fact, we have redirected more than $6 million to academic instruction and student services through the elimination of duplicative administrative services and increased collaboration among our campuses for business, finance, and procurement operations. Increased opportunities for our campuses to share best practices have led to enhanced program offerings and academic advances statewide.

Student enrollment, retention and graduation rates, and sponsored research all remain at record levels—and as we uphold our promises of transparency and accountability, these numbers can easily be tracked in the annual SUNY Report Card.

SUNY research continues to be strong as well. In the 2011-12 fiscal year, The Research Foundation for the State University of New York received 284 invention disclosures, filed 238 patent applications, was awarded 50 U.S. patents, executed 65 licenses, and received $10.9 million in royalties. These achievements were the products of more than 7,300 projects that supported over 16,500 employees statewide.

SUNY is an outstanding investment for students and a critical resource for New York State. We take very seriously our responsibility to be good stewards of public dollars and will continue to strive to be as efficient and creative as possible in managing our resources.

Nancy L. Zimpher
Chancellor

Independent Auditor's Report

KPMG

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To The Board of Trustees
State University of New York

We have audited the accompanying balance sheets and statements of revenues, expenses, and change in net position, and cash flows of the business-type activities and the balance sheets and statement of activities of the aggregate discretely presented component units of the State University of New York, (the University), as of and for the years ended June 30, 2012 and 2011, which collectively comprise the University's basic financial statements. These financial statements are the responsibility of the University's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain discretely presented component units, the auxiliary service corporations, the Downstate at LICH Holding Company, Inc., Upstate Properties Development, Inc., the Alfred University College of Ceramics and the Cornell Statutory Colleges which represent 57% of the total assets and 76% of the total revenues of the aggregate discretely presented component units and 14% of the total assets and 12% of the total revenues of the University's business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and, our opinions, insofar as they relate to the amounts and disclosures included for those component units, the auxiliary service corporations, the Downstate at LICH Holding Company, Inc., the Alfred University College of Ceramics and the Cornell Statutory Colleges, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component units, the auxiliary service corporations, the Downstate at LICH Holding Company, Inc., and Upstate Properties Development, Inc., were not audited in accordance with *Government Auditing Standards.* An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As discussed in Note 1, the accompanying financial statements present only the business-type activities and aggregate discretely presented component units of the University and do not purport to, and do not, present fairly the financial position of the State of New York, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2012 and 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards,* we have also issued our report dated October 31, 2012 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 to 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

October 31, 2012

KPMG LLP

Management's Discussion and Analysis

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2012 and 2011, the results of its operations for the years then ended, and significant changes from the previous years. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the State University which directly follows the MD&A.

For financial reporting purposes, the State University's reporting entity consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), and central services, but excluding community colleges. The financial statements also include the financial activity of The Research Foundation for the State University of New York (Research Foundation), which administers the sponsored program activity of the State University, the State University Construction Fund (Construction Fund), which administers the capital program of the State University, the auxiliary services corporations and foundations located on its campuses.

The foundations meet the criteria under the Governmental Accounting Standards Board (GASB) accounting and financial reporting requirements for inclusion in the State University's financial statements. For financial statement presentation purposes, the combined totals of the foundations are not included in the reported amounts of the State University, but are discretely presented on separate pages in the State University's financial statements, in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB) for not-for-profit organizations.

In July 2011, the State University acquired substantially all of the assets of Community General Hospital of Greater Syracuse (CGH) through the assumption of certain liabilities pursuant to an asset purchase agreement. In May 2011, the State University acquired Long Island College Hospital (LICH) and received substantially all the assets and assumed substantial liabilities under that acquisition.

The focus of the MD&A is on the State University financial information contained in the balance sheets, the statements of revenues, expenses, and changes in net position, and the statements of cash flows, which exclude the foundations. Foundation financial statement information is presented separately on pages 16 and 17 of the State University's financial statements.

Financial Highlights

At June 30, 2012 and 2011, total assets reported by the State University were $14.78 billion and $13.46 billion and total liabilities were $14.92 billion and $13.23 billion, respectively. The net position was ($139) million and $236 million at June 30, 2012 and 2011, and experienced a decrease of $375 million in 2012 and a decrease of $497 million in 2011. The net position at June 30, 2012, 2011, and 2010 are summarized in the following categories (in thousands):

	2012	2011	2010
Net Position:			
Net investment in capital assets	$ 1,143,489	874,723	805,576
Restricted - nonexpendable	308,851	288,807	267,384
Restricted - expendable	450,038	495,515	363,186
Unrestricted	(2,041,338)	(1,423,222)	(703,738)
Total net position	$ (138,960)	235,823	732,408

The decrease in net position during 2012 and 2011 was driven by accrued postemployment and post-retirement benefit expenses of $547 million and $593 million, respectively. Also contributing to the decrease in 2011 was a $166 million loss related to the State University's acquisition of Long Island College Hospital. Revenues, expenses, and the change in net position for the 2012, 2011, and 2010 fiscal years are summarized as follows (in thousands):

	2012	2011	2010
Operating revenues	$ 5,961,037	5,415,882	5,163,190
Nonoperating revenues	3,543,293	3,683,666	3,643,405
Other revenues	81,222	113,334	92,881
Total revenues	9,585,552	9,212,882	8,899,476
Operating expenses	9,562,852	9,209,971	8,722,596
Nonoperating expenses	397,483	499,496	341,675
Total expenses	9,960,335	9,709,467	9,064,271
Change in net position	$ (374,783)	(496,585)	(164,795)

Management's Discussion and Analysis

Total revenues reported in 2012, 2011, and 2010 were $9.59 billion, $9.21 billion, and $8.90 billion, respectively. Total revenue in 2012 and 2011 increased $373 million and $313 million compared to the previous years. The revenue increase in 2012 was driven by increases of $448 million in hospital and clinic revenue, net tuition revenues of $76 million, and $37 million in auxiliary enterprises. These increases were offset by decreases of $115 million in investment gains, $31 million in capital gifts and grants, and $36 million in federal, state, and local grants and contracts.

Total expenses for 2012, 2011, and 2010 were $9.96 billion, $9.71 billion, and $9.06 billion, respectively. Total expense in 2012 and 2011 increased $251 million and $645 million compared to the previous years. Expense growth in 2012 compared to the prior year was primarily due to an increase of $351 million in hospital expenses due to the acquisition of LICH and CGH.

Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The financial statement presentation consists of comparative balance sheets, statements of revenues, expenses, and changes in net position, statements of cash flows, and accompanying notes for the June 30, 2012 and 2011 fiscal years. These statements provide information on the financial position of the State University and the financial activity and results of its operations during the years presented. A description of these statements follows:

The *Balance Sheets* present information on all of the State University's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing the change in the State University's net position during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in these statements include items that will result in cash received or disbursed in future fiscal periods (e.g., the receipt of amounts due from students and others for services rendered, or the amount accrued for postemployment benefits earned).

The *Statements of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statements portray net cash provided or used from operating, investing, capital, and noncapital financing activities.

Balance Sheets

The balance sheets present the financial position of the State University at the end of its fiscal years. The State University's total assets increased $1.32 billion and $1.58 billion in 2012 and 2011, respectively. Total liabilities during 2012 and 2011 increased $1.69 billion and $2.08 billion, respectively. The following table reflects the financial position at June 30, 2012, 2011, and 2010 (in thousands):

	2012	2011	2010
Current assets	$ 3,499,122	3,395,737	3,017,319
Capital assets, net	9,087,539	7,964,994	7,090,396
Other noncurrent assets	2,193,545	2,102,297	1,773,139
Total assets	14,780,206	13,463,028	11,880,854
Current liabilities	2,404,560	2,097,892	1,804,039
Noncurrent liabilities	12,514,606	11,129,313	9,344,407
Total liabilities	14,919,166	13,227,205	11,148,446
Net position	$ (138,960)	235,823	732,408

Current Assets

Current assets at June 30, 2012 increased $103 million and current liabilities increased $307 million, compared to the previous year. In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year).

Management's Discussion and Analysis

Current assets at June 30, 2012 and 2011 consist primarily of cash and cash equivalents of $1.38 billion and $1.44 billion, deposits with trustees of $264 million and $160 million, short-term investments of $315 million and $328 million, and receivables (accounts, interest, appropriations, and grants) of $1.44 billion and $1.35 billion, respectively. During 2012, receivable balances increased $90 million offset by a decrease in cash and cash equivalents of $62 million.

Current Liabilities

Current liabilities at June 30, 2012 and 2011 consist principally of accounts payable and accrued expenses of $1.17 billion and $846 million, interest on debt of $76 million and $91 million, deferred revenue of $301 million and $330 million, and the current portion of long-term liabilities of $688 million and $656 million, respectively. The increase in current liabilities at June 30, 2012 was driven principally by an increase in accounts payable and accrued expenses of $329 million due to a $135 million payable for the Gyrodyne lawsuit and increases in hospital and construction payables primarily driven by increases in volume and activity.

Capital Assets, net

The State University's capital assets are substantially comprised of State-operated campus educational, residential, and hospital facilities. Personal Income Tax (PIT) revenue bonds support funding for construction and critical maintenance projects on SUNY educational and hospital facilities. The State University has entered into capital lease arrangements for residence hall facilities.

During the 2012 and 2011 fiscal years, capital assets (net of depreciation) increased $1.12 billion and $875 million, respectively. The majority of the increase occurred at the State University campuses due to new building construction, renovations, and rehabilitation totaling $485 million and $648 million for the 2012 and 2011 fiscal years, respectively. Equipment additions during 2012 and 2011 of $182 million and $167 million, respectively, also contributed to the increase.

Significant projects completed and capitalized during the 2012 fiscal year included construction of the High Tech Incubator at the College at Fredonia, an engineering building at the University at Buffalo, a new field house at SUNY IT, a child care center at the College at Delhi, rehabilitation of Golding Hall at the College at Oneonta, the expansion of the School of Art and Design at Alfred State College, additions to Wheeler Lab at the College at Cobleskill and to a science wing at Binghamton University.

A summary of capital assets, by major classification, and related accumulated depreciation for the 2012, 2011, and 2010 fiscal years is as follows (in thousands):

	2012	2011	2010
Land	$ 504,486	381,617	360,168
Infrastructure and land improvements	826,030	773,067	738,908
Buildings	8,395,023	7,943,270	7,331,241
Equipment, library books and other	2,827,253	2,655,212	2,545,649
Construction in progress	2,496,810	1,798,500	1,378,639
Total capital assets	15,049,602	13,551,666	12,354,605
Less accumulated depreciation:			
Infrastructure and land improvements	406,162	383,860	365,610
Buildings	3,443,474	3,243,416	3,074,299
Equipment, library books and other	2,112,427	1,959,396	1,824,300
Total accumulated depreciation	5,962,063	5,586,672	5,264,209
Capital assets, net	$ 9,087,539	7,964,994	7,090,396

Other Noncurrent Assets

Other noncurrent assets exclusive of capital assets were $2.19 billion and $2.10 billion at June 30, 2012 and 2011, respectively. Noncurrent assets at June 30, 2012 and 2011 include long-term investments of $715 million and $736 million, deposits with trustees of $646 million and $624 million, restricted cash of $110 million and $115 million, and the noncurrent portion of receivables and deferred financing costs and other assets of $722 million and $628 million, respectively.

Long-term investments at June 30, 2012 and 2011 of $715 million and $736 million include the Cornell statutory colleges of $635 million and

Management's Discussion and Analysis

$619 million, auxiliary services corporations of $28 million and $27 million, Research Foundation of $27 million and $65 million, and State University campuses of $6 million and $5 million, respectively. The statutory College of Ceramics at Alfred University had $19 million for both years. Long-term investments decreased $21 million in 2012 compared to 2011 primarily due to investment losses of $14 million.

During fiscal year 2012, the noncurrent portion of deposits with trustees, which generally represent funds available from the issuance of bonds by the Dormitory Authority of the State of New York (DASNY) used to finance capital projects and maintain debt service reserves for the State University's facilities, increased $22 million.

Restricted cash and cash equivalents represent unspent funds under various capital financing arrangements, cash held for others, and cash restricted for loan programs. At June 30, 2012 restricted cash balances decreased $4 million compared to 2011. The noncurrent portion of receivables reported at June 30, 2012 and 2011 consisted of accounts, notes, and loan receivables of $111 million for both years and appropriation receivables of $458 million and $399 million, respectively.

Noncurrent Liabilities

Noncurrent liabilities at June 30, 2012 and 2011 of $12.51 billion and $11.13 billion, respectively, are largely comprised of debt on State University facilities, other long-term liabilities accrued for postemployment and post-retirement benefits, compensated absences, and litigation. The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is provided principally through the issuance of bonds by DASNY. The debt service for the educational facilities is paid by, or provided through a direct appropriation from, the State. The debt service on residence hall bonds is funded primarily from room rents. A summary of non-current long-term liabilities at June 30, 2012, 2011, and 2010 is as follows (in thousands):

	2012	2011	2010
Educational facilities	$ 6,296,313	5,973,236	5,242,937
Residence hall facilities	1,322,010	1,104,250	1,011,580
Postemployment and post-retirement obligations and compensated absences	3,363,586	2,822,590	2,225,754
Litigation	457,880	398,739	315,918
Other obligations	855,596	620,903	348,871
Long-term liabilities	$ 12,295,385	10,919,718	9,145,060

During the year, PIT bonds were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of $797.8 million. Also, during the year educational facility bonds were issued totaling $838.1 million in order to refund $978.6 million of the State University's existing educational facilities obligations. The State University also entered into agreements with DASNY during fiscal year 2012 to issue residence hall facility obligations totaling $260 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities.

The State University's credit ratings for educational and residence hall bonds were unchanged in 2012. The credit ratings at June 30, 2012 are as follows:

	PIT Bonds	Educational Facilities	Residence Halls
Moody's Investors Service	Aa2	Aa3	Aa2
Standard & Poor's	AAA	AA-	AA-
Fitch	AA	AA-	AA-

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Principal payments on educational and residence hall facilities obligations made during 2012 totaled $1.28 billion (including $979 million in refunded debt) and $36 million, in 2011 totaled $324 million and $32 million, and in 2010 totaled $594 million and $31 million, respectively.

During fiscal years 2012 and 2011, the long-term portion of postemployment and post-retirement benefit obligations and compensated absences liabilities increased $541 million and $597 million, respectively. The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their qualifying dependents as part of the New York State Health Insurance Plan (NYSHIP). The State administers NYSHIP and has the authority to establish and amend benefit provisions offered. The State University, as a participant in the plan, recognizes these other postemployment benefits (OPEB) on an accrual basis. The State University's OPEB plan is financed annually on a pay-as-you-go basis. There are no assets set aside to fund the plan.

The Research Foundation sponsors a separate defined benefit OPEB plan and has established a Voluntary Employee Benefit Association (VEBA) trust. Legal title to all the assets in the trust is vested for the benefit of the participants. Contributions are made by the Research Foundation pursuant to a funding policy established by its Board of Directors.

A schedule of funding progress for these plans is below.

The State University has recorded a long-term litigation liability and a corresponding appropriation receivable of $458 million and $399 million at June 30, 2012 and 2011, respectively (almost entirely related to hospitals and clinics) for unfavorable judgments, both anticipated and awarded but not yet paid. The medical malpractice liability includes incurred but not reported (IBNR) loss estimates which are actuarially determined based on historical experience using a discounted present value of estimated future cash payments.

Refundable government loan funds at June 30, 2012 and 2011 totaled $141.5 million and $141.7 million, respectively. These revolving loan funds are principally those of the federal Perkins and Nursing Loan Programs established with an initial and, when available, continued federal capital contribution. Repayments of principal and interest and new contributions are deposited into a revolving loan fund for continual disbursement to students.

Schedule of Funding Progress
Other Postemployment Benefits
(Amounts in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Covered Payroll ((b-a)/c)
State University Plan:						
April 1, 2010	$ -	12,200	12,200	0%	3,037	402%
April 1, 2008	-	9,560	9,560	0%	3,008	318%
April 1, 2006	-	8,261	8,261	0%	2,527	327%
Research Foundation Plan:						
June 30, 2012	107	298	191	36%	245	78%
June 30, 2011	101	279	177	36%	241	74%
June 30, 2010	80	290	210	28%	238	88%

Management's Discussion and Analysis

Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the State University's results of operations. Total operating revenues of the State University were $5.96 billion in 2012, $5.42 billion in 2011, and $5.16 billion in 2010. Nonoperating and other revenues, which includes State appropriations, totaled $3.62 billion, $3.80 billion, and $3.74 billion, for fiscal years 2012, 2011, and 2010, respectively. Total expenses for 2012, 2011, and 2010 were $9.96 billion, $9.71 billion, and $9.06 billion, respectively.

Revenue Overview

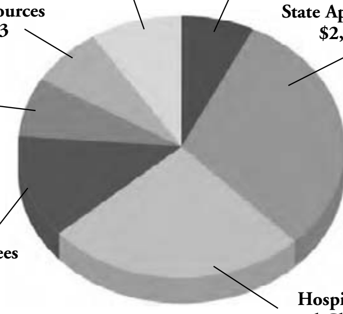
Revenues (in thousands):

	2012	2011	2010
Tuition and fees, net	$ 1,227,984	1,151,523	1,107,313
Hospitals and clinics	2,459,497	2,011,711	1,876,918
Federal grants and contracts	699,818	722,156	710,642
State, local, private grants and contracts, and other sources	696,733	690,401	649,772
Auxiliary enterprises	877,005	840,091	818,545
Operating revenues	5,961,037	5,415,882	5,163,190
State appropriations	2,930,043	2,921,704	2,965,719
Other nonoperating	694,472	875,296	770,567
Nonoperating and other revenues	3,624,515	3,797,000	3,736,286
Total revenues	$ 9,585,552	9,212,882	8,899,476

Tuition and Fees, Net

Tuition and fee revenue for the 2012, 2011, and 2010 fiscal years, net of scholarship allowances, was $1.23 billion, $1.15 billion, and $1.11 billion, an increase of $76 million and $44 million in 2012 and 2011, respectively. These increases were mainly driven by a $300 tuition rate increase for resident undergraduates in 2012 and increases in professional and nonresident tuition rates in 2012 and 2011. Annual average full-time equivalent students, including undergraduate and graduate, were approximately 193,700, 195,300, and 193,000 for the fiscal years ended June 30, 2012, 2011, and 2010, respectively.

2012 Revenues (in thousands)



Hospitals and Clinics

The State University has three hospitals (each with academic medical centers) under its jurisdiction – the State University hospitals at Brooklyn, Stony Brook, and Syracuse.

Hospital and clinic revenue for the 2012, 2011, and 2010 fiscal years were $2.46 billion, $2.01 billion, and $1.88 billion, respectively. During the 2012 fiscal year, hospital and clinic revenues increased $448 million compared to the previous year primarily due to an increase in inpatient and outpatient volume due to the acquisition of LICH and CGH.

Sponsored Research, Grant and Contract Revenue

During fiscal year 2012, the State University experienced a decline in its volume of sponsored program activity. Total revenue from federal, state, local, private and capital grants and contracts administered by the Research Foundation was $882 million, $946 million, and $893 million for the fiscal years ended June 30, 2012, 2011, and 2010, respectively. Facilities and administrative recoveries earned on grants and contracts administered by the Research Foundation were $146 million, $146 million, and $145 million for the fiscal periods ending June 30, 2012, 2011, and 2010, respectively.

The volume of research and other sponsored programs reported for 2012 and 2011 by the statutory colleges at Cornell University was $176.8

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million and $168 million, and Alfred University was $2.4 million and $4 million, respectively.

Revenue from projects sponsored by the federal government (including federal flow-through funds) and administered by the Research Foundation totaled $548 million and $578 million during 2012 and 2011, respectively. Of these federally-sponsored projects the Department of Health and Human Services was the largest sponsor for both fiscal years. Revenue from non-federal sponsors administered by the Research Foundation totaled $334 million and $368 million during 2012 and 2011, respectively. In fiscal years 2012 and 2011, the largest non-federal support of sponsored research programs was received from the Empire State Development Corporation.

Amounts received under the State's Tuition Assistance Program increased $4 million from the prior year. Federal grants under the Pell and other federal student aid programs decreased $25 million from the previous year.

Auxiliary Enterprises

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, campus store operations, intercollegiate athletics, student health services, parking, and other activities. The residence halls are generally owned, operated and managed by the State University and its campuses. Generally, food services, campus store operations and other services are operated and managed by separately incorporated not-for-profit organizations, commonly referred to as auxiliary services corporations.

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls. Revenue producing occupancy at the residence halls was 73,183 for the fall of 2011, an increase of 431 students compared to the previous year. The overall utilization rate for the fall of 2011 was reported at 96.2 percent.

Auxiliary enterprise sales and services revenue totaled $877 million, $840 million, and $819 million in the 2012, 2011, and 2010 fiscal years, respectively. Of these amounts, residence halls operating revenue totaled $396 million, $378 million, and $370 million for 2012, 2011, and 2010, respectively. Increases in revenue were largely due to modest increases in room rates and occupancy levels.

Food service operations and other auxiliary services each generated $481 million, $462 million, and $449 million in revenue for fiscal years 2012, 2011, and 2010, respectively.

State Appropriations

The State University's single largest source of revenues are State appropriations, which for financial reporting purposes is classified as non-operating revenues. State appropriations totaled $2.93 billion, $2.92 billion, and $2.97 billion and represented approximately 31 percent, 32 percent, and 33 percent of total revenues for fiscal year 2012, 2011, and 2010, respectively. State support (both direct support for operations and indirect support for debt service, litigation, and fringe benefits) for State University campus operations, statutory colleges, and hospitals and clinics increased $8 million in 2012 and decreased $44 million in 2011, compared to the prior year. In 2012, State support for operating expenses decreased $146 million, indirect State support for litigation and fringe benefits decreased $44 million and $1 million, while indirect support for debt service increased $199 million, respectively, compared to 2011.

Nonoperating and Other Revenue

Nonoperating and other revenue excluding State appropriations were $694 million and $875 million for the 2012 and 2011 fiscal years, respectively. This decrease was primarily due to decreases of $115 million in investment gains and $31 million in capital gifts and grants.

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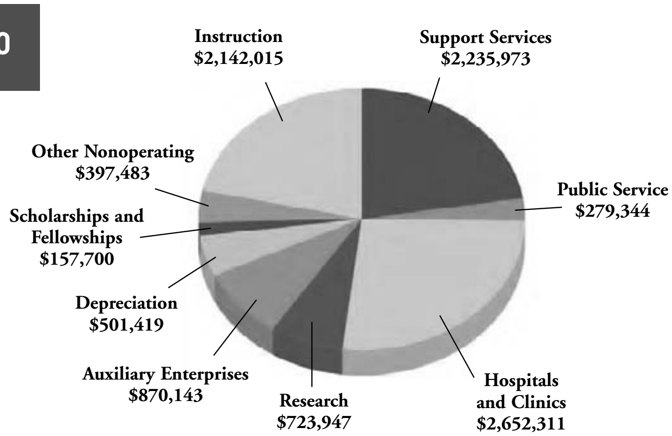
Expense Overview

Expenses (in thousands):	2012	2011	2010
Instruction	$ 2,142,015	2,200,938	2,041,660
Research	723,947	747,664	663,353
Public service	279,344	305,633	294,999
Support services	2,235,973	2,207,911	2,099,496
Scholarships and fellowships	157,700	167,656	172,150
Hospitals and clinics	2,652,311	2,301,319	2,227,162
Auxiliary enterprises	870,143	838,991	791,733
Depreciation and amortization	501,419	439,859	432,043
Other nonoperating	397,483	499,496	341,675
Total expenses	$ 9,960,335	9,709,467	9,064,271

2012 Expenses (in thousands)



During the 2012 fiscal year, instruction expenses decreased $59 million predominately from a decrease in postemployment benefit costs and a decrease in fringe benefit expenses due to a decrease in the State fringe benefit rate. Instruction expenses increased $159 million during 2011 compared to 2010. Research and public service expenses also decreased $50 million during 2012 compared to 2011 primarily due to a decrease in sponsored program activity. Research and public service expenses increased $95 million in 2011 compared to 2010.

Support services, which includes expenses for academic support, student services, institutional support, and operation and maintenance of plant, remained relatively flat between fiscal years 2012 and 2011. Support services increased $108 million between 2011 compared to 2010 primarily due to an increase in postemployment benefit expenses and fringe benefit costs.

In the State University's financial statements, scholarships used to satisfy student tuition and fees (residence hall, food service, etc.) are reported as an allowance (offset) to the respective revenue classification up to the amount of the student charges. The amount reported as expense represents amounts provided to the student in excess of State University charges.

Total scholarships and fellowships, including federal and state grant programs, were $785 million and $781 million for the fiscal years ended June 30, 2012 and 2011, respectively. Of this amount, $627 million and $613 million were classified as scholarship allowances and $158 million and $168 million were reported as scholarship expense for fiscal years 2012 and 2011, respectively. Major scholarships and grants received include the State Tuition Assistance Program of $191 million and $187 million, and the federal Pell Program of $270 million and $275 million during fiscal years 2012 and 2011, respectively.

Expenses at the State University's hospitals and clinics increased $351 million and $74 million during 2012 and 2011. The large increase in 2012 primarily relates to the acquisition of the LICH and CGH.

During fiscal years 2012 and 2011, auxiliary enterprise expenses increased $31 million and $47 million, respectively. Residence halls expenses increased $7 million and $17 million, and food service expenses increased $13 million and $11 million, for the 2012 and 2011 fiscal years respectively, primarily due to an increase in occupancy and rates. Other auxiliary enterprise expenses for the years ended June 30, 2012 and 2011 increased $11 million and $19 million, respectively.

Depreciation and amortization expense recognized in fiscal years 2012 and 2011 totaled $501 million and $440 million, respectively. Other nonoperating expenses were $397 million and $499 million for the years ended June 30, 2012 and 2011, respectively. The decrease in nonoperating expenses during fiscal year 2012 compared to 2011

Management's Discussion and Analysis

was mainly due to the loss recorded in 2011 related to the acquisition of LICH offset by an increase in interest expense on capital related debt in 2012.

Economic Factors That Will Affect the Future

The State University is one of the largest public universities in the nation, with headcount enrollment of approximately 220,000 in the fall 2012, on twenty-nine State-operated campuses and five contract/statutory colleges. The State University's student population is directly influenced by State demographics as the majority of students attending the State University are New York residents. The enrollment outlook remains strong for the State University based on its continued ability to attract quality students for its academic programs. Full-time equivalent (FTE) enrollment, excluding community colleges, for the fiscal year ended June 30, 2012, is approximately 193,700, a slight decrease compared to June 30, 2011.

New York State appropriations remain the largest single source of revenues. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support. For the most recent fiscal year, State appropriations totaled $2.93 billion which represented 31 percent of the total revenues of the State University. State appropriations consisted of direct support ($1.04 billion), debt service on educational facility and PIT bonds ($691 million), fringe benefits for State University employees ($1.15 billion), and litigation ($52 million). Debt service on educational facilities is paid by the State in an amount sufficient to cover annual debt service requirements; pursuant to annual statutory provisions, each of the University's three teaching hospitals must reimburse the State for their share of debt service costs to finance their capital projects. To maintain budgetary equilibrium in an era of fiscal uncertainty the State University is taking appropriate measures to identify operational efficiencies through shared services and is implementing cost containment measures on discretionary spending for non-personal service costs.

Beginning with the 2011-12 fiscal year, legislation was passed called the NY-SUNY 2020 Challenge Grant Program Act, which includes capital funds for investments in economic expansion and job creation at the four State University Centers, as well as a predictable and rational tuition plan. The rational tuition plan authorizes the State University trustees to increase resident undergraduate tuition by up to $300 per year for five years. The five year plan expires at the end of the 2015-16 academic year. In addition, the State University trustees can also increase non-resident undergraduate tuition up to 10 percent as well as certain fees at the four University Centers after approval of their NY-SUNY 2020 Challenge grant plan.

The State University depends on the State to provide appropriations in support of its capital programs. The 2008-09 enacted State budget provided $1.7 billion multi-year appropriation for strategic initiatives and $550 million for the first of five anticipated annual appropriations dedicated to critical maintenance efforts targeted for preservation or rehabilitation of existing educational facilities. Subsequent annual critical maintenance appropriations of $550 million have been provided through the enacted 2011-12 State budget. In total, the State University anticipates $2.75 billion in multi-year critical maintenance appropriations over the five year period ending in 2012-13.

The State University hospitals, which are all part of larger State University Academic Health Centers at Brooklyn, Stony Brook and Syracuse, serve large numbers of Medicaid and uninsured patients and, as a result, their dependency on the Medicaid DSH Program revenue stream and Medicaid reimbursement is critical to their continued viability. The overall stagnant economic climate increases the risk that the federal government will be under pressure to reduce their overall spending and these spending reductions could result in significant cuts in Medicare and Medicaid programs and rates, having a negative impact on the hospitals' overall revenue. The hospitals' financial and operational capabilities will also continue to be challenged by declines in state support and inflationary and contractual cost increases.

Balance Sheets

June 30, 2012 and 2011
In thousands

	2012	2011
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,378,180	1,439,948
Deposits with trustees	264,412	159,588
Short-term investments	315,298	327,921
Accounts, notes, and loans receivable, net	861,073	758,330
Appropriations receivable	324,998	354,837
Grants receivable	250,367	233,703
Inventories	49,097	47,403
Other assets	55,697	74,007
Total current assets	3,499,122	3,395,737
Noncurrent Assets:		
Restricted cash and cash equivalents	110,365	114,635
Deposits with trustees	646,425	623,957
Accounts, notes, and loans receivable, net	111,030	110,706
Appropriations receivable	457,881	398,739
Deferred financing costs	110,560	102,884
Long-term investments	715,123	735,655
Other noncurrent assets	42,161	15,721
Capital assets, net	9,087,539	7,964,994
Total noncurrent assets	11,281,084	10,067,291
Total assets	**$ 14,780,206**	**13,463,028**
Liabilities and Net Position		
Current Liabilities:		
Accounts payable and accrued liabilities	1,174,849	845,915
Interest payable	75,552	90,927
Student deposits	11,106	13,592
Deposits held in custody for others	70,122	80,148
Deferred revenue	301,011	330,014
Long-term liabilities - current portion	687,924	656,202
Other liabilities	83,996	81,094
Total current liabilities	2,404,560	2,097,892
Noncurrent Liabilities:		
Long-term liabilities	12,295,385	10,919,718
Refundable government loan funds	141,450	141,675
Other noncurrent liabilities	77,771	67,920
Total noncurrent liabilities	12,514,606	11,129,313
Total liabilities	**14,919,166**	**13,227,205**
Net Position:		
Net investment in capital assets	1,143,489	874,723
Restricted - nonexpendable:		
Instruction and departmental research	108,083	100,212
Scholarships and fellowships	87,519	83,318
General operations and other	113,249	105,277
Restricted - expendable:		
Instruction and departmental research	161,157	186,783
Scholarships and fellowships	53,725	59,093
Capital projects	370	255
Loans	16,008	16,280
General operations and other	218,778	233,104
Unrestricted	(2,041,338)	(1,423,222)
Total net position	**(138,960)**	**235,823**
Total liabilities and net position	**$ 14,780,206**	**13,463,028**

See accompanying notes to financial statements.

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2012 and 2011
In thousands

	2012	2011
Operating revenues:		
Tuition and fees	$ 1,711,328	1,622,706
Less scholarship allowances	(483,344)	(471,183)
Net tuition and fees	1,227,984	1,151,523
Federal grants and contracts	699,818	722,156
State and local grants and contracts	181,353	195,352
Private grants and contracts	333,086	328,899
Hospitals and clinics	2,459,497	2,011,711
Sales and services of auxiliary enterprises:		
Residence halls, net	396,203	377,629
Food service, net	245,416	233,414
Other, net	235,386	229,048
Other sources	182,294	166,150
Total operating revenues	**5,961,037**	**5,415,882**
Operating expenses:		
Instruction	2,142,015	2,200,938
Research	723,947	747,664
Public service	279,344	305,633
Academic support	465,644	481,184
Student services	266,642	265,461
Institutional support	880,541	832,877
Operation and maintenance of plant	617,174	622,675
Scholarships and fellowships	157,700	167,656
Hospitals and clinics	2,652,311	2,301,319
Auxiliary enterprises:		
Residence halls	337,830	330,232
Food service	249,575	236,802
Other	282,738	271,957
Depreciation and amortization expense	501,419	439,859
Other operating expenses	5,972	5,714
Total operating expenses	**9,562,852**	**9,209,971**
Operating loss	**(3,601,815)**	**(3,794,089)**
Nonoperating revenues (expenses):		
State appropriations	2,930,043	2,921,704
Federal and state nonoperating grants	515,450	529,502
Investment income, net	18,238	22,919
Net realized and unrealized (losses) gains	(14,346)	115,126
Gifts	69,800	64,479
Interest expense on capital related debt	(361,732)	(324,314)
Loss on disposal of plant assets	(1,659)	(8,797)
Gain (loss) on acquisition	9,762	(166,385)
Other nonoperating (expenses) revenues, net	(19,746)	29,936
Net nonoperating revenues	**3,145,810**	**3,184,170**
Loss before other revenues	**(456,005)**	**(609,919)**
Capital appropriations	100	271
Capital gifts and grants	64,525	95,177
Additions to permanent endowments	16,597	17,886
Decrease in net position	**(374,783)**	**(496,585)**
Net position at the beginning of year	**235,823**	**732,408**
Net position at the end of year	**$ (138,960)**	**235,823**

See accompanying notes to financial statements.

Statements of Cash Flows

For the Years Ended June 30, 2012 and 2011
In thousands

	2012	2011
Cash flows from operating activities:		
Tuition and fees	$ 1,235,015	1,150,899
Grants and contracts:		
Federal	670,199	732,019
State and local	171,727	249,718
Private	337,621	317,484
Hospital and clinics	2,313,896	1,911,724
Personal service payments	(3,941,631)	(3,791,435)
Other than personal service payments	(2,514,317)	(2,342,918)
Payments for fringe benefits	(517,723)	(513,353)
Payments for scholarships and fellowships	(94,117)	(149,042)
Loans issued to students	(23,424)	(20,832)
Collection of loans to students	22,890	23,377
Auxiliary enterprise charges:		
Residence halls	396,178	375,561
Food service	242,437	231,152
Other	229,708	224,352
Other receipts	118,930	72,535
Net cash used by operating activities	**(1,352,611)**	**(1,528,759)**
Cash flows from noncapital financing activities:		
State appropriations:		
Operations	1,032,232	1,216,834
Debt service	709,172	514,082
Federal and State nonoperating grants	515,452	528,539
Private gifts and grants	64,639	63,350
Proceeds from short-term loans	114,469	110,771
Repayment of short-term loans	(120,785)	(100,306)
Direct loan receipts	1,146,149	1,120,771
Direct loan disbursements	(1,146,149)	(1,120,771)
Other (payments) receipts	(8,431)	22,095
Net cash provided by noncapital financing activities	**2,306,748**	**2,355,365**
Cash flows from capital and related financing activities:		
Proceeds from capital debt	2,220,052	1,343,544
Capital appropriations	110	401
Capital grants and gifts received	40,517	135,005
Proceeds from sale of capital assets	115	44
Purchases of capital assets	(288,365)	(221,692)
Payments to contractors	(1,039,230)	(891,684)
Principal paid on capital debt and leases	(1,414,876)	(439,473)
Interest paid on capital debt and leases	(450,446)	(417,316)
Deposits with trustees	(127,898)	(200,815)
Net cash used by capital and related financing activities	**(1,060,021)**	**(691,986)**
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,388,232	2,350,571
Interest, dividends, and realized gains on investments	26,927	59,163
Purchases of investments	(1,375,313)	(2,458,879)
Net cash provided (used) by investing activities	**39,846**	**(49,145)**
Net change in cash	**(66,038)**	**85,475**
Cash - beginning of year	**1,554,583**	**1,469,108**
Cash - end of year	**$ 1,488,545**	**1,554,583**
End of year cash comprised of:		
Cash and cash equivalents	**$ 1,378,180**	**1,439,948**
Restricted cash and cash equivalents	**$ 110,365**	**114,635**

Statements of Cash Flows (continued)

For the Years Ended June 30, 2012 and 2011
In thousands

Reconciliation of net operating loss to net cash used by operating activities:	**2012**	**2011**
Operating loss	$ (3,601,815)	(3,794,089)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense	501,419	439,859
Fringe benefits, litigation, and other noncash expenses	1,157,615	1,159,428
Change in assets and liabilities:		
Receivables, net	(119,941)	(134,014)
Inventories	(1,694)	1,438
Other assets	(13,120)	(37,537)
Accounts payable, accrued expenses, and other liabilities	763,632	695,818
Deferred revenue	(23,216)	139,605
Student deposits	(2,487)	1,550
Deposits held for others	(13,004)	(817)
Net cash used by operating activities	**$ (1,352,611)**	**(1,528,759)**

Supplemental disclosures for noncash transactions:

New capital leases / debt agreements	$ 2,220,052	1,475,076
Fringe benefits provided by the State	$ 1,145,475	1,142,419
Litigation costs provided by the State	$ 12,140	17,009
Noncash gifts	$ 4,867	33,190
Assets from hospital acquisitions	$ 29,173	142,712
Liabilities from hospital acquisitions	$ 19,411	309,097

See accompanying notes to financial statements.

State University of New York Foundations
Balance Sheet

June 30, 2012 (with comparative financial information as of June 30, 2011)
In thousands

Assets	2012	2011
Cash and cash equivalents	$ 145,492	108,240
Accounts and notes receivable, net	38,222	14,968
Pledges receivable, net	207,574	126,389
Investments	1,494,452	1,387,019
Other assets	59,753	60,776
Capital assets, net	502,881	481,342
Total assets	**$ 2,448,374**	**2,178,734**

Liabilities and Net Assets

	2012	2011
Liabilities:		
Accounts payable and accrued liabilities	55,567	36,638
Current portion of long-term debt	46,593	10,984
Deferred revenue	5,455	3,254
Deposits held in custody for others	79,457	56,590
Other liabilities	62,949	53,361
Long-term debt	410,923	427,170
Total liabilities	**660,944**	**587,997**
Net Assets:		
Unrestricted:		
Board designated for:		
Fixed assets	118,610	118,966
Campus programs	78,590	83,202
Investments	175,212	144,070
Other	10,316	4,368
Undesignated	27,946	27,566
Temporarily restricted:		
Scholarships and fellowships	122,574	130,078
Campus programs	337,870	320,422
Research	125,334	132,379
General operations and other	201,769	87,869
Permanently restricted:		
Scholarships and fellowships	273,688	251,345
Campus programs	234,322	218,915
Research	22,056	21,268
General operations and other	59,143	50,289
Total net assets	**1,787,430**	**1,590,737**
Total liabilities and net assets	**$ 2,448,374**	**2,178,734**

See accompanying notes to financial statements.

State University of New York Foundations
Statement of Activities

For the Year Ended June 30, 2012 (with summarized financial information for the year ended June 30, 2011)
In thousands

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Total	2011 Total
Revenues:					
Contributions, gifts, and grants	$ 36,560	226,449	44,890	307,899	161,112
Investment income, net	9,589	13,027	361	22,977	41,380
Net realized and unrealized (losses) gains	(144)	(9,272)	(79)	(9,495)	166,767
Rental income	68,218	336	-	68,554	53,291
Sales and services	41,438	105	-	41,543	17,046
Program income and special events	48,655	1,166	132	49,953	48,045
Change in value of split interest agreements	(72)	59	(2,029)	(2,042)	5,811
Other sources	4,894	1,864	394	7,152	6,146
Transfers of permanently restricted net assets	(629)	(1,008)	1,637	-	-
Endowment earnings transferred	-	320	(320)	-	-
Net assets released from restrictions	125,207	(125,207)	-	-	-
Total revenues	**333,716**	**107,839**	**44,986**	**486,541**	**499,598**
Expenses:					
Program expenses	143,925	-	-	143,925	132,516
Payments to the State University:					
Scholarships and fellowships	32,963	-	-	32,963	24,719
Other	31,228	-	-	31,228	18,439
Real estate expenses	22,760	-	-	22,760	21,151
Depreciation and amortization expense	17,181	-	-	17,181	16,836
Interest expense on capital-related debt	19,775	-	-	19,775	13,520
Management and general	29,794	-	-	29,794	21,855
Fundraising	19,705	-	-	19,705	17,233
Other expenses	5,223	-	-	5,223	4,791
Total expenses	**322,554**	-	-	**322,554**	**271,060**
Change in net assets	**11,162**	**107,839**	**44,986**	**163,987**	**228,538**
Increase in net assets from acquisition	**22,436**	**3,905**	**6,365**	**32,706**	-
Net asset reclassifications	**(1,096)**	**5,055**	**(3,959)**	-	-
Total change in net assets	**32,502**	**116,799**	**47,392**	**196,693**	**228,538**
Net assets, beginning of year	**378,172**	**670,748**	**541,817**	**1,590,737**	**1,362,199**
Net assets, end of year	**$ 410,674**	**787,547**	**589,209**	**1,787,430**	**1,590,737**

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2012 and 2011

1. Summary of Significant Accounting Policies and Basis of Presentation

Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, and statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the reporting entity is based primarily on the notion of financial accountability, defined in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. The reporting entity includes legally-separate organizations meeting certain financial accountability and fiscal dependency criteria of the State University. Separate legal entities meeting the criteria for inclusion in the blended totals of the State University reporting entity are described below. The State University is included in the financial statements of the State of New York (State) as an enterprise fund, as the State is the primary government of the State University.

Legally-separate, tax-exempt, affiliated organizations that receive or hold economic resources that are significant to, that are entirely or almost entirely for the direct benefit of, and that can be accessed by the primary government, its component units, or its constituents are required to be included in the reporting entity using discrete presentation requirements. As a result, the combined totals of the campus-related foundations and student housing corporations (all referred to as foundations) are separately presented as an aggregate component unit on financial statement pages 16 and 17 in the State University's financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB). The combined totals are also included in the financial statements of the State's discretely presented component unit combining statements.

The Research Foundation for the State University of New York (Research Foundation) is a separate, private, nonprofit educational corporation that administers the majority of the State University's sponsored programs. The programs include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The activity of the Research Foundation has been included in these financial statements using GASB measurements and recognition standards. The financial activity was primarily derived from audited financial statements of the Research Foundation for the years ended June 30, 2012 and 2011.

Almost all of the State University's campuses maintain auxiliary services corporations. These corporations are campus-based, nonprofit organizations which, as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. Although separate and independent legal entities, these corporations carry out operations which are integrally related to the State University and, therefore, are included in the financial statements of the State University. In addition, two other legally separate single member corporations that provide and maintain campus facilities for use by, and for the benefit of, the State University meet the criteria for inclusion. All of the financial data for these corporations was derived from each entity's individual audited financial statements, the majority of which have a May 31 or June 30 fiscal year end.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to the State University and, therefore, the financial activity related to the Construction Fund is included in the State University's financial statements as of the Construction Fund's fiscal years end of March 31, 2012 and 2011.

Notes to Financial Statements

June 30, 2012 and 2011

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statement information of the statutory colleges of Cornell University and Alfred University have been included in the accompanying financial statements.

On July 7, 2011, the State University acquired substantially all of the assets of Community General Hospital of Greater Syracuse (CGH) through the assumption of certain liabilities pursuant to an asset purchase agreement. The State University operates CGH under its existing authority as a second campus. On May 29, 2011, the State University acquired Long Island College Hospital (LICH) through an asset purchase agreement and received substantially all of the assets and assumed substantial liabilities of LICH, excluding discrete enumerated liabilities and assets required to fund those excluded liabilities. The State University conducts LICH's hospital operations at the LICH facilities.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations, do not meet the criteria for inclusion, and are not included in the accompanying financial statements.

The State University administers State financial assistance to the community colleges in connection with its general oversight responsibilities pursuant to State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the GASB.

The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by the GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of classified balance sheets; statements of revenues, expenses, and changes in net position, that distinguish between operating and nonoperating revenues and expenses; and statements of cash flows, using the direct method of presenting cash flows from operations and other sources.

The State University's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that generally result from exchange transactions, i.e., the payments received for services and payments made for the purchase of goods and services. Certain other transactions are reported as nonoperating activities and include the State University's operating and capital appropriations from the State, federal and State financial aid grants (e.g., Pell and TAP), investment income gains and losses, gifts, and interest expense.

Resources are classified for accounting and financial reporting purposes into the following four net position categories:

Net investment in capital assets

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets.

Restricted – nonexpendable

Net position component subject to externally imposed conditions that the State University is required to retain in perpetuity.

Notes to Financial Statements

June 30, 2012 and 2011

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Restricted – expendable

Net position component whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

Unrestricted component of net position

The unrestricted component of net position includes amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Revenues

Revenues are recognized in the accounting period when earned. State appropriations are recognized when they are made legally available for expenditure. Revenues and expenditures arising from nonexchange transactions are recognized when all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications for 2012 and 2011 were reported net of the following scholarship discount and allowance amounts (in thousands):

	2012	2011
Residence halls	$ 75,842	74,349
Food service	34,945	34,434
Other auxiliary	33,328	33,802

Cash and Cash Equivalents

Cash and cash equivalents are defined as current operating assets that include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools which are included in short-term and long-term investments on the accompanying balance sheets.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent unspent funds under various capital financing arrangements, cash held for others, and cash restricted for loan programs.

Investments

Investments in marketable securities are stated at fair value based upon quoted market prices. Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted - nonexpendable net position if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted - expendable net position as provided for under the terms of the gift, or as unrestricted. At June 30, 2012 and 2011, the State University had $181 million and $217 million available for authorization for expenditure, including $91 million and $109 million from restricted funds and $90 million and $108 million from unrestricted funds, respectively.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy for the Cornell University as a whole, including investments that support the statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. The Board applies the "prudent person" standard when making its decision whether to appropriate or accumulate endowment funds in compliance with the New York Prudent Management of Institutional Funds Act (NYPMIFA). Investments in the pool are stated at fair value and include limited use of derivative

Notes to Financial Statements

June 30, 2012 and 2011

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

instruments including futures, forward, options and swap contracts designed to manage market exposure and to enhance the total return.

Alternative investments are valued using current estimates of fair value obtained from the investment manager in the absence of readily determinable public market values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed.

Capital Assets

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building renovations and additions costing over $100,000 and equipment items with a unit cost of $5,000 or more are capitalized. Equipment under capital leases are stated at the present value of minimum lease payments at the inception of the lease. Generally, the net interest cost on debt during the construction period related to capital projects is capitalized and totaled $54.5 million and $47.7 million in the 2012 and 2011 fiscal years, respectively. Intangible assets for internally generated computer software of $1,000,000 or more and $100,000 for all other intangible assets are capitalized. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art or intangible assets, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 3 to 50 years.

Deferred Financing Costs

Deferred financing costs represent costs incurred for the issuance of bonds that are capitalized and amortized over the life of the related debt.

Inventories

Inventories held by the State University are primarily stated at the lower of cost or market value on a first-in, first-out basis.

Compensated Absences

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum of 40 days.

Fringe Benefits

Employee fringe benefit costs (e.g., health insurance, workers' compensation, and pension and post-retirement benefits) are paid by the State on behalf of the State University (except for the State University hospitals, which pay their own fringe benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

Postemployment Benefits

Postemployment benefits other than pensions are recognized on an actuarially determined basis as employees earn benefits that are expected to be used in the future. The amounts earned include employee sick leave credits expected to be used to pay for a share of post-retirement health insurance.

Tax Status

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations.

The Research Foundation and campus auxiliary services corporations are nonprofit organizations as described in Section 501(c)(3) of the Internal Revenue Code and are tax-exempt on related income, pursuant to Section 501(a) of the Code.

Reclassifications

Certain amounts displayed in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

Notes to Financial Statements

June 30, 2012 and 2011

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and cash equivalents represent State University funds held in the State treasury, in the short-term investment pool (STIP), or local depositories, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes.

The pooled balances are limited to legally-stipulated investments which include obligations of, or are guaranteed by, the United States; obligations of the State and its political subdivisions; and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the State University.

The New York State *Comprehensive Annual Financial Report* contains the GASB Statement No. 40 risk disclosures for deposits held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by a pledging financial institution; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates' name at June 30, 2012 and 2011, are as follows (in thousands):

	Category a	Category b	Category c
2012	$ 67,399	27,735	17,007
2011	47,201	25,450	17,082

3. Deposits with Trustees

Deposits with trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds which have been designated for capital projects and equipment.

The State University's cash and investments which comprise deposits with trustees are registered in the State University's name and held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately $68 million and $59 million at June 30, 2012 and 2011, respectively. The market value of investments held and maturity period are displayed in the table following (in thousands):

Fiscal Year 2012

Type of Investments	Fair Value	Less than 1 year	1-5 years	More than 5 years
US Treasury notes/bonds	$ 142,206	137,919	4,287	-
US Treasury bills	255,468	255,468	-	-
US Treasury strips	314,461	314,461	-	-
Investment agreement	10,110	-	-	10,110
Federal Home Loan Mortgage Corp.*	78,151	78,151	-	-
Federal National Mortgage Assoc.*	1,670	1,670	-	-
Federal Home Loan Bank*	41,044	41,044	-	-
Total	$ 843,110	828,713	4,287	10,110

Fiscal Year 2011

Type of Investments	Fair Value	Less than 1 year	1-5 years	More than 5 years
US Treasury notes/bonds	$ 50,905	47,113	3,792	-
US Treasury bills	471,602	471,602	-	-
US Treasury strips	160	160	-	-
Federal Home Loan Bank*	201,919	201,919	-	-
Total	$ 724,586	720,794	3,792	-

**Rating on investment was AAA*

Notes to Financial Statements

June 30, 2012 and 2011

4. Investments

Investments of the State University are recorded at fair value. Investment income is reported net of investment fees of approximately $1 million for both fiscal years. Investments are comprised of the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, the Construction Fund, the auxiliary services corporations, and State University campuses.

Investments of the endowment and similar funds of the Cornell statutory colleges, except for separately invested funds with a fair value of $37 million and $29 million at June 30, 2012 and 2011, respectively, are pooled on a fair value basis in Cornell's long-term investment pool and living trust fund. Individual funds enter or withdraw from the pool based on each fund's share of the fair value of the pool's investments.

The Research Foundation maintains a diverse investment portfolio and follows an investment policy and asset guidelines approved and monitored by its board of directors. The portfolio is mainly comprised of mutual funds, exchange-traded funds and alternative investments of high quality and liquidity. Investments are held with the investment custodian in the Research Foundation's name.

Investments of the Construction Fund are made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy and consist primarily of obligations of the United States government and its agencies. These investments are held by the State's agent in the State University Construction Fund's name.

Investments of the auxiliary services corporations and Alfred Ceramics were derived from each entity's individual financial statements.

The State University's financial position may be impacted through its market risk positions and by changes in economic conditions.

The composition of investments at June 30, 2012 and 2011 is as follows (in thousands):

		2012	2011
Cash and money market funds	$	147,946	127,801
Non-equities		187,899	240,706
Domestic and international equities		162,910	153,477
Equity partnerships		270,844	264,917
Hedge funds		222,312	230,518
Other investments		38,510	46,157
Total investments	$	1,030,421	1,063,576
Short-term	$	315,298	327,921

		2012	2011
State University Campuses		5,908	5,346
Cornell Statutory Colleges		680,908	691,240
Alfred Ceramics		18,891	19,160
Research Foundation		238,585	265,268
Auxiliary Services Corporations		55,030	51,420
State University Construction Fund		31,099	31,142
Total investments	$	1,030,421	1,063,576

Notes to Financial Statements

June 30, 2012 and 2011

At June 30, 2012 and 2011, the State University had the following non-equity investments and maturities as summarized in Table A.

Credit quality ratings of the State University's investments in debt securities, as described by Moody's, S&P, and Fitch as of June 30, 2012 and 2011 are summarized in Table B.

Table A *(in thousands)*

	Fiscal Year 2012					Fiscal Year 2011				
Investment Type	Market Value	Less than 1 yr	1-5 yrs	6-10 yrs	More than 10 yrs	Market Value	Less than 1 yr	1-5 yrs	6-10 yrs	More than 10 yrs
US treasury bills	$ 10,894	10,894	-	-	-	3,265	3,265	-	-	-
US treasury notes/bonds	19,933	519	17,676	1,458	280	19,463	2,380	16,964	38	81
US treasury strips	2,677	2,677	-	-	-	10,872	10,872	-	-	-
Asset-backed securities	4,004	-	319	2,024	1,661	4,590	1	308	2,630	1,651
Municipals	3,290	4	326	231	2,729	3,687	241	652	316	2,478
Repurchase agreements	2,094	2,094	-	-	-	632	632	-	-	-
Corporate bonds	47,865	12,081	30,909	2,212	2,663	61,072	14,748	40,677	4,934	713
Commercial Paper	298	298	-	-	-	310	310	-	-	-
Mutual funds – non-equities	35,923	4,351	7,164	10,763	13,645	56,661	822	1,891	53,774	174
International – non-equities	22,406	2,194	13,336	3,727	3,149	27,834	5,741	16,302	2,569	3,222
US government TIPS	4,663	-	17	1,090	3,556	3,358	-	596	-	2,762
US government agencies	33,852	4,545	25,390	1,362	2,555	48,962	30,436	17,204	137	1,185
Total investments	$ 187,899	39,657	95,137	22,867	30,238	240,706	69,448	94,594	64,398	12,266

Table B *(in thousands)*

Credit Rating	AAA	AA	A	BBB	BB	B	Other Rating	Not Rated
Investment Type - 2012								
Asset-backed securities	$ 651	68	107	637	11	250	784	1,496
Municipal bonds	121	1,422	810	7	-	643	73	214
Repurchase agreements	-	-	-	-	-	-	-	2,094
Corporate bonds	233	8,947	18,230	14,030	649	2,206	1,081	2,489
Commercial Paper	-	-	148	-	-	-	-	150
Mutual funds - non-equities*	12,115	1,233	2,621	184	3,192	11	-	16,567
International - non-equities	2,698	1,785	9,711	2,119	1,847	800	-	3,446
US government agencies	-	31,127	-	-	-	177	-	2,548
Total	$ 15,818	44,582	31,627	16,977	5,699	4,087	1,938	29,004
Investment Type - 2011								
Asset-backed securities	$ 823	39	147	599	341	304	318	2,018
Municipal bonds	445	913	1,119	557	236	-	-	417
Repurchase agreements	-	-	-	-	-	-	-	632
Corporate bonds	9,611	3,286	25,773	13,241	1,230	3,197	1,531	3,204
Commercial Paper	-	81	229	-	-	-	-	-
Mutual funds - non-equities*	44,231	3,668	-	39	17	17	-	8,690
International - non-equities	5,308	4,734	10,744	2,084	731	225	-	4,006
US government agencies	7,996	-	105	-	-	-	-	40,862
Total	$ 68,414	12,721	38,117	16,520	2,555	3,743	1,849	59,829

**based on average credit quality of holdings*

Notes to Financial Statements

June 30, 2012 and 2011

4. Investments (continued)

The investment guidelines provide for discretion to investment managers specializing in securities whose prices are denominated in foreign currencies to adjust foreign currency exposure of their investment portfolio as part of the State University's overall diversification strategy.

The State University's exposure to foreign currency risk for investments held at June 30, 2012 and 2011 was as follows (fair value in thousands):

Currency Denomination	**2012**	**2011**
British pound	$ 7,089	5,139
Euro	5,889	10,063
Japanese yen	5,211	6,738
Hong Kong dollar	4,223	4,687
South Korean won	4,070	3,344
Taiwan dollar	2,011	2,329
Thailand baht	1,718	821
Brazil real cruzeiro	1,621	1,936
Turkish lira	909	636
Swiss franc	898	718
Mexican Nuevo Peso	828	624
Singapore dollar	693	915
Malaysian ringgit	681	792
So. African rand	495	683
Swedish krona	491	748
Australian dollar	407	356
Polish zloty	407	991
Norwegian krone	277	289
Canadian dollar	244	316
Other	2,825	2,058
Total	$ 40,987	44,183

5. Accounts, Notes, and Loans Receivable

At June 30, accounts, notes, and loans receivable were summarized as follows (in thousands) for years 2012 and 2011, respectively:

	2012	2011
Tuition and fees	$ 69,585	58,667
Allowance for uncollectible	(10,020)	(9,094)
Net tuition and fees	59,565	49,573
Room rent	9,511	9,012
Allowance for uncollectible	(2,230)	(2,100)
Net room rent	7,281	6,912
Patient fees, net of contractual allowances	824,294	677,630
Allowance for uncollectible	(289,623)	(192,778)
Net patient fees	534,671	484,852
Other, net	239,612	195,861
Total accounts and notes receivable	841,129	737,198
Student loans	154,720	155,062
Allowance for uncollectible	(23,746)	(23,224)
Total student loans receivable	130,974	131,838
Total, net	$ 972,103	869,036

6. Capital Assets

Capital assets, net of accumulated depreciation, totaled $9.09 billion and $7.96 billion at fiscal year end 2012 and 2011, respectively. Capital asset activity for fiscal years 2012 and 2011 is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and the related capital assets placed in service.

Table C *(in thousands)*

	June 30, 2010	Additions	Closed Projects & Retirements	June 30, 2011	Additions	Closed Projects & Retirements	June 30, 2012
Land	$ 360,168	21,467	18	381,617	122,881	12	504,486
Infrastructure and land improvements	738,908	44,665	10,506	773,067	62,394	9,431	826,030
Buildings	7,331,241	647,811	35,782	7,943,270	484,851	33,098	8,395,023
Equipment, library books and other	2,545,649	183,213	73,650	2,655,212	250,981	78,940	2,827,253
Construction in progress	1,378,639	1,083,012	663,151	1,798,500	1,311,833	613,523	2,496,810
Total capital assets	12,354,605	1,980,168	783,107	13,551,666	2,232,940	735,004	15,049,602
Less accumulated depreciation:							
Infrastructure and land improvements	365,610	27,900	9,650	383,860	30,485	8,183	406,162
Buildings	3,074,299	202,801	33,684	3,243,416	227,335	27,277	3,443,474
Equipment, library books and other	1,824,300	202,565	67,469	1,959,396	221,303	68,272	2,112,427
Total accumulated depreciation	5,264,209	433,266	110,803	5,586,672	479,123	103,732	5,962,063
Capital assets, net	$ 7,090,396	1,546,902	672,304	7,964,994	1,753,817	631,272	9,087,539

Notes to Financial Statements

June 30, 2012 and 2011

7. Long-term Liabilities

The State University has entered into capital leases and other financing agreements with DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-exempt Equipment Leasing Program (TELP), various state sponsored equipment leasing programs, and private financing arrangements.

At June 30, 2012 and 2011, other than facilities obligations, which are included as of March 31, 2012 and 2011, total obligations are summarized in Table D.

Educational Facilities

The State University, through DASNY, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Athletic facility debt is aggregated with educational facility debt. Debt service is paid by, or from specific appropriations of, the State.

During the year, Personal Income Tax Revenue Bonds were issued for the purpose of financing capital construction and major rehabilitation for educational facilities in the amount of $797.8 million. Also, during the year educational facility bonds were issued totaling $838.1 million in order to refund $978.6 million of the State University's existing educational facilities obligations. The result will produce an estimated savings of $65.8 million in future cash flow, with an estimated present value gain of $50.8 million.

Residence Hall Facilities

The State University has entered into capital lease agreements for residence hall facilities. DASNY bonds for most of the residence hall facilities, which have a maximum 30-year life, are repaid from room rentals and other residence hall revenues. Upon repayment of the bonds, including interest thereon, and the satisfaction of all other obligations under the lease agreements, DASNY shall convey to the State University all rights, title, and interest in the assets financed by the capital lease agreements. Residence hall facilities revenue realized during the year from facilities from which there are bonds outstanding is pledged as a security for debt service and is assigned to DASNY to the extent required for debt service purposes. Any excess funds pledged to DASNY are available for residence hall capital and operating purposes.

Table D *(in thousands)*

For the 2012 Fiscal Year	July 1, 2011	Additions	Reductions	June 30, 2012	Current Portion
Long-term debt:					
Educational facilities	$ 6,261,160	1,635,888	1,284,536	6,612,512	316,199
Residence hall facilities	1,139,920	260,000	35,670	1,364,250	42,240
Capital lease arrangements	195,847	61,590	62,541	194,896	51,380
Other long-term debt	162,970	79,566	24,342	218,194	35,655
Total long-term debt	7,759,897	2,037,044	1,407,089	8,389,852	445,474
Other long-term liabilities:					
Postemployment and post-retirement obligations and compensated absences	2,987,355	936,852	402,259	3,521,948	158,362
Loan from State	52,457	52	8,318	44,191	17,244
Litigation	462,575	51,122	11,217	502,480	44,600
Other long-term liabilities	313,636	234,143	22,941	524,838	22,244
Total other long-term liabilities	3,816,023	1,222,169	444,735	4,593,457	242,450
Total long-term liabilities	$ 11,575,920	3,259,213	1,851,824	12,983,309	687,924

Notes to Financial Statements

June 30, 2012 and 2011

Table D, continued *(in thousands)*

For the 2011 Fiscal Year	July 1, 2010	Additions	Reductions	June 30, 2011	Current Portion
Long-term debt:					
Educational facilities	$ 5,456,489	1,128,976	324,305	6,261,160	287,924
Residence hall facilities	1,043,710	128,340	32,130	1,139,920	35,670
Capital lease arrangements	183,905	76,587	64,645	195,847	52,649
Other long-term debt	44,456	132,774	14,260	162,970	22,982
Total long-term debt	6,728,560	1,466,677	435,340	7,759,897	399,225
Other long-term liabilities:					
Postemployment and post-retirement obligations and compensated absences	2,389,555	992,259	394,459	2,987,355	164,765
Loan from State	60,645	130	8,318	52,457	17,244
Litigation	383,815	89,134	10,374	462,575	63,836
Other long-term liabilities	143,001	189,642	19,007	313,636	11,132
Total other long-term liabilities	2,977,016	1,271,165	432,158	3,816,023	256,977
Total long-term liabilities	$ 9,705,576	2,737,842	867,498	11,575,920	656,202

7. Long-term Liabilities (continued)

During the year, the State University entered into agreements with DASNY to issue residential hall facility obligations totaling $260 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. As of March 31, 2012, $1.3 billion and $119.4 million of outstanding educational and residence hall facility obligations, respectively, were considered defeased.

Capital Lease Arrangements

The State University leases equipment under DASNY TELP, New York State Personal Income Tax Revenue Bonds, certificates of participation

Requirements of the long-term debt obligations as of June 30, 2012 are as follows (in thousands):

Fiscal year(s)	Educational Facilities		Residential Facilities		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 316,199	322,292	42,240	65,564	87,035	16,275	445,474	404,131
2014	319,534	317,729	48,410	63,615	71,443	14,072	439,387	395,416
2015	297,139	300,934	51,135	61,353	47,177	12,176	395,451	374,463
2016	231,086	288,531	51,775	58,968	36,295	10,540	319,156	358,039
2017	199,869	277,113	53,090	56,611	22,852	9,282	275,811	343,006
2018-22	1,242,876	1,205,288	277,805	243,500	87,959	28,765	1,608,640	1,477,553
2023-27	1,453,838	887,110	276,335	173,968	28,169	12,196	1,758,342	1,073,274
2028-32	1,166,006	536,349	254,820	107,924	15,175	5,408	1,436,001	649,681
2033-37	972,395	260,324	194,005	51,213	7,580	3,459	1,173,980	314,996
2038-41	413,570	45,365	114,635	11,865	9,405	1,286	537,610	58,516
Total	$ 6,612,512	4,441,035	1,364,250	894,581	413,090	113,459	8,389,852	5,449,075
	Interest rates range from 3.5% to 7.5%		Interest rates range from 1.62% to 5.75%		Interest rates range from .88% to 9.1%			

Notes to Financial Statements

June 30, 2012 and 2011

7. Long-term Liabilities (continued)

(COPs), vendor financing, or through statewide lease purchase agreements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

Loan From State

In prior years, the State University experienced operating cash-flow deficits precipitated by cash-flow difficulties experienced by its hospitals. In connection with these cash-flow deficits, as authorized by State Finance Law, the State University borrowed funds with interest from the short-term investment pool of the State. The amount outstanding under this borrowing from the State at June 30, 2012 was $44.2 million. During the year, $8.3 million was paid on these loans.

8. Retirement Plans

Retirement Benefits

There are three major retirement plans for State University employees: the New York State and Local Employees' Retirement System (ERS), the New York State Teachers' Retirement System (TRS), and the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). ERS is a cost-sharing, multiple-employer, defined benefit public plan administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a nine-member board. TIAA-CREF is a multiple-employer, defined contribution plan administered by separate boards of trustees. Substantially all full-time employees participate in the plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law. These plans offer a wide range of programs and benefits. ERS and TRS benefits are related to years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. TIAA-CREF is a State University Optional Retirement Program (ORP) and offers benefits through annuity contracts.

ERS and **TRS** provide retirement benefits as well as death and disability benefits. Benefits generally vest after five years of credited service. The NYSRSSL provides that all participants in ERS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined ERS and TRS after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employee contributions are deducted from their salaries and remitted on a current basis to ERS and TRS. Employer contributions are actuarially determined for ERS and TRS.

TIAA-CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employees who joined TIAA-CREF after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA-CREF.

The State University's total retirement-related payroll was $3.14 billion and $3.04 billion for the June 30, 2012 and 2011 fiscal years, respectively. The payroll for 2012 and 2011 for State University employees covered by TIAA-CREF was $1.81 billion for both years, ERS was $1.19 billion and $1.09 billion, and TRS was $133 million and $135 million, respectively. Employer and employee contributions under each of the plans were as follows for years 2012, 2011, and 2010, respectively (in millions):

Notes to Financial Statements

June 30, 2012 and 2011

8. Retirement Plans (continued)

	2012	2011	2010
Employer contributions:			
TIAA-CREF	$ 202.3	207.8	206.5
ERS	93.4	66.8	42.8
TRS	10.7	8.4	8.4
Employee contributions:			
TIAA-CREF	$ 21.2	21.4	31.8
ERS	17.4	16.2	15.6
TRS	1.3	1.3	1.3

The employer contributions are equal to 100 percent of the required contributions under each of the respective plans.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to:

New York State and Local Employees' Retirement System
110 State Street
Albany, New York 12244

New York State Teachers' Retirement System
10 Corporate Woods Drive
Albany, New York 12211

Teachers Insurance and Annuity Association/
College Retirement Equities Fund
730 Third Avenue
New York, New York 10017

As part of the CGH acquisition, the State University assumed the assets and liabilities of a single employer defined benefit plan (Plan) for certain CGH retirees and those employees that elected to stay in the Plan. For those that opted out of the Plan, their benefit accruals were frozen. No new participants can enter this plan. The Plan issues stand alone financial statements on a calendar year (i.e., December 31). The annual required contribution (ARC) was determined as part of the actuarial valuation using the projected unit credit actuarial cost method. The funding policy is to contribute enough to the Plan to satisfy the ARC and the employer contributions for the year were $1.2 million. Employees do not contribute to the Plan. The actuarial accrued liability at December 31, 2011 was $81.7 million and Plan assets were $71 million. At June 30, 2012 the State University has a net pension obligation of $10.7 million.

The Research Foundation maintains a separate non-contributory plan through TIAA-CREF for substantially all nonstudent employees. Contributions are based on a percentage of earnings and range from 8% to 15%, depending on date of hire. Employees become fully vested after completing one year of service. Contributions are allocated to individual employee accounts. The payroll for Research Foundation employees covered by TIAA-CREF for its fiscal years ended June 30, 2012 and 2011 was $372 million and $361 million, respectively. The Research Foundation pension contributions for fiscal years 2012 and 2011 were $32 million and $31 million, respectively. These contributions are equal to 100 percent of the required contributions for each year.

Postemployment and Post-retirement Benefits

The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their spouses as part of the New York State Health Insurance Plan (NYSHIP). NYSHIP offers comprehensive benefits through various providers consisting of hospital, medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority to establish and amend the benefit provisions offered. NYSHIP is considered an agent multiple-employer defined benefit plan, is not a separate entity or trust, and does not issue stand-alone financial statements. The State University, as a participant in the plan, recognizes these other postemployment benefit (OPEB) expenses on an accrual basis.

Employee and retiree contribution rates for NYSHIP are established by the State and are generally 12 percent, and range from 10 to 16 percent for enrollee coverage. The dependent coverage rate is 27 percent and range from 25 to 31 percent. NYSHIP premiums are being financed on a pay-as-you-go basis. During the fiscal year, the State, on behalf of the State University, paid health insurance premiums of $236.7 million. The State University's OPEB obligation and funded status of the plan for the years ended June 30, 2012, 2011, and 2010 were as follows (in thousands):

Notes to Financial Statements

June 30, 2012 and 2011

8. Retirement Plans (continued)

	2012	2011	2010
Annual OPEB cost	$ 783,713	814,059	638,847
Benefits paid	(236,745)	(220,690)	(209,847)
Increase in OPEB Obligation	546,968	593,369	429,000
Net obligation at beginning of year	2,531,987	1,938,618	1,509,618
Net obligation at end of year	$ 3,078,955	2,531,987	1,938,618
Funded Status:			
Actuarial accrued liability (AAL)	12,200,313	12,200,313	9,559,575
Actuarial value of OPEB plan assets	-	-	-
Unfunded AAL (UAAL)	$ 12,200,313	12,200,313	9,559,575
Actuarial valuation date	4/1/10	4/1/10	4/1/08
Funded ratio	-	-	-
Covered payroll	3,140,693	3,036,860	3,007,791
UAAL as a % of covered payroll	388%	402%	318%

The components of the State University's OPEB obligation include the total annual required contribution (ARC) of $778.5 million (comprised of service costs of $310.7 million, amortization of unfunded actuarial liability of $439.1 million, and interest costs of $28.7 million), ARC reduction of $91.7 million, and interest costs of $97 million.

The initial unfunded accrued actuarial liability is being amortized over an open period of thirty years using the level percentage of projected payroll amortization method.

The actuarial valuation utilizes a frozen entry age actuarial cost method. The actuarial assumptions include a 3.8 percent discount rate, payroll growth rate of 3.5 percent, and an annual healthcare cost trend rate for medical coverage of 10 percent initially, reduced by decrements to a rate of 5 percent after 7 years.

Projections of benefits are based on the plan and include the types of benefits provided at the time of each valuation. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of future events, and actual results are considered for future valuations. The actuarial methods and assumptions used are designed to reduce short-term volatility in reported amounts and reflect a long-term perspective.

The Research Foundation sponsors a separate single employer defined benefit post-retirement plan that covers substantially all nonstudent employees. The plan provides post-retirement medical benefits and is contributory for employees hired after 1985. In November 2010 the Research Foundation board of directors approved a plan amendment increasing monthly participant (employee) contributions for all future retirees hired after 1985, and not eligible to retire as of January 1, 2012. Participants who are retired or eligible to retire as of January 1, 2012 or were hired prior to January 1, 1986 are grandfathered under the pre-January 1, 2012 contribution percentages. Pre-January 1, 2012 contribution percentages for participants hired after 1985 are 10 percent of the individual coverage premium and for dependents 25 percent of the difference between individual and couple coverage premiums. Participant percentages are higher for employees not eligible to retire as of January 1, 2012 and are dependent upon hire date and years of service.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors. Assets are held in a Voluntary Employee Benefit Association (VEBA) trust and are considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards. The plan issued stand-alone financial statements for the 2011 calendar year.

The Research Foundation's OPEB obligation and funded status of the plan for the years ended June 30, 2012, 2011, and 2010, respectively, were as follows (in thousands):

Notes to Financial Statements

June 30, 2012 and 2011

8. Retirement Plans (continued)

	2012	2011	2010
Annual OPEB cost	$ (14,726)	18,727	37,843
Benefits paid	(9,638)	(7,276)	(6,341)
Contribution to plan	(6,816)	(8,829)	(9,241)
Change in OPEB Obligation	(31,180)	2,622	22,261
Net obligation at beginning of year	213,660	211,038	188,777
Net obligation at end of year	$ 182,480	213,660	211,038
Funded Status:			
Actuarial accrued liability (AAL)	298,166	278,695	290,340
Actuarial value of OPEB plan assets	106,602	101,424	80,446
Unfunded AAL (UAAL)	$ 191,564	177,271	209,894
Actuarial valuation date	6/30/12	6/30/11	6/30/10
Funded ratio	36%	36%	28%
Covered payroll	245,039	241,069	237,838
UAAL as a % of covered payroll	78%	74%	88%

The components of the Research Foundation OPEB obligation at June 30, 2012 include the total annual required contribution (ARC) of $198.9 million (comprised of service costs of $9.2 million and amortization of unfunded actuarial accrued liability of $189.7 million), ARC reduction of $228.6 million, and interest costs of $15.0 million. The unfunded actuarial accrued liability is amortized over one year. The cost of the benefits provided under this plan is recognized on an actuarially determined basis using the projected unit cost method. Under this method, actuarial assumptions are made based on employee demographics and medical trend rates to calculate the accrued benefit cost. The actuarial assumptions include a 7 percent discount rate, and an initial healthcare cost trend rate range of 6.5 to 7.5 percent grading down to 5 percent in 2018 and later. A blended discount rate was utilized using the expected investment return on investments of the plan and investments held in the operational pool expected to be used to fund future OPEB obligations.

9. Commitments

The State University has entered into contracts for the construction and improvement of various projects. At June 30, 2012, these outstanding contract commitments totaled approximately $1.9 billion.

The State University is also committed under numerous operating leases covering real property and equipment. The Research Foundation also contracts with various entities to lease space as part of its mission to support the State University research and university-industry-government partnerships. Rental expenditures reported for the years ended June 30, 2012 and 2011 under such operating leases were $59.4 million and $52.9 million, respectively. The following is a summary of the future minimum rental commitments under non-cancelable real property and equipment leases with terms exceeding one year (in thousands):

Year ending June 30:

2013	$ 72,492
2014	83,956
2015	79,135
2016	71,830
2017	65,963
2018-22	229,092
2023-27	47,113
2028-98	58,341
Total	$ 707,922

10. Contingencies

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims

Notes to Financial Statements

June 30, 2012 and 2011

10. Contingencies (continued)

against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the medical malpractice liability includes incurred but not reported (IBNR) loss estimates. The estimate of IBNR losses is actuarially determined based on historical experience using a discounted present value of estimated future cash payments. The State University has recorded a liability and a corresponding appropriation receivable of approximately $502 million and $463 million at June 30, 2012 and 2011, respectively (almost entirely related to hospitals and clinics).

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

11. Related Parties

The State University's single largest source of revenue is State appropriations. State appropriations take the form of direct assistance, debt service on educational facility and PIT bonds, fringe benefits for State University employees, and litigation expenses for which the State is responsible. State appropriations totaled $2.93 billion and $2.92 billion and represented approximately 31 percent and 32 percent of total revenues for the 2012 and 2011 fiscal years, respectively. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

12. Federal Grants and Contracts and Third-Party Reimbursement

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government. Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from their established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payors cost reimbursement items.

13. Subsequent Events

The State University was a defendant in litigation to resolve a dispute over the price paid for land in an eminent domain action. The New York Court of Claims issued an opinion awarding the plaintiff what it was seeking plus interest. In July, 2012, the plaintiff was paid $167.5 million, which was recorded as a liability at June 30, 2012.

In September 2012, the State University entered into agreements with DASNY to issue obligations totaling $235 million for the purpose of financing capital construction and major rehabilitation for residential hall facilities and to refinance the State University's existing residential hall obligations.

Personal Income Tax Revenue Bonds were also issued in October 2012 for the purpose of financing capital construction and major rehabilitation for educational facilities and to refinance the State University's existing educational facility obligations in the amount of $495 million.

Notes to Financial Statements

June 30, 2012 and 2011

13. Subsequent Events (continued)

In September 2012, the State University provided a loan of $75 million to the SUNY Health Science Center at Brooklyn pursuant to an approved SUNY Board of Trustees resolution. Funds were made available for the loan from State University unrestricted reserves. The term of the loan is not to exceed 10 years after repayment of the loan begins.

14. Foundations

Discretely presented component unit information is comprised principally of the campus-related foundations. These foundations are nonprofit organizations responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of campuses, the State University and its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. In addition, the reported amounts include foundation student housing corporations, nonprofit organizations that operate and administer certain housing and related services for students. All the foundations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual audited financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a June 30 fiscal year end.

In May 2011, the State University acquired Long Island College Hospital (LICH) through an asset purchase agreement. As part of this agreement, the Health Science Center at Brooklyn Foundation, Inc. (HSCB) recognized $32.7 million in assets from this acquisition. In addition, a separate corporation, Staffco of Brooklyn, LLC (Staffco) was created. Staffco is a single member corporation of HSCB and was established to provide professional and non-professional staffing to the SUNY Health Science Center at Brooklyn.

During the years ended June 30, 2012 and 2011, the foundations distributed $64.2 million and $43.2 million, respectively, to the State University, principally for scholarships and support of campus program activities.

Separately issued financial statements of the foundations and other related entities may be obtained by writing to:

The State University of New York
Office of the University Controller
State University Plaza, N-514
Albany, New York 12246

Net Asset Classifications

Unrestricted net assets represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University campus and foundation programs and activities. Temporarily restricted net assets represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or are removed by specific actions. Permanently restricted net assets represent resources that donors have stipulated must be maintained permanently. The income derived from the permanently restricted net assets is permitted to be spent in part or in whole, restricted only by the donors' wishes.

NYPMIFA has been adopted by all of the foundations. Under the accounting standards, the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until appropriated for expenditure. This requirement resulted in a reclassification from unrestricted net assets to temporarily restricted net assets. This represented the unappropriated portion of permanently restricted endowments whose earnings are designated by donors for the unrestricted use of the foundations.

Notes to Financial Statements

June 30, 2012 and 2011

14. Foundations (continued)

Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investments of the State University foundations were $1.5 billion and $1.4 billion as of June 30, 2012 and 2011, respectively.

The composition of investments is as follows (in thousands):

	2012	2011
Equities - domestic	$ 464,931	430,246
Equities - international	227,848	243,350
Non-equities	381,602	315,194
Hedge funds	155,101	145,176
Multi-strategy funds	99,758	99,084
Equity partnerships	98,293	84,501
Real assets	56,825	58,584
Other investments	10,094	10,884
Total investments	$ 1,494,452	1,387,019

Capital Assets

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled $502.9 million and $481.3 million at fiscal year end 2012 and 2011, respectively. Capital asset classifications are summarized as follows (in thousands):

	2012	2011
Land and land improvements	$ 38,567	32,935
Buildings	548,345	390,746
Equipment	28,007	23,814
Artwork and library books	23,502	22,932
Construction in progress	2,719	129,510
Total capital assets	641,140	599,937
Less accumulated depreciation	138,259	118,595
Capital assets, net	$ 502,881	481,342

Long-term Debt

The foundations have entered into various financing arrangements, principally through the issuance of Industrial Development Agency bonds and Housing Authority bonds, for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:	
2013	$ 46,593
2014	10,719
2015	10,410
2016	10,623
2017	11,244
Thereafter	367,927
	$ 457,516

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ANNUAL FINANCIAL REPORT 2012

The State University of New York
State University Plaza
Albany, NY 12246
www.suny.edu

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AND DEVELOPMENT AGREEMENT

The following is a brief summary of certain provisions of the Financing and Development Agreement pertaining to the 2013A Bonds and the Dormitory Facilities. Such summary does not purport to be complete and reference is made to the Financing and Development 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.

Assignment and Consideration

The State University simultaneously with the execution of the Financing and Development Agreement shall execute and deliver to the Authority an assignment assigning to the Authority all of the State University's rights, title and interest in and to the Dormitory Facilities Revenues and the State University's right to receive the Dormitory Facilities Revenues. As consideration for such assignment, the State University shall be entitled to the continuing right to receive the Residual Dormitory Facilities Revenues as provided in the Financing and Development Agreement, and the Authority agrees to use its best efforts to sell and issue Bonds from time to time for the benefit of the State University and to apply the proceeds thereof for one or more of the purposes for which Bonds are permitted by the Resolution to be issued and to apply the proceeds thereof for such purposes. Notwithstanding the foregoing, the Authority shall not be obligated to issue Bonds and the failure of the Authority to issue Bonds shall not release the State University from any of the provisions of the Financing and Development Agreement.

(Section 2.01)

Establishment of Fees and Charges

(a) The Authority appoints the State University as its agent to establish and impose rents, charges and fees charged students and other persons for use and occupancy of each Dormitory Facility. The State University may designate the chief fiscal officer of each college or other institution, or such other officer or employee of such college or institution as the State University may designate, to establish and impose such rents, charges and fees. Subject to the rights of the Authority pursuant to the Lease and Agreement, the amounts, time and manner of payment of all rents, charges and fees charged students and other persons relating to Dormitory Facilities, including rentals charged students and other persons for occupancy of rooms in the Dormitory Facilities, shall be fixed by the State University; provided, however, that the amounts, time and manner of payment thereof shall comply with the provisions of the Financing and Development Agreement described below under the heading "Rents, Fees and Charges."

(b) Notwithstanding the foregoing, the State University and the Authority, upon exercise by the Authority of the remedies provided in the Lease and Agreement or upon the termination of the Lease and Agreement, each agree that:

(i) The Authority, upon thirty (30) days prior written notice to the State University, may revise the amount of any rents, charges and fees charged students and other persons for the use or occupancy of one or more Dormitory Facilities. The State University, at any time, shall have the right to consult with the Authority concerning the amounts fixed or to be fixed for such rents, charges and fees.

(ii) The State University shall adopt and amend from time to time, as it may consider to be necessary, rules and regulations requiring suspension of any student or other person who shall fail to make payment of any such rents, charges and fees on or before the date when due; provided, however, that the State University, with the written approval of the Authority in any case involving undue hardship, may extend the time within which payment thereof must be made. In the event that a student shall withdraw, be dismissed, or for any other reason cease to be enrolled prior to the expiration of a semester, such student shall be entitled to a rebate of so much of the rents, charges and fees, which are due and owing or have been paid for such semester, as the State University by rule or regulation shall have determined to be equitable under the circumstances.

(iii) The State University covenants to adopt and amend from time to time, as may be necessary, reasonable and proper rules and regulations to preserve good order in the Dormitory Facilities and to impose upon students and other persons charges for reimbursement for damage to, or destruction of any Dormitory Facility, which rules and regulations shall also require the appropriate authorities to take disciplinary action against any student or other person who shall violate any rules or regulations or who shall fail to pay any charge for such reimbursement imposed by the State University.

(Section 2.03)

Collection and Payment

The Authority appoints the State University as its agent to collect, receive, remit and account for all Dormitory Facilities Revenues. The State University may designate the chief fiscal officer of each college or other institution, or such other officer or employee of such college or institution as the State University may designate, to act on its behalf to collect, receive, remit and account for Dormitory Facilities Revenues. The State University covenants to diligently collect and enforce the obligations of each student or other person using or occupying a Dormitory Facility to pay the rents, fees or charges imposed by the State University for such use and occupancy. All Dormitory Facilities Revenues, as collected by the State University, acting by and through the officers designated as its agents for collection, shall be paid to the Commissioner for deposit to the Dormitory Facilities Revenue Fund.

If required by the Authority, any such officer or employee designated by the State University to collect, receive, remit and account for Dormitory Facilities Revenues pursuant to the Financing and Development Agreement, shall annually execute and file with the Authority a bond conditioned that such officer or employee will truly keep, pay over, and account for all Dormitory Facilities Revenues belonging to the Authority coming into the hands of such officer or employee as the Authority's agent. Such bond shall be in such form and such amount and issued by such sureties as the Authority may require and approve. The Authority at any time may require such agent to file a new bond for such bond with such sureties as the Authority may approve. Any expense occasioned by the execution of a bond required pursuant to the Financing and Development Agreement shall be paid by the Authority.

(Section 2.04)

Residual Dormitory Facilities Revenues

The Residual Dormitory Facilities Revenues on deposit in the Dormitory Facilities Revenue Fund during any Fiscal Year shall be paid to the State University at such times and in such amounts as the Authority and the State University shall direct by written direction to the Commissioner. The amounts so paid shall be free and clear of any pledge, lien or charge thereon created by the Resolution or the 1995 Resolution, and shall be the absolute property of the State University available to it for any lawful purpose of the State University, including, but not limited to, the costs of operating, maintaining, repairing and replacing Dormitory Facilities, and their fixtures furnishings and equipment. The Authority agrees to cooperate with the State University in determining the amount of Residual Dormitory Facilities Revenues that are on deposit in the Dormitory Facilities Revenue Fund from time to time, and to execute and deliver all documents and instruments, if any, as may be reasonably required by the Commissioner as a condition to payment of Residual Dormitory Facilities Revenues. Further, the Authority covenants and agrees to prepare and submit to the Commissioner, on or prior to June 1 of each Fiscal Year and in such form as the Commissioner may reasonably require, the certification required by Section 1680–q(3)(c) of the Act.

(Section 2.05)

Construction of Facilities

The Authority, subject to the availability of money therefor in the Construction Account, shall acquire, design, construct, reconstruct, rehabilitate, improve, furnish and equip the Dormitory Facilities as provided in the Financing and Development Agreement; *except* that in the case of a Dormitory Facility that is a "Defeased Facility" within the meaning of the Lease and Agreement, the Authority shall acquire, design, construct, reconstruct, rehabilitate, improve, furnish and equip the Defeased Facilities as directed by the State University using only the money made available to it for such purpose.

Unless otherwise agreed by the Authority and the State University with respect to a Dormitory Facility as set forth in the Financing and Development Agreement with respect to University Facilities, the Authority shall be responsible for the design, acquisition, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of the Dormitory Facilities, supervision of construction, acceptance of a completed Dormitory Facility or part thereof, and all other matters incidental to performance of the duties and powers expressly granted in the Financing and Development Agreement to the Authority in connection with the acquisition, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of the Dormitory Facilities.

(Section 3.02)

Payment of Costs of the Facilities

(a) Costs of the Facilities shall be paid by the Authority from amounts held in the Construction Account established by the Resolution upon receipt:

(i) in the case of Authority Facilities, of a valid invoice or contractor requisition, approved in accordance with the Authority's policies and procedures, stating the name of the payee, the purpose of the payment in terms sufficient for identification, and the amount of the payment; and

(ii) in the case of University Facilities, of a certificate executed by an Authorized Officer of the State University requesting payment or reimbursement for Costs of such Facilities, (A) identifying each of the University Facilities in connection with which payment or reimbursement is to be made, (B) describing in reasonable detail the vendor, the invoice(s) to be paid, the purpose or purposes for which such payment or reimbursement is to be made by the Authority, (C) stating that each such purpose constitutes a necessary part of the Costs of such Facilities, and (D) submitting with such certificate, a W-9 for each vendor as well as any of the information needed by the Authority to make any such payment.

(b) The Authority covenants to pay or reimburse the State University, from the proceeds of Bonds, if available, for amounts advanced or expenses incurred by the State University if reimbursement thereof will not adversely affect the exclusion of interest on any Bonds from gross income for purposes of federal income taxation. The State University agrees to submit to the Authority the documents required by paragraph (a) above and such other documents as may be reasonably required by the Authority to establish the amount and purposes of such advances or expenses and to enable the Authority to make payment or reimbursement thereof in accordance with the provisions of the Resolution relating to the application of money in the Construction Account.

(Section 3.06)

Operation, Maintenance and Repair

Except as otherwise provided in and subject to the provisions of the Lease and Agreement, the State University shall be responsible for, and pay all costs of, operating the Dormitory Facilities, maintaining them in good condition, and making all necessary repairs and replacements, interior and exterior, structural and non–structural; *provided, however,* that the State University shall not be obligated to pay the costs thereof paid by any person (other than the Authority) to whom a Dormitory Facility has been sublet in accordance with the Lease and Agreement.

(Section 4.01)

Budget and Capital Plan

The State University covenants that not less than thirty (30) days prior to the commencement of each Fiscal Year it will prepare and submit to the Authority, and thereafter implement: (i) a budget for the such Fiscal Year, which provides adequate funds for the operation and maintenance of each Dormitory Facility in good condition and for the making of all necessary repairs and replacements; (ii) a Capital Plan that will provide adequate resources for all necessary repairs and replacements of the Dormitory Facilities; and (iii) a certification that the budget and capital plan submitted to the Authority complies with the requirements described in this paragraph of the Financing and Development Agreement, and that the State University is in compliance with all other requirements of the Financing and Development Agreement and of the Lease and Agreement.

(Section 4.02)

Additions, Enlargements and Improvements

The State University shall have the right at any time and from time to time, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Dormitory Facility, as the State University shall deem necessary or desirable in connection with the use thereof; *provided, however,* that no addition to or enlargement, improvement, expansion, repair, reconstruction or restoration of, a Dormitory Facility which requires structural change of the Dormitory Facility, or which modifies or changes any aspect or feature thereof designed or intended to protect the life or provide for the safety of the occupants of the Dormitory Facility, shall be made by the State University without the prior written consent of the Authority. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Dormitory Facility or its use as a Dormitory Facility. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so that the Dormitory Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, a Leased Property shall be and become a part of the Leased Property and be the property of the Authority.

(Section 4.04)

Additional Rights of the State University

The Authority agrees that the State University shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such standard office partitions, railings, doors, gates, counters, lighting fixtures, gasoline or natural gas storage tanks and pumps, signs and such other equipment in or upon a Dormitory Facility as may in State University's judgment be necessary for its purposes together with the non–exclusive rights, options and privileges with others in connection with Permitted Encumbrances, to erect towers (together with all necessary guy wires and anchors), antennas and associated communications equipment on the exterior portion of buildings. It is further understood and agreed that anything erected or installed under the provisions of the Financing and Development Agreement by the State University shall be and remain the personal property of the State University and shall not become part of the Leased Property, and may be removed, altered or otherwise changed, upon or before the termination of the Financing and Development Agreement.

(Section 4.05)

Insurance

(a) At the times specified in the Financing and Development Agreement the Authority shall, to the extent reasonably obtainable, maintain or caused to be maintained with responsible insurers, approved by the Authority, for the benefit of the Authority and the State University, the following kinds and the following amounts of insurance with respect to each Dormitory Facility, with such variations as shall reasonably be required to conform to customary insurance practice and approved by the Authority:

(i) Builder's Risk Insurance which will protect against loss or damage resulting from fire and lightning, the standard extended coverage perils, and vandalism and malicious mischief. The limits of liability shall be on a one hundred per centum (100%) completed value basis on the insurable value of such Facility, including materials connected therewith whether in or adjacent to the structure insured and materials in place or to be used as part of the permanent construction. Such insurance shall be maintained until the insurance required by subparagraph (iv) below has been obtained. All such policies required by this subparagraph shall name the Authority and the State University as named insured, as their respective interests may appear;

(ii) Comprehensive Boiler and Machinery Insurance under the customary form of policy in use in the State providing coverage in an amount and with such deductibles, if any, as may be acceptable to the Authority. Such insurance shall be maintained commencing on the date such Dormitory Facility is occupied or any object insured thereunder is accepted. All such policies required by this subparagraph shall name the Authority and the State University, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of any loss to be made payable, except as may otherwise be required by Financing and Development Agreement, directly to the Authority for use in accordance with the Financing and Development Agreement;

(iii) Comprehensive General Liability Insurance as broad as the standard coverage form in use in the State which shall not be circumscribed by any endorsements limiting the breadth of coverage which is not approved in writing by the Authority. The policy shall include an endorsement (broad form) for contractual liability and shall name the Authority and the State University as named insureds, as their respective interests may appear. Limits of liability shall not be less than a combined limit of $2,000,000 per occurrence for bodily injury liability and property damage liability with such deductible amounts per person and in the aggregate as shall be acceptable to the Authority. Such insurance shall be maintained at all times during the Lease Term;

(iv) Property Insurance in an amount not less than eighty per centum (80%) of the full replacement cost of the Dormitory Facility (meaning replacement cost without allowance for depreciation), exclusive of excavations, foundations and similar property customarily excluded under the standard coverage form in use in the State and providing for protection against loss resulting from fire, lightning, the standard extended coverage insurance perils, vandalism and malicious mischief. All such policies required by this subparagraph shall name the Authority and the State University as named insured, as their respective interest may appear and shall contain standard clauses which provide for the net proceeds of any loss to be made payable, except as may otherwise be required by the Financing and Development Agreement, directly to the Authority for use in accordance with the Financing and Development Agreement. Such insurance with respect to any building or improvement shall be maintained at all times after completion of construction thereof; and

(v) Business Interruption Insurance in an amount agreed to by the parties to the Financing and Development Agreement during such time or times as the use of all or any of the Dormitory Facilities or any part thereof may be totally or partially interrupted as a result of damage or destruction resulting from perils insured against as described in subparagraph (iv) above. All such insurance shall be carried for the benefit of the Authority and shall name the Authority as the named insured. Each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Commissioner for deposit to the Dormitory Facilities Revenue Fund.

(b) In addition to the foregoing insurance to be obtained by the Authority, the State University shall provide Worker's Compensation and Employers Liability Insurance and each other form of insurance from injuries, sickness, disability or death of employees as the State University may be required by law to provide.

(c) All insurance policies obtained by the Authority under the Financing and Development Agreement shall be open to inspection by the State University, the 1995 Trustee and the Trustee at all reasonable times. A complete description of all such policies shall be furnished annually by the Authority to the State University, the 1995 Trustee and the Trustee, and if any change shall be made in any such insurance, a description and notice of such change shall be furnished by the Authority to the State University, the 1995 Trustee and the Trustee at the time of such change. If, after consultation with the State University, a loss deductible for insured property perils or liability is selected and incorporated into the Authority's property or liability coverages, the State University shall then be responsible for the amount of the deductible that the Authority shall incur from each loss for insured perils or liability.

(d) Notwithstanding any of the foregoing provisions described under the heading "Insurance," the Authority shall not be required to obtain or maintain any class or type of insurance required by the Financing and Development Agreement for which it is authorized and able to provide and maintain an appropriate substitute self–insurance arrangement under which the State University and the Authority would be fully protected from loss or general public liability arising from its ownership or interest in the Dormitory Facilities, or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Dormitory Facilities upon damage, loss or destruction thereof, to the extent equivalent to that described in clauses (i) through (iv), inclusive, of paragraph (a) above. No such arrangement or arrangements shall be substituted for the insurance required to be obtained and maintained pursuant to the foregoing provisions under the heading "Insurance," unless and until each such arrangement shall have been recommended by an insurance consultant selected by the Authority.

(e) In lieu of separate policies, the Authority may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required in the Financing and Development Agreement, in which event it shall deposit with the State University a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Facilities.

(f) The State University assumes all risks that the proceeds of any insurance may be inadequate to repair, reconstruct or restore the Dormitory Facilities or fully to indemnify the State University or Authority against or to reimburse the State University or the Authority for any loss, liability, claim or judgment arising out of any risk, peril or insurable loss under the insurance required by the Financing and Development Agreement.

(Section 4.06)

Use of Facilities

The State University will not sell, sublease or otherwise dispose of, encumber or permit the use of a Dormitory Facility if the same would adversely affect the exclusion of interest on any of the Bonds issued under the Resolution from gross income for purposes of federal income taxation. Prior to permitting any use other than by the State University in furtherance of its educational purposes or entering into any lease or sublease or disposing of any Dormitory Facility, the State University shall give not less than thirty (30) days prior written notice thereof to the Authority.

(Section 7.03)

Covenant Not to Affect the Tax Exempt Status of the Bonds

The State University (i) will take no action, or permit any action to be taken, with respect to a Dormitory Facility which will impair the exclusion of interest on any Bond from gross income for purposes of federal income taxation; (ii) invest or otherwise use the proceeds of any Bonds in a manner which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to any Bond; or (iii) purchase or permit the purchase by any "related person," as defined in Section 147(a) (2) of the Code, pursuant to an arrangement, formal or informal, of any Bonds in an amount related to the amount of any obligation to be acquired by the Authority from the State University. In addition, the State University shall keep detailed records relating to (i) the use of the proceeds of the Bonds paid to the State University for payment of Costs of each State University Facility sufficient to identify the amount of proceeds from each Series of Bonds have been expended for Costs of such University Facility, and (ii) the non-governmental use and occupancy of each Dormitory Facility and the period of time over which such use continued.

(Section 7.04)

Creation of Liens

The State University shall not create, cause to be created or suffer or permit the creation of any lien or charge on the Dormitory Facilities Revenues.

(Section 7.10)

Rents, Fees and Charges

The State University covenants that the rents, fees and charges established and imposed by it and payable during each Fiscal Year for the use and occupancy of Dormitory Facilities shall be at least sufficient at all times: (i) to pay when due the Rentals payable by the State University during such Fiscal Year pursuant to the Lease and Agreement, (ii) to pay when due, interest on Outstanding Bonds payable during such Fiscal Year and the principal or Sinking Fund Installments of all Outstanding Bonds payable on or prior to July 1 of the next succeeding Fiscal Year; (iii) to pay the costs of operation, maintenance, repair and replacement of the Dormitory Facilities budgeted by the State University for such Fiscal Year; (iv) to maintain the Dormitory Income Account Reserve at the Dormitory Income Account Reserve Requirement; (v) to maintain the Operation and Maintenance Reserve and the Repair and Rehabilitation Reserve at their respective requirements; and (vi) to pay the Administrative Expenses for such Fiscal Year. For the purpose of the preceding sentence, the amounts referred to in (i), (ii), (iv), (v) and (vi) above for a Fiscal Year shall be the amounts set forth in the certification made by the Authority and delivered to the Commissioner and the State University on or before June 1 immediately preceding such Fiscal Year pursuant to §1680–q(3)(c) of the Act.

(Section 7.11)

Covenant to Deliver Certificate Required by Resolution

Upon request of the Authority, the State University shall deliver to the Authority a certificate, as required by the Resolution in connection with the issuance by the Authority of additional bonds under the Resolution, detailing the Operating Expenses of the State University for each of the two immediately preceding Fiscal Years.

(Section 7.13)

Events of Default

An "event of default" or a "default" shall mean, whenever they are used in the Financing and Development Agreement, any one or more of the following events:

(a) Failure by the State University to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the State

University by the Authority, unless by reason of the nature of such failure the same cannot be remedied within such thirty (30) day period and the State University has within such period commenced to take appropriate actions to remedy such failure and is diligently prosecuting such actions;

(b) Any representation or warranty of the State University contained in the Financing and Development Agreement shall have been at the time it was made or is thereafter untrue in any material respect;

(c) The State University shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the State University seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it for any substantial part of its property; or the State University shall authorize any of the actions set forth above in this subparagraph (c); or

(d) An order or decree appointing a receiver of one or more of the Dormitory Facilities or any part thereof shall be entered with the consent or acquiescence of the State University or such order or decree shall be entered without the acquiescence or consent of the State University if it shall not be vacated, discharged or stayed within ninety (90) days after entry.

(Section 8.01)

Remedies

Whenever any event of default referred to above under the heading “Events of Default” shall have happened and be continuing, the Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the State University under the Financing and Development Agreement.

(Section 8.02)

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2013A Bonds and the Project. 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.

Contract with Bondholders

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 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 Obligations and Refunding Bonds

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

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

Except as otherwise provided in the Resolution as described below under the heading “Creation of Liens”, 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.

(Sections 2.04 and 2.05)

Pledge

The Pledged Assets are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge made by the Resolution is subject and subordinate only to the pledge of the Dormitory Facilities Revenue Fund and the Dormitory Facilities Revenues in the Dormitory Facilities Revenue Fund made by the Authority pursuant to the Prior Resolution. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the Pledged Assets 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.

(Section 5.01)

Establishment of Funds and Accounts

The following funds and accounts are established by the Resolution and, except for the Construction Account, which shall be held and maintained by the Authority, shall be held and maintained by the Trustee:

Construction Fund;
  Construction Account;
  Costs of Issuance Account; and
  Capitalized Interest Account;
Debt Service Fund; and
Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution or any Bond Series Resolution, the Authority may for purposes of internal accounting establish such other accounts or subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; *provided, however*, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of the Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of the proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified in the Resolution and in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in the Construction Account, the Costs of Issuance Account and the Capitalized Interest Account of the Construction Fund the respective amounts required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall deposit in the Construction Account any money paid to it pursuant to the Resolution, including the proceeds of any insurance of condemnation award. Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance of the Bonds, Capitalized Interest on the Bonds and the Costs of the Facilities.

Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment.

Upon written direction of an Authorized Officer of the Authority, the Trustee shall on or before an interest payment date transfer money from the Capitalized Interest Account to the Debt Service Fund in the amount specified in such direction.

Payments for Costs of a Facility shall be made by the Authority in accordance with the Financing and Development Agreement.

(Section 5.04)

Deposit and Allocation of Revenues

The Revenues shall upon receipt by the Trustee be deposited or paid by the Trustee as follows in the following order of priority:

First: To the Debt Service Fund (a) the amount necessary to make the amount in the Debt Service Fund equal to the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider;

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

Fourth: 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 and Paying Agents, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Dormitory Facilities, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Financing and Development Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

(Section 5.05)

Debt Service Fund

The Trustee shall on each interest payment date out of the Debt Service Fund:

(a) the interest due and payable on all Outstanding Bonds on such interest payment date;

(b) the principal amount due and payable on such interest payment date on all Outstanding Bonds; and

(c) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds on such interest payment date.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased and 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.

Money in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of and interest on Outstanding Bonds payable on and prior to the next succeeding July 1 assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of any Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund, such money shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority given pursuant to the Resolution to the redemption of Bonds as provided in the Resolution, at the Redemption Prices specified in the applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the Authority for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in the Facilities Account at such times and in such amounts as set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date on which all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by 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 the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Investment of Funds and Accounts

Money held under the Resolution by the Trustee or the Authority, if permitted by law, shall, as nearly as may be practicable, be invested in Government Obligations, Federal Agency Obligations 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. Investments to be made by the Trustee pursuant to the Resolution as described in this paragraph shall be made 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).

Permitted Investments purchased as an investment of money in any fund or account 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.

In computing the amount in any fund or account under the provisions of this section, Permitted Investments shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

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.

(Section 6.02)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the Pledged Assets; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurred 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 the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Pledged Assets which are of equal priority with the lien created and the pledge made by the Resolution.

(Section 7.06)

Events of Default

Each of the following constitutes an "event of default" under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installment or Redemption Price of or interest on any Bond shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) Payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Bonds of any Series, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (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 to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(e) An "Event of Default" under and as defined in the Prior Resolution has occurred and is continuing; or

(f) With respect to a Tax Exempt Bond, there has been a Determination of Taxability.

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default (other than under paragraph (c) and paragraph (f) of the provision of the Resolution summarized above under the caption *"Event of Default"*), then and in every such case the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall, by a notice in writing to the Authority, 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 from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in the Bonds or any Series Resolution to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this section) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution, the Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph (c) and paragraph (f) of the provision of the Resolution summarized above under the caption *"Event of Default"*, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution 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 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.

In the enforcement of any remedy under the Resolution and under each Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of any Series Resolution or of the Bonds, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution and in any Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Resolution), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

(a) Unless the principal of all the Bonds has become or been declared due and payable, all such money shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

The provisions of this section are in all respects subject to the provisions of the Resolution.

Whenever money is to be applied by the Trustee pursuant to the provisions of this section, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with this section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

(Section 11.05)

Termination of Proceedings

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Provider, the State University and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or in the case of an event of default described in subparagraph (c) under the heading "Event of Default" above, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Resolution and under each Series Resolution, provided such direction shall be in accordance with law or the provisions of the Resolution and of each Series Resolution and the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

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, or, in the case of an event of default under paragraph (b) of the provision of the Resolution summarized above under the caption *"Event of 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. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Modification and Amendment Without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

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

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, 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 Pledged Assets or of any other money, securities or funds;

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

(g) 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 Holders 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 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.

(Section 9.02)

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 set forth in the provision of the Resolution summarized below under the caption *"Consent of Bondholders"*, (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 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 if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(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 to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption *"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 thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in this section. 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 that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds 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 Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for below 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 the 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 in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

(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 under the Resolution 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 and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to Bondholders either by mailing or publication shall be required.

(Section 10.03)

Amendment of Agreements

The Financing and Development Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; ***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 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; ***provided, further,*** that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by the Resolution.

The Financing and Development Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any Dormitory Facilities or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Financing and Development Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Financing and Development Agreement. Except as otherwise provided in this Section, the Financing and Development Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of 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 or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond 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 particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **"Winning Bid Rate"** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of this Section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Financing and Development Agreement or the Lease and Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the State 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.

Bonds owned or held by or for the account of the Authority or the State University shall not be deemed Outstanding for the purpose of the consent provided for in this Section, and neither the Authority nor the State 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.

(Section 7.11)

Defeasance

If the Authority shall pay or cause to be paid to the Holders of the 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 Pledged Assets to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. The securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Financing and Development Agreement.

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. 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 the preceding paragraph if (a) in case any of such 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, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such 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 an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such 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 such Bonds. 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 the 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 such 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 such Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Financing and Development Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, 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 (b) of the preceding paragraph, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage

Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; and third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the second paragraph of this section only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to the second paragraph 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. 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 each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, the remaining balance to or upon the order of the Authority. Any money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

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 such 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 and the Holders shall look only to the Authority for 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 remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

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FORM OF APPROVING OPINION OF BOND COUNSEL

[Dated the Date of Issuance]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $440,025,000 aggregate principal amount of State University of New York Dormitory Facilities Revenue Bonds, Series 2013A (the "Series 2013A 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").

The Series 2013A Bonds are being issued and sold pursuant to the Act, the State University Dormitory Facilities Revenue Bond Resolution, adopted by the Authority on May 15, 2013 (the "Resolution"), the Series 2013A Resolution Authorizing the Issuance of a Series of State University Dormitory Facilities Revenue Bonds in an amount not to exceed $615,000,000, adopted by the Authority on May 15, 2013 and amended and restated on June 26, 2013 (the "Series 2013A Resolution"), and the Bond Series Certificate, dated as of August 22, 2013, relating to the Series 2013A Bonds (the "Bond Series Certificate"). Said resolutions and the Bond Series Certificate are herein collectively called the "Resolutions." Capitalized terms used but not defined herein have the respective meanings given to them in the Resolutions.

The Series 2013A 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 2013A Bonds are being issued for the purposes set forth in the Resolutions.

The Authority is authorized to issue Bonds, in addition to the Series 2013A Bonds, only upon the terms and conditions set forth in the Resolutions and such Bonds, when issued, will with the Series 2013A Bonds be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolutions.

The Series 2013A Bonds are issuable in the form of fully registered Bonds in the denomination of $5,000 or integral multiples thereof. The Series 2013A Bonds are numbered consecutively from one upward in order of issuance.

The Series 2013A Bonds are dated their date of delivery and will bear interest at the rates and mature on July 1 of each of the years and in the principal amounts set forth below:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2014	$ 2,830,000	2.000%	2025	$30,380,000	5.000%
2015	6,805,000	5.000	2026	29,795,000	5.000
2016	10,180,000	4.000	2027	31,110,000	5.000
2017	13,540,000	5.000	2028	30,760,000	5.000
2018	1,365,000	3.000	2029	5,620,000	4.500
2018	19,830,000	5.000	2029	15,700,000	5.000
2019	17,500,000	5.000	2030	17,790,000	5.250
2020	21,730,000	5.000	2031	16,160,000	5.250
2021	2,265,000	3.125	2032	10,845,000	5.250
2021	21,200,000	5.000	2033	3,755,000	4.750
2022	24,475,000	5.000	2038	21,725,000	5.000
2023	27,855,000	5.000	2043	27,730,000	5.000
2024	29,080,000	5.000			

The Series 2013A Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as provided in the Resolutions.

Pursuant to an amendment to the Public Authorities Law and Education Law of the State of New York (Chapter 57of the Laws of 2013, Part B), the State University has executed an assignment, assigning all of its rights in and to the Dormitory Facilities Revenues to the Authority. The Authority and the State University of New York (the “State University”) have entered into a Financing and Development Agreement, dated as of May 15, 2013 (the “Agreement”), by which the State University is required to establish fees and charges for use and occupancy of the Dormitory Facilities and bill and collect Dormitory Facilities Revenues on behalf of the Authority. All Dormitory Facilities Revenues collected by the State University will be deposited in the Dormitory Facilities Revenue Fund and principal and Redemption Price of and interest on Outstanding Bonds, including the Series 2013A Bonds will be payable from the Dormitory Facilities Revenue Fund. The Pledged Assets have been pledged by the Authority for the benefit of the holders of the Outstanding Bonds, including the Series 2013A Bonds for the payment of the principal or Redemption Price of or interest on Outstanding 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 Bonds thereunder, including the Series 2013A Bonds.

2. The Series 2013A Resolution has been duly adopted in accordance with the provisions of the Resolution and is authorized and permitted by the Resolution. The Resolutions have been duly and lawfully adopted by the Authority, are in full force and effect and are legal, valid and binding obligations of the Authority enforceable in accordance with their terms.

3. The Series 2013A 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 2013A Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled, together with all other Bonds issued under the Resolutions, to the equal benefits of the Resolutions and the Act.

4. The Authority has the right and lawful authority and power to enter into the Agreement and the 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 2013A 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 2013A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2013A Bonds. Pursuant to the Series 2013A Resolution, the Agreement and the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code (the "Tax Certificate"), the Authority, and the State University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2013A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Authority and the State University have made certain representations and certifications in the Series 2013A Resolution, the Agreement and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

Under existing law, assuming compliance with certain covenants described herein, and the accuracy of the aforementioned representations and certifications, interest on the Series 2013A 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 with respect to individuals and corporations. Interest on the Series 2013A Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

We are further of the opinion that the difference between the principal amount of the Series 2013A Bonds maturing on July 1, 2021 bearing interest at 3.125%, on July 1, 2029 bearing interest at 4.50%, on July 1, 2033 bearing interest at 4.750%, on July 1, 2038 and July 1, 2043 (collectively the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2013A Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment.

6. Interest on the Series 2013A Bonds is exempt, by virtue of the Act, from personal income taxes of the State of New York and its political subdivisions, including The City of New York and the City of Yonkers.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Series 2013A Bonds and the Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

Except as stated in paragraphs 5 and 6 above, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2013A Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2013A Bonds, or the interest thereon, if any action is taken with respect to Series 2013A 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 Agreement by the State University. We have assumed the due authorization, execution and delivery of the Agreement by the State University.

Very truly yours,

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK • STATE UNIVERSITY OF NEW YORK DORMITORY FACILITIES REVENUE BONDS, SERIES 2013A

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