



**\$152,845,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**YESHIVA UNIVERSITY REVENUE BONDS**  
**SERIES 2022A**

**Dated: Date of Delivery**

**Due: July 15, as shown on the inside cover**

**Payment and Security:** The Dormitory Authority of the State of New York Yeshiva University Revenue Bonds, Series 2022A (the “Series 2022 Bonds”) are special limited obligations of the Dormitory Authority of the State of New York (“DASNY”) payable solely from and secured by a pledge of (i) certain payments to be made under the Loan Agreement (the “Loan Agreement”), dated as of the date of issuance of the Series 2022 Bonds, between Yeshiva University (the “University”) and DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the Series 2022 Bonds. The Series 2022 Bonds are to be issued under DASNY’s Yeshiva University Revenue Bond Resolution, adopted June 22, 2022 (the “Resolution”), the Series 2022A Resolution Authorizing Up To \$165,000,000 Yeshiva University Revenue Bonds, adopted June 22, 2022 (the “Series 2022 Resolution”) and the Certificate of Determination relating to the Series 2022 Bonds (the “Certificate of Determination”). The Resolution, the Series 2022 Resolution and the Certificate of Determination are collectively referred to herein as the “Resolutions”.

The Loan Agreement, assigned by DASNY to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), is a general, unsecured obligation of the University and requires the University to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, purchase price and Redemption Price of and interest on the Series 2022 Bonds.

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

**Description:** The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2022 Bonds will bear interest at the rates and will mature at the times and in the respective principal amounts shown on the inside cover hereof. Interest on the Series 2022 Bonds will be payable January 15, 2023 and each July 15 and January 15 thereafter, to the registered owners of the Series 2022 Bonds.

The Series 2022 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Individual purchases of beneficial interests in the Series 2022 Bonds will be made in Book-Entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2022 Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price and Purchase Price of and interest on such Series 2022 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See “PART 3 – THE SERIES 2022 BONDS – Book-Entry Only System” herein.

**Redemption or Purchase:** *The Series 2022 Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein.*

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

*The Series 2022 Bonds are offered when, as, and if issued and received by the Underwriters. The offer of the Series 2022 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the University by Andrew J. Lauer, Vice President for Legal Affairs, Secretary and General Counsel of the University, and by the University’s special counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York. DASNY expects to deliver the Series 2022 Bonds in definitive form in New York, New York, on or about July 20, 2022.*

**Goldman Sachs & Co. LLC**

**UBS**

**D.A. Davidson & Co.**

**\$152,845,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**YESHIVA UNIVERSITY REVENUE BONDS**  
**SERIES 2022A**

<u>Due</u> <u>July 15,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u> <sup>†</sup>
2028	\$1,190,000	5.000%	3.720%	65000BRB6
2029	1,695,000	5.000	3.880	65000BRC4
2030	2,200,000	5.000	4.030	65000BRD2
2031	2,705,000	5.000	4.160	65000BRE0
2032	3,210,000	5.000	4.290	65000BRF7

\$27,595,000 5.000% Term Bond Due July 15, 2037, to Yield 4.850%<sup>C</sup> CUSIP Number<sup>†</sup> 65000BRG5

\$35,445,000 5.000% Term Bond Due July 15, 2042, to Yield 4.950%<sup>C</sup> CUSIP Number<sup>†</sup> 65000BRH3

\$78,805,000 5.000% Term Bond Due July 15, 2050, to Yield 5.070% CUSIP Number<sup>†</sup> 65000BRJ9

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<sup>†</sup> CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems 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 2022 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 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2022 Bonds.

<sup>C</sup> Yield to the first optional redemption date of July 15, 2032 at a redemption price of 100%.

*No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriters to give any information or to make any representations with respect to the Series 2022 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriters.*

*This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The 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.*

*The information set forth herein relating to DASNY under the heading "PART 9 – DASNY" has been obtained from DASNY. All other information herein has been obtained by the Underwriters from the University and other sources deemed to be reliable by the Underwriters, and is not to be construed as a representation by DASNY or the Underwriters. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the University nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2022 Bonds or (3) the value or investment quality of the Series 2022 Bonds.*

*The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Series 2022 Project, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondholders' Risks, Continuing Disclosure and "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES AND INDEPENDENT ACCOUNTANTS' REPORT." As a condition to delivery of the Series 2022 Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2022 Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The University makes no representation as to the accuracy or completeness of any other information included in this Official Statement.*

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

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

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

*IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2022 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.*

*References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.*

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

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

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**OFFICIAL STATEMENT RELATING TO**  
**\$152,845,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**YESHIVA UNIVERSITY REVENUE BONDS**  
**SERIES 2022A**

**PART 1 - INTRODUCTION**

**Purpose of the Official Statement**

The purpose of this Official Statement, including the cover page, the inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“DASNY”) and Yeshiva University (the “University”), in connection with the offering by DASNY of \$152,845,000 aggregate principal amount of its Yeshiva University Revenue Bonds, Series 2022A ( the “Series 2022 Bonds”).

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

**Purpose of the Issue**

The Series 2022 Bonds are being issued for the purpose of providing funds which, together with other available moneys, will be used (i) to pay a portion of the costs of the Series 2022 Project (as defined below), (ii) to refund the outstanding Dormitory Authority of the State of New York Yeshiva University Revenue Bonds, Series 2009 (the “Series 2009 Bonds”) and the outstanding Dormitory Authority of the State of New York Yeshiva University Revenue Bonds, Series 2011A (the “Series 2011 Bonds”, and together with the Series 2009 Bonds, the “Refunded Bonds”) and (iii) to pay the Costs of Issuance of the Series 2022 Bonds. See “PART 4 – THE REFUNDING PLAN,” “PART 5 – THE SERIES 2022 PROJECT” and “PART 6 – ESTIMATED SOURCES AND USES OF FUNDS” herein.

**Authorization of Issuance**

The Series 2022 Bonds will be issued under and pursuant to DASNY’s Yeshiva University Revenue Bond Resolution, adopted June 22, 2022 (the “Resolution”), the Series 2022A Resolution Authorizing Up To \$165,000,000 Yeshiva University Revenue Bonds, adopted June 22, 2022 (the “Series 2022 Resolution”), the Certificate of Determination relating to the Series 2022 Bonds (the “Certificate of Determination”) and the Act. The Resolution, the Series 2022 Resolution and the Certificate of Determination are collectively referred to herein as the “Resolutions.”

In addition to the Series 2022 Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the “Bonds”) to, among other things, pay other Costs of one or more Projects, to pay Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University, and to refinance other indebtedness of the University. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2022 Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS” herein.

## **DASNY**

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

### **The University**

The University is an independent, not-for-profit institution of higher education accredited by the Middle States Association of Colleges and Schools. Approximately 5,400 students attend the University’s undergraduate, graduate and professional schools and programs located in several locations in New York City. See “PART 7 - THE UNIVERSITY” herein and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES AND INDEPENDENT ACCOUNTANTS’ REPORT” attached hereto.

### **The Series 2022 Bonds**

The Series 2022 Bonds are dated their date of delivery and bear interest from such date, payable January 15, 2023 and on each July 15 and January 15 thereafter (each, an “Interest Payment Date”), at the rates and will mature as set forth on the inside cover page of this Official Statement. See “PART 3 – THE SERIES 2022 BONDS – Description of the Series 2022 Bonds” herein.

### **Payment of the Series 2022 Bonds**

The Series 2022 Bonds are special limited obligations of DASNY payable solely from the Revenues, which consist of certain payments to be made by the University under the Loan Agreement, dated as of the date of issuance of the Series 2022 Bonds, between the University and DASNY (the “Loan Agreement”). Pursuant to an Assignment dated the date of issuance of the Series 2022 Bonds (the “Assignment”), DASNY will assign, transfer and set over to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) all of DASNY’s right, title and interest in any and all moneys due to or to become due to DASNY and any and all other rights and remedies of DASNY (except for the Unassigned Rights and moneys payable to DASNY pursuant to the Unassigned Rights) under or arising out of the Loan Agreement. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Payment of the Series 2022 Bonds” herein.

**The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2022 Bonds except for DASNY’s responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2022 Resolutions and pledged therefor.**

### **Security for the Series 2022 Bonds**

The Series 2022 Bonds will be secured by the pledge and assignment to the Trustee of the payments to be made by the University under the Loan Agreement that constitute the Revenues and, except as otherwise provided in the Resolutions, of all funds and accounts established by the Resolutions in connection with the Series 2022 Bonds (other than the Arbitrage Rebate Fund).

The Loan Agreement is a general, unsecured obligation of the University. No security interest in or pledge of any revenues or assets nor mortgage of any assets of the University is being granted by the University to DASNY under the Loan Agreement. Other obligations of the University or related entities are secured by mortgages on University property, and the University may in the future incur indebtedness secured by a lien on or pledge of revenues of the University without granting to DASNY any such lien or pledge to secure the University’s obligations under the Loan Agreement. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS - Security for the Series 2022 Bonds” and “- Issuance of Additional Bonds” and “PART 8 - BONDHOLDERS’ RISKS – No Mortgages or Other Security for the Series 2022 Bonds” herein.



## **PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS**

*Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2022 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Assignment and the Resolutions. Copies of the Loan Agreement, the Assignment and the Resolutions will be on file with DASNY and the Trustee. See also "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto for a more complete statement of the rights, duties and obligations of the parties thereto.*

### **Payment of the Series 2022 Bonds**

The Series 2022 Bonds will be special limited obligations of DASNY. The principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2022 Bonds are payable solely from the Revenues. The Revenues consist of the payments required to be made by the University under the Loan Agreement to satisfy the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2022 Bonds. DASNY has pledged and assigned its rights to and interest in the Loan Agreement, and in all amounts payable by the University to DASNY pursuant to the Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Arbitrage Rebate Fund), to the Trustee pursuant to the Assignment as security for the payment of the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2022 Bonds.

The Loan Agreement is a general obligation of the University and obligates the University to make payments to satisfy the principal, Sinking Fund Installments, if any, Purchase Price and Redemption Price of and interest on the Series 2022 Bonds. Payments made by the University in respect of interest on the Series 2022 Bonds are to be made on the 5<sup>th</sup> Business Day prior to each Interest Payment Date in an amount equal to the interest coming due on such Interest Payment Date. Payments by the University in respect of principal of the Series 2022 Bonds, whether at maturity or through mandatory Sinking Fund Installments, are to be made on the 5<sup>th</sup> Business Day prior to the July 15 on which such principal becomes due. The Loan Agreement also obligates the University to pay, on or prior to a redemption date or purchase date of Series 2022 Bonds called for redemption or contracted to be purchased, the amount, if any, required to pay the Redemption Price or Purchase Price of such Series 2022 Bonds. See "PART 3 - THE SERIES 2022 BONDS - Redemption and Purchase in Lieu of Redemption Provisions" herein.

DASNY has directed the University, and the University has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2022 Bonds.

Pursuant to the Assignment, DASNY will assign, transfer and set over to the Trustee all of DASNY's right, title and interest in any and all moneys due to or to become due to DASNY and any and all other rights and remedies of DASNY (except for the Unassigned Rights and moneys payable to DASNY pursuant to the Unassigned Rights) under or arising out of the Loan Agreement.

### **Security for the Series 2022 Bonds**

The Series 2022 Bonds will be secured by the pledge of the Revenues and, except as otherwise provided in the Resolutions, all of the funds and accounts established pursuant to the Resolutions (other than the Arbitrage Rebate Fund).

The Series 2022 Bonds are not a debt of the State nor is the State liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2022 Bonds except for DASNY's responsibility to make payments from moneys received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolutions and pledged therefor.

The Series 2022 Bonds are payable solely from payments made by the University under the Loan Agreement. The Loan Agreement and the obligation of the University to make payments under the Loan Agreement are general, unsecured obligations of the University. No security interest in or pledge of any revenues or assets nor mortgage of any assets of the University is being granted by the University to DASNY under the Loan Agreement. The obligations of the University to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments are not to be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or

any right of set-off, recoupment or counterclaim which the University may otherwise have against DASNY, the Trustee or any Bondholder for any cause whatsoever.

Other obligations of the University or related entities are secured by mortgages on University property, and the University may in the future incur indebtedness secured by a lien on or pledge of revenues of the University without granting to DASNY any such lien or pledge to secure the University's obligations under the Loan Agreement.

### **Events of Default and Acceleration**

An event of default under the Resolution with respect to the Series 2022 Bonds will exist if: (i) payment of the principal, Sinking Fund Installments or Redemption Price of any Series 2022 Bond shall not be made by DASNY when the same shall otherwise become due and payable; (ii) payment of an installment of interest on any Series 2022 Bond shall not be made by DASNY when the same shall become due and payable; (iii) a Determination of Taxability shall have occurred and be continuing; (iv) DASNY shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution, the Series 2022 Bonds, or the Series 2022 Resolution on the part of DASNY 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 DASNY 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 25% in principal amount of the Outstanding Series 2022 Bonds, or if such default is not capable of being cured within thirty (30) days, if DASNY fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or (v) an "event of default" under the Loan Agreement shall have occurred and be continuing and all sums payable by the University under the Loan Agreement has been declared immediately due and payable, which declaration shall not have been annulled. Unless otherwise specified above, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that if an event of default (other than as described in clause (iii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Outstanding Series 2022 Bonds will, by notice in writing to DASNY and each Rating Service then rating the Outstanding Series 2022 Bonds, declare the principal of and interest on all of the Outstanding Series 2022 Bonds to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest on all of the Outstanding Series 2022 Bonds will become immediately due and payable anything in the Resolution or in the Series Resolution or in the Series 2022 Bonds to the contrary notwithstanding. At any time after the principal of the Series 2022 Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy hereunder, the Trustee will, with the written consent of the Holders of not less than 25% in principal amount of the Series 2022 Bonds not then due by their terms and then Outstanding, by written notice to DASNY, annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the University within five days, and to the Holders of the Series 2022 Bonds within 30 days, in each case after obtaining knowledge of the occurrence thereof, unless such event of default has been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of principal, Sinking Fund Installments or Redemption Price of or interest on any of the Series 2022 Bonds, the Trustee will be protected in withholding such notice thereof to the Holders of the Series 2022 Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Series 2022 Bonds.

### **Issuance of Additional Bonds**

In addition to the Series 2022 Bonds, the Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes, including to refund Outstanding Bonds or other notes or bonds of DASNY issued on behalf of the University or other indebtedness of the University. Each Series of Bonds will be separately secured from each other Series of Bonds under the Resolution by the pledge and assignment to the Trustee of the applicable revenues and the funds and accounts established pursuant to the Resolution and a series resolution. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2022 Bonds.

## **No Debt Service Reserve Fund**

No debt service reserve fund is being established for the benefit of the Series 2022 Bonds. DASNY, in its discretion, may establish a debt service reserve fund for the benefit of any future Series of Bonds of DASNY authorized and issued under the Resolution and a series resolution. If so established, any such debt service reserve fund will not secure the Series 2022 Bonds.

### **General**

**The Series 2022 Bonds will not be a debt of the State nor will the State be liable thereon. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2022 Bonds except for DASNY's responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established pursuant to the Series 2022 Resolution and pledged therefor.**

## **PART 3 - THE SERIES 2022 BONDS**

*Set forth below is a narrative description of certain provisions relating to the Series 2022 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolutions and the Loan Agreement, copies of which will be on file with DASNY and the Trustee. See also "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto for a more complete description of certain provisions of the Series 2022 Bonds.*

### **General**

The Series 2022 Bonds will be issued pursuant to the Resolution and the Series 2022 Resolution. The Series 2022 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2022 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2022 Bonds, payments of the principal, Purchase Price and Redemption Price of and interest on the Series 2022 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2022 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2022 Bonds, the Series 2022 Bonds will be exchangeable for fully registered Series 2022 Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See "PART 3 – THE SERIES 2022 BONDS – Book-Entry Only System" herein and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto.

### **Description of the Series 2022 Bonds**

The Series 2022 Bonds will be dated their date of delivery and will bear interest from such date (payable January 15, 2023 and on each July 15 and January 15 thereafter) at the rates set forth on the inside cover page of this Official Statement.

The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2022 Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2022 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the interest payment date. If the Series 2022 Bonds are not registered in the name of the Depository Trust Company, New York, New York ("DTC") or its nominee, Cede & Co., the principal and Redemption Price of the Series 2022 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank Trust Company, National Association, New York, New York, the Trustee and Paying Agent.

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

## Redemption and Purchase in Lieu of Redemption Provisions

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

### *Optional Redemption*

The Series 2022 Bonds maturing on or before July 15, 2032 are not subject to optional redemption prior to maturity. The Series 2022 Bonds maturing after July 15, 2032 are subject to redemption prior to maturity at the option of DASNY, on or after July 15, 2032, in any order, in whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2022 Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date.

### *Purchase in Lieu of Optional Redemption*

The Series 2022 Bonds are also subject to purchase in lieu of optional redemption prior to maturity at the election of the University, with the prior written consent of DASNY, on the same terms that apply to the Series 2022 Bonds subject to optional redemption, as set forth in the Resolution.

### *Mandatory Redemption*

The Series 2022 Bonds maturing on July 15, 2037, July 15, 2042 and July 15, 2050 are subject to redemption, in part, through application of Sinking Fund Installments upon notice given as prescribed in the Resolution, at a Redemption Price equal to 100% of the principal amount of Series 2022 Bonds to be redeemed, plus accrued interest to the date of redemption. Unless none of the Series 2022 Bonds of a maturity to be so redeemed are then Outstanding and, subject to the provisions of the Resolution permitting amounts to be credited to part or all of any one or more Sinking Fund Installments, there shall be due and DASNY shall be required to pay for the retirement of the Series 2022 Bonds maturing on July 15 of each of the years set forth in the following tables, the amount set forth opposite such year:

#### **Series 2022 Term Bond Maturing July 15, 2037**

<u>Year</u>	<u>Amount</u>
2033	\$4,980,000
2034	5,235,000
2035	5,505,000
2036	5,790,000
2037 <sup>†</sup>	6,085,000

<sup>†</sup>Final Maturity

#### **Series 2022 Term Bond Maturing July 15, 2042**

<u>Year</u>	<u>Amount</u>
2038	\$6,395,000
2039	6,730,000
2040	7,070,000
2041	7,435,000
2042 <sup>†</sup>	7,815,000

<sup>†</sup>Final Maturity

**Series 2022 Term Bond Maturing  
July 15, 2050**

<u>Year</u>	<u>Amount</u>
2043	\$8,215,000
2044	8,635,000
2045	9,080,000
2046	9,545,000
2047	10,035,000
2048	10,550,000
2049	11,090,000
2050 <sup>†</sup>	11,655,000

<sup>†</sup>Final Maturity

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2022 Bonds entitled to such Sinking Fund Installment (A) purchased with moneys in the Debt Service Fund pursuant to the Resolutions, (B) redeemed at the option of DASNY, (C) purchased by the University and delivered to the Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolutions. Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2022 Bonds so purchased payable on the next succeeding July 15. Series 2022 Bonds redeemed at the option of DASNY, purchased by the University (other than from amounts on deposit in the Debt Service Fund) and delivered to the Trustee for cancellation or deemed to have been paid in accordance with the Resolutions will be applied in satisfaction, in whole or in part, of one or more Sinking Fund Installments as the University may direct in its discretion.

***Selection of Bonds to be Redeemed***

In the case of redemption, DASNY, at the direction of the University, will select the maturities of such Series 2022 Bonds to be redeemed. If less than all Series 2022 Bonds within a maturity are to be redeemed, as long as the Series 2022 Bonds are in book-entry form registered in the name of Cede & Co., as nominee of DTC, DTC will determine by lot the amount of the interest of each DTC Direct Participant in such maturity to be redeemed. If the Series 2022 Bonds are no longer in book-entry form registered in the name of Cede & Co., as nominee of DTC, the Series 2022 Bonds or portions thereof to be redeemed shall be selected for redemption by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

***Notice of Redemption***

The Trustee is to give notice of the redemption of the Series 2022 Bonds in the name of DASNY, by mail, postage prepaid, not less than 20 days nor more than 45 days prior to the redemption date to each registered owner of any Series 2022 Bonds that are to be redeemed, at such person's address, if any, appearing upon the registry books of DASNY or if the Bonds are book-entry, by giving notice in accordance with the operational procedures of DTC and to EMMA. Any notice of redemption given which states that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Series 2022 Bonds or upon the satisfaction of any other condition, may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied. Upon giving such notice, the Trustee shall promptly certify to DASNY that it has mailed or caused to be mailed such notice to the owners of the Series 2022 Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required in the Resolution. The failure of any owner of a Series 2022 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2022 Bond.

If on the redemption date, moneys for the redemption of the Series 2022 Bonds to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2022 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2022 Bonds will no longer be considered to be Outstanding.

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

Notice of purchase of the Series 2022 Bonds will be given in the name of the University to the registered owners of the Series 2022 Bonds to be purchased by first-class mail, postage prepaid, not less than 20 days nor more than 45 days prior to the Purchase Date specified in such notice. The Series 2022 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2022 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2022 Bonds are called for purchase in lieu of an optional redemption, such purchase will not extinguish the indebtedness of DASNY evidenced thereby or modify the terms of the Series 2022 Bonds. Such Series 2022 Bonds need not be cancelled, and will remain Outstanding under the Resolution and continue to bear interest.

The University's obligation to purchase a Series 2022 Bond to be purchased or cause it to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2022 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price of the Series 2022 Bonds to be purchased, the former registered owners of such Series 2022 Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Purchase Price. If sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2022 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such Series 2022 Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2022 Bonds of a maturity are to be purchased, the Series 2022 Bonds of such maturity to be purchased will be selected in the same manner as Series 2022 Bonds of a maturity to be optionally redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2022 Bonds, see "APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See also "Book-Entry Only System" herein for a description of the notices of redemption to be given to Beneficial Owners of the Series 2022 Bonds when the Book-Entry Only System is in effect.

### **Book-Entry Only System**

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022 Bond certificate will be issued for each maturity of the Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial

Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for such Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to DASNY as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2022 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from DASNY or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriters, the Trustee or DASNY, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of DASNY or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DASNY and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2022 Bonds registered in its name for the purposes of payment of the principal and redemption premium, if any, of, or interest on, the Series 2022 Bonds, giving any notice permitted or required to be given to a registered owners under the Resolution, registering the transfer of the Series 2022 Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. DASNY and the Trustee shall not have any responsibility or obligation to any Direct or Indirect Participant, any person claiming a beneficial ownership interest in the Series 2022 Bonds under or through DTC or any Direct or Indirect Participant, or any other person which is not shown on the registration books of DASNY (kept by the Trustee) as being a registered owner, with respect to the accuracy of any records maintained by DTC or any Direct or Indirect Participant; the payment by DTC or any Direct or Indirect Participant of any amount in respect of the principal, redemption premium, if any, or interest on the Series 2022 Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges adopted by DASNY; or other action taken by DTC as registered owner. Interest, redemption premium, if any, and principal will be paid by the Trustee to DTC, or its nominee. Disbursement of such payments to the Direct or Indirect Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to DASNY and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2022 Bond certificates are required to be printed and delivered.

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

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

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

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

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

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

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

NONE OF DASNY, THE TRUSTEE, THE UNIVERSITY OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2022 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2022 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2022 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2022 BONDS; OR (VI) ANY OTHER MATTER.



## Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each twelve month period ending June 30 of the years shown, after giving effect to the refunding of the Refunded Bonds, for the payment of debt service on the currently outstanding indebtedness of the University, the principal, sinking fund installment and interest on the Series 2022 Bonds and the total debt service on all indebtedness of the University, including the Series 2022 Bonds.

<b>12-Month Period Ending June 30,</b>	<b>Series 2022 Bonds</b>		<b>Debt Service on Other Indebtedness<sup>1,2</sup></b>	<b>Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>		
2022	-	-	\$8,337,533	\$8,337,533
2023	-	\$3,714,983	8,337,533	12,052,516
2024	-	7,642,250	8,337,533	15,979,783
2025	-	7,642,250	8,337,533	15,979,783
2026	-	7,642,250	8,337,533	15,979,783
2027	-	7,642,250	132,029,189	139,671,439
2028	-	7,642,250	-	7,642,250
2029	\$1,190,000	7,612,500	-	8,802,500
2030	1,695,000	7,540,375	-	9,235,375
2031	2,200,000	7,443,000	-	9,643,000
2032	2,705,000	7,320,375	-	10,025,375
2033	3,210,000	7,172,500	-	10,382,500
2034	4,980,000	6,967,750	-	11,947,750
2035	5,235,000	6,712,375	-	11,947,375
2036	5,505,000	6,443,875	-	11,948,875
2037	5,790,000	6,161,500	-	11,951,500
2038	6,085,000	5,864,625	-	11,949,625
2039	6,395,000	5,552,625	-	11,947,625
2040	6,730,000	5,224,500	-	11,954,500
2041	7,070,000	4,879,500	-	11,949,500
2042	7,435,000	4,516,875	-	11,951,875
2043	7,815,000	4,135,625	-	11,950,625
2044	8,215,000	3,734,875	-	11,949,875
2045	8,635,000	3,313,625	-	11,948,625
2046	9,080,000	2,870,750	-	11,950,750
2047	9,545,000	2,405,125	-	11,950,125
2048	10,035,000	1,915,625	-	11,950,625
2049	10,550,000	1,401,000	-	11,951,000
2050	11,090,000	860,000	-	11,950,000
2051	11,655,000	291,375	-	11,946,375

<sup>1</sup> Includes debt service payable on notes of Y Properties LLC, of which the University is the sole member. See “PART 7 – THE UNIVERSITY - FINANCIAL STATEMENT INFORMATION – Outstanding Long-Term Debt and Other Obligations.” Although the Y Properties note matures in 2032, the interest rate on the note increases significantly in 2027 (with such incremental interest deferred and payable at maturity or earlier payment of the note and with annual debt service payments remaining equal to the amounts payable annually from 2022-2027) and the University anticipates repaying or refinancing the note in 2027.

<sup>2</sup> Does not include debt service on certain mortgage notes of the University or related parties of approximately \$3 million principal amount outstanding as of June 30, 2021.

**PART 4 - THE REFUNDING PLAN**

A portion of the proceeds of the Series 2022 Bonds will be used, together with other available moneys, to redeem the outstanding Series 2009 Bonds and the outstanding Series 2011 Bonds within one or two weeks of the date of issuance of the Series 2022 Bonds at a redemption price equal to the principal amount of the outstanding Series 2009 Bonds and the outstanding Series 2011 Bonds, plus accrued interest to the date of redemption. The Refunded Bonds were issued for the purpose of financing or refinancing the construction, renovation, improvement, repair and equipping of various University facilities.

**PART 5 - THE SERIES 2022 PROJECT**

A portion of the proceeds of the Series 2022 Bonds will be used to finance the costs of the construction, renovation, repair and/or equipping of various Institution facilities, including, but not limited to, energy improvement projects to replace or renovate building systems throughout the University’s campus (the “Series 2022 Project”).

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

The estimated sources and uses of funds are as follows:

<b>Sources of Funds</b>	
Principal Amount .....	\$152,845,000
Net Premium .....	334,075
Other Available Money .....	<u>159</u>
Total Sources .....	\$153,179,234
<b>Uses of Funds</b>	
Deposit to Project Fund.....	\$20,000,000
Redemption of Refunded Bonds .....	131,465,123
Costs of Issuance <sup>1</sup> .....	1,037,935
Underwriters’ Discount .....	<u>676,176</u>
Total Uses .....	\$153,179,234

<sup>1</sup> Includes legal fees and associated costs relating to the Series 2022 Bonds.

**PART 7 - THE UNIVERSITY  
GENERAL INFORMATION**

**History and General Description**

The University was founded in New York City in 1886 within the Rabbi Isaac Elchanan Theological Seminary (“RIETS”), with which it is still affiliated, and was chartered as a separate university on November 16, 1945. The University brings together the heritage of Western civilization and the ancient traditions of Jewish law and life. A total of approximately 5,400 undergraduate and graduate students study at the University’s various campuses which include the Wilf Campus (consisting of several buildings in the Washington Heights section of Manhattan), the Israel Henry Beren Campus (consisting of several buildings in the Murray Hill section of Manhattan), and the Brookdale Center (consisting of a building in the Greenwich Village section of Manhattan). In addition, the University owns a building in the Bronx which houses its Ferkauf Graduate School of Psychology (the “Rousso Building”) and operates programs on its affiliated Albert Einstein College of Medicine’s (f/k/a COM Affiliation, Inc.) (“Einstein”) Jack and Pearl Resnick Campus in the Bronx. The University also conducts the S. Daniel Abraham Israel Program, which allows enrolled students to begin their University education with a year of Torah study in Israel prior to continuing their studies at one of the University’s New York campuses.

The University is comprised of several schools and programs. The University’s undergraduate schools, graduate schools, professional schools and affiliates are listed below:

<b>School/ Program</b>	<b>Year of Founding</b>	<b>Campus Location</b>
Isaac Breuer College of Hebraic Studies	1917	Wilf Campus
Yeshiva Program/Mazer School of Talmudic Studies	1917	Wilf Campus
Yeshiva College	1928	Wilf Campus
Bernard Revel Graduate School of Jewish Studies (“Revel”)	1935	Wilf Campus
Azrieli Graduate School of Jewish Education and Administration	1945	Wilf Campus
Stern College for Women	1954	Beren Campus
James Striar School of General Jewish Studies	1956	Wilf Campus
Ferkauf Graduate School of Psychology (“Ferkauf”)	1957	Rousso Building
Wurzweiler School of Social Work (“Wurzweiler”)	1957	Wilf and Beren Campuses
Benjamin N. Cardozo School of Law (“Cardozo”)	1976	Brookdale Center
Sy Syms School of Business	1987	Wilf and Beren Campuses
Irving I. Stone Beit Midrash Program	1995	Wilf Campus
S. Daniel Abraham Israel Program	1999	
The Graduate Program for Women in Advanced Talmudic Studies	2000	Beren Campus
Katz School of Science and Health (“Katz School”)	2016	Wilf and Beren Campuses
<b><u>Affiliated School/Program:</u></b>		
Albert Einstein College of Medicine	1955	Resnick Campus
Sue Golding Graduate Division of Medical Sciences	1957	Resnick Campus

### **Academic Programs**

The University’s academic programs offer students the opportunity to pursue studies in the arts, sciences, humanities, business and management, allied health, law, social work, psychology, Judaic studies and Jewish education and administration. At the undergraduate level, the University awards B.A., B.S., A.A. and A.S. degrees. The graduate and professional schools offer degrees at the Master’s and Doctoral levels and the applicable professional degrees.

The University is accredited by the Middle States Commission on Higher Education, and Cardozo is accredited by the American Bar Association. The University’s other academic programs are accredited by appropriate state and professional accrediting agencies and associations.

The University also conducts combined and/or joint degree programs with, among others, Einstein (Bioethics); New York College of Podiatry; New York University (Nursing); Rutgers University (Physical Therapy); and the State University of New York College of Optometry.

The University was ranked #68 in the U.S. News & World Report 2022 rankings for the national universities category and was ranked #33 in the best value category. Cardozo was ranked #53 in the U.S. News & World Report 2022 rankings for the best law schools.

### **Related Entities**

There are several entities (the “Related Entities”) that are controlled by the University and for which the University provides various administrative services. The material Related Entities are Yeshiva Endowment Foundation, Inc. (the “Foundation”) and Y Properties Holdings, LLC (“Y Properties”). The other Related Entities include those that were formed to own individual real properties. The financial results of the Related Entities are consolidated within the financial results of the University for financial statement reporting purposes, but the revenues and assets of the Related Entities are not available to satisfy the University’s debts and other obligations.

The Foundation was formed in 1927 as a separate not-for-profit corporation organized for the benefit of the University and RIETS. Control of the Foundation is vested in a Board of Directors, all of whom are members of the University's Board of Trustees.

Y Properties was formed in 2017 as a special purpose bankruptcy remote entity for the purpose of owning and holding real property and borrowing for its purposes. The sole member of Y Properties is the University. Shortly after Y Properties' formation in 2017, the University transferred five properties to Y Properties, and Y Properties incurred debt secured by mortgages on such properties. The proceeds of such borrowing were applied to repay certain outstanding debt of the University. The University continues to use these properties as the sole tenant pursuant to a long-term lease with Y Properties, and such lease payments are the source of repayment of the Y Properties debt. See "PART 7 – THE UNIVERSITY – FINANCIAL STATEMENT INFORMATION – Outstanding Long-Term Debt and Other Obligations" herein.

### **Affiliated Organizations**

RIETS and Yeshiva University High Schools (the "High Schools", and collectively with RIETS, the "Affiliates") are independently incorporated not-for-profit institutions separately chartered by the Board of Regents of the State of New York. The University provides various administrative services to each Affiliate. Control of each Affiliate is vested in its respective board of trustees, a minority of whose members also serve on the University's Board of Trustees. The financial results of these Affiliates are not included in the University's consolidated financial statements.

### **Affiliation Agreement**

The University conducts certain programs with Einstein and owns (or has the right to use) certain limited real estate assets on or adjacent to Einstein's Resnick Campus in the Bronx. Einstein is a separate not-for-profit education corporation, the members of which are the University (with a 49% interest) and an affiliate of Montefiore Medical Center (with a 51% controlling interest). In September 2015, the University transferred to Einstein all operational and financial responsibility for the medical school that it operated prior to that time, together with the real property in which the medical school was located, in return for an upfront payment and other consideration. The University also transferred to Einstein the majority of the investment and endowment accounts that were attributable to (i.e., donated for the benefit of) the medical school, and agreed to transfer the remaining investments attributable to the medical school over time (as those investments mature or are liquidated and could be transferred). The University maintained academic oversight for the medical school (including granting degrees) and provided certain administrative services until Einstein became a freestanding degree-granting institution as of March 1, 2019. The University continued to sponsor and enroll international students at the medical school until June 1, 2020, when Einstein was able to do so on its own after receiving authority from the U.S. Government. Neither the revenues nor assets of Einstein are available to be used to pay the obligations of the University, and the University is not responsible for the liabilities or expenses of Einstein.

### **University Libraries**

The University's libraries hold over 700,000 physical volumes and provide access to more than 313,000 electronic books. Approximately 385,000 journals, most in electronic format and spanning disciplines, support study and research. The University's internationally recognized Jewish studies research collections focus especially upon Rabbinics, Bible, Jewish history, Jewish philosophy, and Sephardic studies, and include rare books, manuscripts, and archival documents.

### **Governance**

In accordance with the Charter of the University, the governing body of the University is its self-perpetuating Board of Trustees. The Board of Trustees presently consists of 34 members, with a maximum of 50, and is responsible for the direction of the affairs of the University, including academic policies, University development and financial matters. The Board of Trustees' Governance Committee acts as the Nominating Committee for Trustees who may be elected for terms of one, two, three or four years. Trustees are eligible for re-election without limitation. During the intervals between meetings of the Board of Trustees, the Executive Committee may meet and exercise the powers of the Board of Trustees granted to it by the University's By-Laws.

In accordance with the By-Laws, the Board of Trustees elects the President of the University, currently Rabbi Dr. Ari Berman. The President is the Chief Corporate and Executive Officer of the University and is, ex-officio, a voting member of the Board of Trustees.

## UNIVERSITY BOARD OF TRUSTEES

### Name

### Occupation

#### Chairman:

Ira Mitzner\* President, RIDA Development Corp.

#### Chairmen Emeriti:

Robert M. Beren President, Le Beren Investments Co., President, Central Crude Corp., Executive, Berexco LLC

David S. Gottesman Senior Managing Partner, First Manhattan Company

Dr. Henry Kressel\* Retired

Moshael J. Straus\* CEO, Ascend Capital Group International, LLC

Morry J. Weiss Principal, Five Forty Investments

#### Vice Chairman Emeritus:

Ludwig Bravmann Managing Director, Oppenheimer & Co. Inc.

#### Vice Chairmen:

Philip Friedman\* CEO and President, Computer Generated Solutions

Elliot Gibber\* President, Deb El Food Products

#### Treasurer:

Michael Jesselson\* President, Jesselson Capital Corp.

#### Trustees:

Rabbi Dr. Ari Berman\* President, Yeshiva University

Julius Berman Retired

Marvin S. Bienenfeld Retired

Marjorie Diener Blenden Retired

Ira Dizengoff<sup>\*/\*\*\*</sup> Partner, Akin Gump Straus Hauer & Feld LLP

Michael H. Gamson Semi-retired, Consultant

Dr. Felix L. Glaubach Retired

Alan E. Goldberg Co-founder and CEO, Lindsay Goldberg

Benjamin Heller Attorney and Real Estate Investor

Andrew Herenstein Managing Principal, Monarch Alternative Capital

Lance L. Hirt<sup>\*/\*\*\*</sup> Managing Partner, Stonecourt Capital LP

Mitchell Julis Co-Founder, Canyon Partners LLC

Michael D. Katz Private Investor and Private Investment Manager

Senator Joseph Lieberman Senior Counsel, Kasowitz Benson Torres

Matthew J. Maryles\* Member, Wolf Maryles & Associates, L.L.C.

Joshua L. Muss\* Chairman, Muss Development

David J. Nagel President and CEO, Decron Properties Corp.

J. Philip Rosen Partner, Weil Gotshal & Manges LLP

<u>Name</u>	<u>Occupation</u>
Jay Schottenstein	Chairman of the Board, Schottenstein Stores Corp.
Irwin Shapiro	Retired
Mark Silber*	Vice President and Director, Renaissance Technologies LLC
Mark Wilf	Partner/Owner, Garden Homes, Inc., MN Vikings
Zygmunt Wilf	Partner/Owner, Garden Homes, Inc., MN Vikings
Shira Yoshor	Shareholder, Greenberg Traurig LLP

\* Executive Committee Member.

\*\* Chair of Cardozo Board.

\*\*\* Chair of RIETS Board.

#### **Honorary Trustees:**

S. Daniel Abraham

Hal H. Beretz

J. Morton Davis

Jay H. Zises

#### **Trustees Emeritus:**

Dr. Jayne G. Beker

Jack Belz

Sender Z. Cohen

David Eshaghian

#### **President Emeritus:**

Richard M. Joel

#### **Administration**

The President of the University, as Chief Corporate and Executive Officer, is responsible for the administration, operation and the educational policies of the University. Executive and administrative officers of the University include:

<u>Name</u>	<u>Position</u>
Rabbi Dr. Ari Berman	President
Dr. Selma Botman	Vice President for Academic Affairs and Provost
Andrew J. Lauer	Vice President for Legal Affairs, Secretary and General Counsel
Michael D. Schreiber	Vice President for Business Affairs and Chief Financial Officer

**Rabbi Dr. Ari Berman** was elected as the University's fifth president on November 15, 2016 and began his tenure in June 2017. He earned his B.A. from Yeshiva College, his M.A. in Medieval Jewish Philosophy from Revel, and his rabbinical ordination from RIETS. Following ordination, he was selected as a Fellow in RIETS' post-ordination study program for its most promising students and future rabbinic leaders. His studies also included two years of Torah study at Yeshivat Har Etzion in Israel. Dr. Berman completed his higher education with a Ph.D. in Jewish Thought at the Hebrew University of Jerusalem. Dr. Berman has a broad range of distinguished experience in the worlds of higher education and Jewish communal life. In 2000, he became Rabbi of The Jewish Center in New York City. Simultaneous with his pulpit at The Jewish Center, Dr. Berman served as an Instructor of Talmud at Yeshiva College. In 2013, he became Instructor of Jewish Thought at Midreshet Moriah in Israel. In 2015, Dr. Berman was appointed head (Rosh ha-Merkaz) of Hechal Shlomo – Center of Jewish Heritage in Israel. He also

served as a lecturer of rabbinic literature in Herzog College’s Jewish Studies Department and was selected to sit on its Executive Leadership Council.

**Dr. Selma Botman** has been Vice President for Academic Affairs and Provost of the University since July 2014. Dr. Botman holds a B.A. in psychology from Brandeis University, a B.Phil. in Middle Eastern studies from Oxford University, and an A.M. in Middle Eastern studies and Ph.D. in history and Middle Eastern studies from Harvard University. A scholar of modern Middle Eastern politics and society, she has published three books and a number of scholarly articles. She has also taught a range of courses on the modern Middle East and international development. Prior to joining the University, Dr. Botman served in leadership positions at the University of Massachusetts, the University of Southern Maine, and The City University of New York. Dr. Botman has also taught at the College of the Holy Cross, where she was involved in international programs and Middle Eastern studies.

**Andrew J. Lauer** has been the Vice President for Legal Affairs, Secretary and General Counsel of the University since March 2008, and is the University’s Chief Legal Officer. Mr. Lauer also serves as counsel to the University’s Board of Trustees and advisor to the President of the University. Prior to his appointment at the University, Mr. Lauer was a partner at the international law firm of Thelen Reid Brown Raysman and Steiner LLP. Mr. Lauer received his B.A. from City University of New York, Queens College, his J.D. from Brooklyn Law School, and his L.L.M. from New York University School of Law. Mr. Lauer is admitted to the Bar in the States of New York and New Jersey, as well as various federal courts, including the United States Supreme Court.

**Michael D. Schreiber** has been the Vice President for Business Affairs and Chief Financial Officer of the University since April 2022. He previously served as the Assistant Vice President for Finance and Chief Treasury Officer of the University since 2015. Prior to joining the University, Mr. Schreiber held various positions within the financial sector, including Partner at FNY Capital, Portfolio Manager at SAC Capital, and Vice President at JP Morgan. Mr. Schreiber is also a Certified Public Accountant. He received his B.S. in Accounting from the University’s Sy Syms School of Business and his M.B.A. in Finance and International Business from New York University’s Leonard N. Stern School of Business.

## OPERATING INFORMATION

### Students

Undergraduate Enrollment. The following table sets forth information regarding the University’s Fall undergraduate freshman applications, acceptances and matriculations for the past five academic years. Undergraduate applications, acceptances and matriculation have been relatively stable during this five-year period and were not substantially impacted by the COVID-19 pandemic. The University believes that its niche demand profile as the flagship Jewish university contributed to this stability. During this five-year period, the University focused on the level of scholarships and discount rate to manage tuition increases.

For the 2021-22 academic year, the undergraduate student body includes students from 29 states (with the majority of students coming from New York, New Jersey, Florida, and California) and 20 countries (primarily from Canada, Panama and Israel). International students comprise approximately 9.6% of the undergraduate student body.

Freshmen applications for Fall 2022 received to date have increased by approximately 18% over freshmen applications received in the same period last year, and the year-to-date percentage of accepted students indicating that they currently plan to enroll at the University reflects an increase of approximately 20% over the rate for the same period last year.

#### Freshman Admissions for the Fall Semester

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Applications	1,860	1,751	1,825	1,805	1,795
Acceptances	1,557	1,487	1,618	1,469	1,458
Percent Accepted	84%	85%	89%	81%	81%
Matriculants	825	833	960	846	794
Percent Matriculated	53%	56%	59%	58%	54%

The median SAT scores of incoming freshmen students for Fall 2021 was 1,321 (663 for reading/writing and 658 for math).

**Graduate Enrollment.** In recent years the University has committed significant attention to increasing its graduate and professional programs. As shown below, applications to Cardozo have increased over the five-year period while class size has remained steady, permitting the school to lower its acceptance rate. Applications for the other graduate programs in the aggregate have almost doubled during the past five years, with resulting increases in the number of students enrolled as acceptance and matriculation rates remained steady. Significant growth has been experienced at Wurzweiler, the University’s graduate school of social work, which has grown from approximately 250 students in 2017 to approximately 930 students in 2022, primarily as a result of a growth strategy begun in 2017 in connection with an online partner and a focus on tapping into the Jewish communities in the New York area that are seeking culturally-appropriate educational opportunities. Growth has also been experienced in the Katz School, which has introduced new graduate programs in Speech Language Pathology, Data Analytics, Cybersecurity, Occupational Therapy, and Physician Assistant over the last five years.

**Cardozo Admissions for the Fall Semester**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Applications	2,584	2,862	2,999	3,193	3,820
Acceptances	1,272	1,152	1,265	1,204	1,178
Percent Accepted	49%	40%	42%	38%	31%
Matriculants	368	334	311	339	322
Percent Matriculated	29%	29%	25%	28%	27%

**Graduate School Admissions for the Fall Semester\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Applications	1,886	1,913	2,104	2,736	3,557
Acceptances	804	861	947	1,231	1,600
Percent Accepted	43%	45%	45%	45%	45%
Matriculants	370	400	440	572	744
Percent Matriculated	46%	46%	46%	46%	47%

\* Graduate admissions data excludes students attending Cardozo and students attending Einstein. See “General Information – Affiliation Agreement”.

**Total Enrollment.** The following table shows Fall semester enrollment for all University students for the past five academic years. The headcounts include both full-time and part-time students. Most undergraduates and professional school students attend on a full-time basis while the other graduate programs have significant numbers of part-time students.

**Enrollment for the Fall Semester**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Undergraduate	2,744	2,727	2,741	2,643	2,582
Graduate*	2,066	2,237	2,528	2,678	2,844
<b>Total</b>	<b>4,810</b>	<b>4,964</b>	<b>5,269</b>	<b>5,321</b>	<b>5,426</b>

\* Graduate headcount includes students attending Cardozo and excludes students attending Einstein. See “General Information – Affiliation Agreement”.



## Tuition and Fees\*

The table below details tuition rates (exclusive of room, board and other fees) for full-time undergraduate students for the past five academic years:

### Undergraduate Tuition

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$40,000	\$41,000	\$42,200	\$43,575	\$44,300

For the 2021-22 academic year, the total tuition and fees (which includes tuition, room and board, and mandatory fees) for full-time undergraduate students was approximately \$61,000. Housing and food services are classified as auxiliary enterprises in the University's Consolidated Statement of Activities. Dormitory and board charges are determined so that substantially all auxiliary enterprise costs, including related debt service, are expected to be recovered from related fees or charges. Undergraduate tuition for the 2022-23 academic year is expected to increase to \$45,200. The audited results may vary from the preliminary estimates and forward-looking information available at this time within this section and throughout this Part 7.

## Financial Aid

The University's admissions policies are designed to enable the most qualified students to attend the University. Decisions regarding admission to the University are made without regard to financial need.

Financial aid for undergraduate, graduate and professional school students is offered in the form of University grants (such as scholarships and fellowships), loans and a work study program for its students. Approximately 75% of the undergraduate students receive grants from the University to cover a part of their cost of education, awarded based primarily on need. The University participates in various federal programs providing financial aid to individual students, including Federal Direct Student Loan Program, Perkins Loan Program, Pell Grant, Work Study, and Supplemental Educational Opportunity Grant. A summary of funds provided for financial aid and their sources is as follows:

### **Sources of Financial Aid Fiscal Years Ended June 30, (In Thousands)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Institutional Aid	\$73,579	\$85,006	\$91,449	\$95,143	\$93,130
Institutional Loans	2,782	3,300	3,335	3,462	2,698
Federal Grants	3,056	3,527	3,440	3,420	2,710
Federal Loans	57,493	57,141	47,576	45,178	48,273
<b>Total</b>	<b>\$136,910</b>	<b>\$148,974</b>	<b>\$145,800</b>	<b>\$147,203</b>	<b>\$146,811</b>

During the 2020-21 academic year, students also received \$720,000 of assistance through work study programs.

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\* The financial data included above relating to the tuition and fees for the academic period 2021-22 and 2022-23 is forecasted and has been prepared by, and is the responsibility of the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or applied agreed-upon procedures with respect to the forecasted financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. PricewaterhouseCoopers LLP report included in Appendix B hereto relates to the University's previously issued financial statements. It does not extend to the prospective or forecasted financial information and should not be read to do so. The forecasted financial information was not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of prospective financial information.

## Faculty

The University’s faculty includes leading scholars and scientists in an array of disciplines, ranging from ethics, theology, history, literature, philosophy, education, mathematics, physics, biology, allied health, and psychology. At Cardozo, programs include the Institute in Holocaust and Human Rights and the Center for Rights and Justice (“CRJ”). CRJ offers students opportunities to participate in such programs as the Innocence Project, founded at Cardozo in 1992 and now an independent non-profit, which has used DNA evidence to assist in exonerating over 300 wrongly-convicted individuals across the country.

The faculty, of which approximately 90% hold doctorates, is supplemented each year by visiting scholars and lecturers from across the globe. Approximately 42% of full-time faculty is tenured, with an additional 10% on tenure track. Most of the undergraduate and Cardozo faculty are full-time. The table below sets forth the faculty positions at the University over the past five fiscal years:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Faculty (Full-time equivalent)	497	489	519	520	524
Full-time Faculty	325	320	328	337	346
Total Faculty (by headcount)	668	658	710	702	702
Tenured Faculty	145	146	149	147	144

## Principal Facilities

The University and its Related Entities own nearly all of the academic and residential space used by the University, consisting of over 30 properties, comprising between 1.5 and 2 million square feet. As described under “General Information – Related Entities,” five properties are owned by Y Properties (whose sole member is the University), which are leased to and operated by the University, and are subject to mortgages to secure debt of Y Properties that is paid with the lease payments made by the University. See “PART 7 – THE UNIVERSITY – FINANCIAL STATEMENT INFORMATION – Outstanding Long-Term Debt and Other Obligations” herein.

Summarized below are the University’s main academic and residential facilities, including square footage and primary use. All of the facilities listed below are located in Manhattan, except for the two academic/administrative facilities located on Morris Park Avenue, which are located in the Bronx.

### Academic/Administrative Facilities

Campus	Location	Square Feet
Beren	215 Lexington Avenue <sup>(1)(2)</sup>	105,525
Beren	245 Lexington Avenue <sup>(2)</sup>	81,312
Beren	253 Lexington Avenue <sup>(2)</sup>	39,876
Brookdale Center	55 Fifth Avenue <sup>(1)</sup>	152,011
Wilf	2495 Amsterdam Avenue <sup>(2)</sup>	285,685
Wilf	2520 Amsterdam Avenue <sup>(2)</sup>	187,013
Wilf	500 West 185 <sup>th</sup> Street	126,838
Wilf	515 West 185 <sup>th</sup> Street	17,782
Wilf	560 West 185 <sup>th</sup> Street	26,919
	1125 Morris Park Avenue <sup>(3)</sup>	35,812
	1165 Morris Park Avenue	60,889

<sup>(1)</sup> The University owns a portion of this building, and the square footage represents only such portion.

<sup>(2)</sup> Owned by Y Properties and leased to the University.

<sup>(3)</sup> Leased by the University from Einstein.

### Residential Facilities

Campus	Location	Square Feet
Beren	119 East 29 <sup>th</sup> Street	62,475
Beren	50 East 34 <sup>th</sup> Street	92,302
Beren	150 East 35 <sup>th</sup> Street	39,584
Beren	151 East 36 <sup>th</sup> Street	26,338
Beren	251 Lexington Avenue <sup>(1)</sup>	14,409
Wilf	2501 Amsterdam Avenue	93,480
Wilf	2521 Amsterdam Avenue	18,250
Wilf	2525 Amsterdam Avenue	90,234

<sup>(1)</sup> Owned by a separate real estate entity controlled by the University; subject to a mortgage.

### FINANCIAL STATEMENT INFORMATION

#### University Finances

The following information is derived from the University’s consolidated financial statements for the fiscal years ended June 30, 2017, 2018, 2019, 2020 and 2021, which are available at [www.emma.msrb.org](http://www.emma.msrb.org). It should be read in conjunction with the University’s consolidated financial statements as of and for the fiscal years ended June 30, 2021 and 2020, included in Appendix B of this Official Statement. The consolidated financial information includes financial information of the Foundation, which has approximately \$37 million of assets in the form of cash and investments and de minimis liabilities, income, expenses and other assets. The consolidated financial information also includes financial information of Y Properties, including the book value of the properties owned by Y Properties (approximately \$41 million) and the debt of Y Properties (approximately \$137 million). The lease transaction between Y Properties and the University (as described under “General Information - Related Entities”) is eliminated as part of the consolidation. In addition, the summary of consolidated statements of financial position set forth below includes assets and liabilities of entities that are not otherwise consolidated in the financial statements (primarily investments of RIETS and the High Schools and investments that are to be transferred to Einstein over time as investments mature or are liquidated). Otherwise, the financial results of Y Properties and the Foundation are the only financial results consolidated within the University’s financial results for reporting purposes. Neither the revenues and assets of the entities that are not consolidated in the financial statements nor the revenues and assets of the Related Entities (that are consolidated) are available to be used to pay the obligations of the University.

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**Summary of Consolidated Statements of Financial Position**  
**Fiscal Years Ended June 30,**  
**(In Thousands)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>Assets</b>					
Cash and cash equivalents	\$28,071	\$15,458	\$14,498	\$26,702	\$25,953
Student receivables, net	34,675	34,415	36,256	38,018	35,825
Contribution receivables, net	67,884	49,828	60,449	52,295	83,063
Other assets and receivables	47,812	55,389	58,882	61,121	68,746
Investments, at fair value	606,733	587,904	539,345	498,769	646,998
Investments held for Einstein	61,736	51,829	39,962	35,972	34,015
Investments held for unconsolidated organizations	139,453	138,440	132,409	131,307	167,396
Trust and split-interest agreements held by others	12,142	11,862	11,644	11,241	13,742
Land, buildings and equipment, net	202,947	192,996	186,205	181,478	176,023
<b>Total Assets</b>	<b>\$1,201,453</b>	<b>\$1,138,121</b>	<b>\$1,079,650</b>	<b>\$1,036,903</b>	<b>\$1,251,761</b>
<b>Liabilities and Net Assets</b>					
Accounts payable and accrued expenses	\$32,290	\$30,643	\$30,685	\$31,086	\$31,278
Deferred revenue	4,955	3,780	3,010	5,074	4,986
Other liabilities	13,594	14,363	13,487	13,500	16,767
Refundable advances from the U.S. Government	6,111	4,826	4,967	4,598	3,224
Bonds payable and other debt	299,638	290,802	285,620	279,153	273,655
Other obligations	-	-	-	-	56,819
Asset retirement obligations	9,455	9,403	9,552	9,122	9,171
Due to Einstein	68,369	58,383	45,217	41,577	39,590
Investments held for unconsolidated organizations	139,453	138,440	132,409	131,307	167,396
<b>Total Liabilities</b>	<b>\$573,865</b>	<b>\$550,640</b>	<b>\$524,947</b>	<b>\$515,417</b>	<b>\$602,886</b>
<b>Net Assets</b>					
Without donor restrictions	\$(12,125)*	\$(28,160)	\$(57,404)	\$(47,279)	\$(53,877)
With donor restrictions	639,713*	615,641	612,107	568,765	702,752
<b>Total Net Assets</b>	<b>\$627,588</b>	<b>\$587,481</b>	<b>\$554,703</b>	<b>\$521,486</b>	<b>\$648,875</b>
<b>Total Liabilities and Net Assets</b>	<b>\$1,201,453</b>	<b>\$1,138,121</b>	<b>\$1,079,650</b>	<b>\$1,036,903</b>	<b>\$1,251,761</b>

\* In fiscal year 2019, the University adopted, retrospectively, Accounting Standard Update 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, (the "ASU"). Under the ASU, the University was required to classify the underwater amount of donor-restricted endowment funds as "net asset with donor restriction" starting with the fiscal year ended June 30, 2018. The 2017 column above has not been reclassified to retroactively reflect the adoption of this ASU. Had the reclassification been reflected, net assets without donor restriction would be \$(1,458) and net assets with donor restrictions would be \$629,046.

**Summary of Consolidated Statements of Activities**  
**Fiscal Years Ended June 30,**  
**(In Thousands)**

<b>Operating Revenues</b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Tuition and Fees, net <sup>(1)</sup>	\$98,299	\$102,747	\$107,559	\$118,948	\$127,481
Investment Return Utilized	24,164	28,619	27,908	25,814	37,389
Contributions	9,109	7,150	7,740	9,520	5,703
Auxiliary Enterprises	17,084	17,236	18,942	16,456	6,963
Other Revenue	19,217	17,811	17,716	17,189	19,819
Gain on Sale of Properties	61,568	-	-	-	-
Net Assets Released From Restriction	<u>30,557</u>	<u>29,130</u>	<u>25,111</u>	<u>30,283</u>	<u>38,133</u>
<b>Total Operating Revenue</b>	<b><u>\$259,998</u></b>	<b><u>\$202,693</u></b>	<b><u>\$204,976</u></b>	<b><u>\$218,210</u></b>	<b><u>\$235,488</u></b>
<b>Operating Expenses</b>					
Instruction	\$98,321	\$92,153	\$92,269	\$99,381	\$105,535
Academic Support	36,348	41,530	43,210	44,058	40,942
Student Services	23,829	24,350	25,521	24,313	21,164
Institutional Support	57,739	56,593	54,411	58,735	66,154
Auxiliary Enterprises	<u>13,153</u>	<u>12,529</u>	<u>13,466</u>	<u>13,085</u>	<u>11,369</u>
<b>Total Operating Expenses</b>	<b><u>\$229,390</u></b>	<b><u>\$227,155</u></b>	<b><u>\$228,877</u></b>	<b><u>\$239,572</u></b>	<b><u>\$245,164</u></b>
<b>Change in Operating Activities</b>	<b><u>\$30,608</u></b>	<b><u>\$(24,462)</u></b>	<b><u>\$(23,901)</u></b>	<b><u>\$(21,362)</u></b>	<b><u>\$(9,676)</u></b>
<b>Nonoperating Activities<sup>(2)</sup></b>					
Contributions, net	\$24,191	\$25,896	\$43,690	\$28,957	\$64,661
Provision for Uncollectible Contributions	2,612	(19,756)	(10,255)	(10,583)	736
Net Assets Released From Restrictions and Redesignations	(30,557)	(29,130)	(25,111)	(30,283)	(38,133)
Net Investment Return	51,863	37,131	12,981	26,089	142,051
Investment Support Utilized	(24,164)	(28,619)	(27,908)	(25,814)	(37,389)
Other Revenues and Transfers	3,161	279	(74)	(221)	2,639
Subsidy of Unconsolidated Organization	(1,603)	(1,446)	(2,200)	-	0
Extinguishment of Debt	(15,975)				
Other Expenses	(4,156)				
Transfer from Related Party	-	-	-	-	2,500
<b>Change In Net Assets From Nonoperating Activities</b>	<b><u>\$5,372</u></b>	<b><u>\$(15,645)</u></b>	<b><u>\$(8,877)</u></b>	<b><u>\$(11,855)</u></b>	<b><u>\$137,065</u></b>
<b>Change In Net Assets</b>	<b><u>\$35,980</u></b>	<b><u>\$(40,107)</u></b>	<b><u>\$(32,778)</u></b>	<b><u>\$(33,217)</u></b>	<b><u>\$127,389</u></b>

(1) Tuition and Fees are net of the University grants detailed under "Operating Information-Financial Aid" above.

(2) Includes nonoperating activities with donor restrictions and without donor restrictions. See "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES AND INDEPENDENT ACCOUNTANTS' REPORT" attached hereto.

**Impact of COVID-19 Pandemic**

The University has continuously been monitoring the COVID-19 pandemic and instituted rigorous processes with the prime concern for the safety and health of its community. The University's approach to COVID-19 protocols is guided by recommendations from its medical director and local New York City and New York State guidance.

In March 2020, the University effectively moved its on-campus classes to an online platform, including the transitioning of more than 2,000 classes and continuation of all student-support functions. Both undergraduate and graduate students continued their studies. Additionally, campus housing was shut down for the remainder of the Spring 2020 semester.

For Fall 2020, the University effectively adapted an online hybrid-education model. The COVID-19 pandemic significantly reduced the level of dormitory occupancy at the undergraduate colleges, however the University was able to achieve a significant reduction in costs in connection with the shut-down of facilities, including housekeeping and food services to mitigate this impact. Additional expenses were incurred for testing and student quarantine support, along with hybrid-learning infrastructure costs.

The University fully re-opened its campuses and housing in Fall 2021, and during fiscal year 2022 has seen dormitory occupancy recover to approximately 75% of on-campus capacity. Policy protocols are still in effect, and all students must be vaccinated and comply with testing guidelines.

During fiscal years 2020-2022, as a result of the COVID-19 pandemic, the University received Higher Education Emergency Relief Fund (“HEERF”) funding from the U.S. Government of \$12.7 million, with approximately half provided to students. Additional liquidity was provided by the deferral of Federal Insurance Contributions Act (“FICA”) payments through the end of calendar year 2020, which have been partially repaid in fiscal year 2022. The remainder of such FICA payments will be repaid in fiscal year 2023.

### **Management Discussion of Recent Financial Performance**

The University experienced significant deficits for several years prior to fiscal year 2015. As part of the steps designed to address its financial issues, the University undertook the transfer of its medical school assets and operations to Einstein (as described under “General Information – Affiliation Agreement”) in 2015, the real property transaction with Y Properties (as described under “General Information – Related Entities”) in 2017 and the sale of certain other real property and assets. In addition, over the past several years, the University instituted more rigorous planning, modeling and forecasting processes and more robust financial reporting and monitoring. The University has also sought to grow net tuition revenues over the five-year period from fiscal year 2017 through fiscal year 2021, with undergraduate net tuition revenue growing by approximately \$4 million and the graduate and professional schools’ net tuition revenue increasing by over 20% over this period. As shown in the table above, the University’s operating deficit (excluding extraordinary events such as a gain on the sale of an asset in fiscal year 2017) has declined each year over the last five fiscal years.

In fiscal year 2021, the University’s operating revenues totaled approximately \$235.5 million, which included a one-time approximately \$12.5 million appropriation from the endowment applied to eliminate a loan from the endowment incurred in 2010. Operating expenses totaled approximately \$245.1 million, resulting in an operating deficit totaling approximately \$9.7 million for the year. Net tuition revenue increased by approximately \$8.5 million from the prior year, consistent with the University’s strategic goal of focusing on growing graduate schools and new programs. Auxiliary enterprise revenue decreased as the COVID-19 pandemic significantly reduced the level of dormitory occupancy at the undergraduate colleges.

For fiscal year 2021, the total increase in net assets of \$127.4 million, a significant improvement over the prior year, was driven largely by Net Investment return from non-operating activities of approximately 29% return on investments. The increase in revenues from other Non-Operating activities were driven by increases in contributions, supporting scholarships, instruction, and academic support.

### **Fiscal Year 2022 Operations\***

The University’s fiscal year 2022 ends on June 30, 2022, and therefore, projections of the results are preliminary as they are expected outcomes based on historical experience and results. The consolidated financial statements for fiscal year 2022 have not been finalized by management or audited by the University’s outside independent accountants. The audited results may vary from the preliminary estimates available at this time.

Based on preliminary data including estimated revenues and expenses to date and certain assumptions with respect to the receipt of contributions prior to June 30, 2022, the University is currently projecting an operating deficit of approximately \$12.9 million. This reflects projected operating revenues of approximately \$241.9 million and projected operating expenses of approximately \$254.8 million. The approximately \$12.9 million deficit represents an approximately \$9.3 million improvement to operations as compared to the prior year, after adjusting for the one-time appropriation from the University’s endowment in fiscal year 2021 of approximately \$12.5 million. The improvement is based on an estimated \$10 million increase in net tuition revenue with an anticipated strong philanthropic result, driven by Rise Up: The Campaign for Yeshiva University (see discussion of Capital Campaign below). Offsetting some of these gains were cost pressures related to higher healthcare costs and higher expenses resulting from increased

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\* The financial data included above relating to the fiscal year 2022 operations is forecasted and has been prepared by, and is the responsibility of the University’s management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or applied agreed-upon procedures with respect to the forecasted financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

inflation in food service, travel and insurance. Lastly, the auxiliary enterprise includes a post-COVID-19 increase in both revenue and expense, with a 75% occupancy level in residential facilities as students returned to campus.

### **Fiscal Year 2023 Financial Plan**

The University's operating budget for fiscal year 2023 was recently approved by the University's Board of Trustees in May 2022 and reflects budgeted operating revenues of \$258.9 million, budgeted operating expenses of \$266.3 million, and an operating deficit of approximately \$7.4 million. The budget incorporates increases in net tuition revenue driven by graduate programs consistent with the strategic focus on expanding new academic graduate offerings and current enrollment goals/indicators. Undergraduate assumptions include increased first-time, on-campus enrollment and stable total enrollment with no major changes in discount rate. The budget also assumes that campus occupancy of residential facilities will be returning to full pre-COVID-19 levels. The fiscal year 2023 budget also assumes usable cash philanthropy remaining at forecast levels as the Rise Up: The Campaign for Yeshiva University capital campaign continues to trend upward. The budgeted operating expenses reflect increases in healthcare benefits consistent with current trends, increased inflationary cost pressures and capital investments related to certain gifts. Actual fiscal year 2023 results may vary from these budgetary expectations.

### **University Investments**

The University manages substantially all of its investments and those of certain consolidated organizations (the Related Entities) and unconsolidated organizations (the Affiliates) in three investment groups – the Long Term Pool (“LTPool”) for long-term investments, the Operational Investment Funds for shorter term investments, and Segregated Investments.

The Investment Oversight Committee of the University's Board of Trustees oversees the University's investment strategy for the LTPool in accordance with established guidelines, which cover, among other criteria, asset allocation, diversification, liquidity and performance return objectives. The University's Office of Investment Management manages the day-to-day operations. The overall investment objective of the University is to invest the LTPool in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after accounting for inflation. The University diversifies its investments among various asset classes incorporating multiple strategies and managers. Similar to a mutual fund, individual endowment accounts invest via a combined investment pool, known as the LTPool, which invests on behalf of each account on a commingled basis. The majority of the LTPool is invested with the goal of providing a reliable source of income for the University's operations, both now and in the future. By generating returns over multi-year periods that are on average greater than the distribution plus a reserve for inflation, each endowment can support current University operations, as well as provide an additional distribution (in inflation-adjusted dollars) to future operations.

In fiscal year 2021, 5.0% of the average value of an endowment (excluding the one-time approximately \$12.5 million appropriation from the endowment in fiscal year 2021 described under “Management Discussion of Recent Financial Performance” above) was distributed to the University to support operations in accordance with the New York Prudent Management of Institutional Funds Act. The University utilizes a spending rate in allocating appreciation earned on assets invested in the investment pool. The spending rate policy consisted of appropriating 5% of the fair value per unit in the investment pool, based on a twelve-quarter average value through December 31 of the previous year. In any particular year, investment returns may be larger or smaller than the amount distributed. When earnings are greater than distributions, the excess is retained in the LTPool as a reserve against a future need. Should returns in any one year fall short, the LTPool can access the reserve of unspent gains and maintain a steady distribution to the University.

Set forth below is a summary of the total fair value of the investments of the University, the Foundation and unconsolidated organizations as of June 30 of each of the last five fiscal years. The 1-, 3-, and 5-year average LTPool investment return for the period ended June 30, 2021 was approximately 28.7%, 11.6%, and 10.4%, respectively. Additional detailed information regarding liquidity, restrictions by strategy, and type of investment is included in the notes to the University's consolidated financial statements. For fiscal year 2022\*, as of March 31, 2022 the fiscal-year-to-date value of the LTPool has declined by approximately 3-5% due primarily to market fluctuations. The value of the LTPool is impacted by changes in market valuation.

**Fair Value of Investments**

**As of June 30,  
(In Thousands)**

<b>Investment Strategy</b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Cash and cash equivalents	\$83,563	\$35,064	\$24,542	\$39,622	\$42,441
Fixed income					
U.S. Government obligations	50,088	39,953	43,547	6,394	7,036
Mutual funds (fixed income)	1,483	42,777	23,573	18,689	21,259
Corporate debt	63,280	20,230	14,887	9,494	44,326
State of Israel bonds	160	270	295	295	260
Equities					
Corporate stocks	57,240	62,114	61,097	52,187	59,371
Mutual funds (equities)	49,563	45,635	39,337	29,239	59,174
Long-only equities	131,113	135,476	128,933	97,206	187,841
Long-short equities	117,569	150,377	114,484	137,186	79,768
Private equity	59,953	71,352	81,151	107,753	142,145
Venture capital	9,838	9,982	10,828	18,931	51,417
Marketable alternatives					
Multi-strategy/event-driven	140,859	131,692	122,888	109,841	121,313
Real assets	7,231	7,165	8,214	8,987	10,096
Real estate	15,223	16,419	14,759	14,660	18,985
Investment receivables	18,934	7,610	21,363	12,123	254
Other investments	<u>1,825</u>	<u>2,057</u>	<u>1,718</u>	<u>3,441</u>	<u>2,723</u>
Sub-total investments, at fair value	807,922	778,173	711,616	666,048	848,409
Less: Unconsolidated Organizations' interests in the investments portfolio	(139,453)	(138,440)	(132,409)	(131,307)	(167,396)
Less: Investments held for Einstein	<u>(61,736)</u>	<u>(51,829)</u>	<u>(39,962)</u>	<u>(35,972)</u>	<u>(34,015)</u>
<b>Total investments, at fair value</b>	<b><u>\$606,733</u></b>	<b><u>\$587,904</u></b>	<b><u>\$539,245</u></b>	<b><u>\$498,769</u></b>	<b><u>\$646,998</u></b>

\* The financial data included above relating to the fiscal year 2022 value of the LTPool is preliminary and has been prepared by, and is the responsibility of the University's management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.



## Endowment and Similar Funds

A summary of the University's endowment net assets, which are a significant portion of the overall University investments, is presented below. As of June 30, 2021, approximately \$374 million of the Endowment and Similar Funds with Donor Restrictions shown below is restricted in perpetuity, and the corpus may not be expended by the University without additional approvals. The remainder of the Endowment and Similar Funds with Donor Restrictions may be expended for specified purposes.

<b>Endowment and Similar Funds</b>					
<b>As of June 30,</b>					
<b>(In Thousands)</b>					
	<u>2017*</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Without Donor Restrictions	\$(6,606)	\$4,122	\$4,020	\$4,024	\$4,996
With Donor Restrictions	<u>512,786</u>	<u>510,723</u>	<u>499,934</u>	<u>470,484</u>	<u>576,215</u>
<b>Total Endowment Net Assets</b>	<b><u>\$506,180</u></b>	<b><u>\$514,845</u></b>	<b><u>\$503,954</u></b>	<b><u>\$474,508</u></b>	<b><u>\$581,211</u></b>

\* In fiscal year 2019, the University adopted, retrospectively, the ASU. Under the ASU, the University was required to classify the underwater amount of donor-restricted endowment funds as "net asset with donor restriction" starting with the fiscal year ended June 30, 2018. The 2017 column above has not been reclassified to retroactively reflect the adoption of this ASU. Had the reclassification been reflected, endowment assets without donor restriction would be \$4,061 and endowment assets with donor restrictions would be \$502,119.

## Liquidity

As of June 30, 2021, the University had \$222 million worth of Cash and Investments (including Endowment) with monthly liquidity. Details on liquidity by strategy and type of investment as of June 30, 2021, are provided below.

<b>Investment Strategy</b>	<b>Monthly or More Frequent</b>	<b>Quarterly</b>	<b>Semi- Annually</b>	<b>Annually</b>	<b>Greater than One Year</b>	<b>In Redemption</b>	<b>Grand Total</b>
Cash & Cash Equivalents	\$37,270,705	-	-	-	-	-	\$37,270,705
Fixed Income	46,034,440	-	-	-	-	-	46,034,440
Equities	138,888,796	\$48,248,993	-	\$33,128,788	\$221,082,995	\$6,413,557	447,763,130
Marketable Alternatives	<u>13,439</u>	<u>57,174,573</u>	<u>\$37,001,861</u>	-	<u>21,199,646</u>	<u>539,969</u>	<u>115,929,489</u>
<b>Total Investments, at Fair Value*</b>	<b><u>\$222,207,382</u></b>	<b><u>\$105,423,566</u></b>	<b><u>\$37,001,861</u></b>	<b><u>\$33,128,788</u></b>	<b><u>\$242,282,641</u></b>	<b><u>\$6,953,527</u></b>	<b><u>\$646,997,765</u></b>

\* Totals may not add due to rounding.

## Private Gifts and Bequests

The following table indicates the private gifts and bequests received by the University for fiscal years 2017-2021 presented on a generally accepted accounting principles (“GAAP”) basis. Such amounts include cash contributions as well as pledges received, at their discounted present values. The gifts and bequests with donor restrictions are primarily those restricted to being expended for particular purposes, such as scholarships or capital projects.

	<b>Private Gifts and Bequests</b>				
	<b>Fiscal Years Ended June 30,</b>				
	<b><u>(In Thousands)</u></b>				
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021*</u></b>
Without Donor Restrictions	\$9,109	\$7,150	\$7,740	\$9,520	\$5,703
With Donor Restrictions	<u>24,191</u>	<u>25,896</u>	<u>43,690</u>	<u>28,957</u>	<u>64,661</u>
<b>Total Private Gifts and Bequests</b>	<b><u>\$33,300</u></b>	<b><u>\$33,046</u></b>	<b><u>\$51,430</u></b>	<b><u>\$38,477</u></b>	<b><u>\$70,364</u></b>

\* The University believes the increases shown in fiscal year 2021 are attributable to Rise Up: The Campaign for Yeshiva University.

## Capital Campaign

In December 2021, the University announced the launch of Rise Up: The Campaign for Yeshiva University, a comprehensive campaign to fund scholarships, facilities and faculty/programs. The campaign’s goal is to raise \$613 million over the next five years (through fiscal year 2026) to ensure student success in a changing world, which is expected to be accomplished through investments in four areas of the University’s strategic focus: values and leadership, science and technology, entrepreneurship and innovation, and great jobs and impactful careers. The campaign has raised approximately \$300 million (representing cash, pledges and bequests received to date and not on a GAAP basis) since its quiet phase began in fiscal year 2019.

## Grants and Contracts

The following table sets forth the amounts received, or expended and accrued, from government and non-government grants and contracts for each of fiscal years 2017-2021. Fiscal year 2020 includes approximately \$2.5 million of HEERF funding (approximately \$1.2 million of which was distributed to qualifying students as emergency grants in fiscal year 2021), and fiscal year 2021 includes approximately \$3.5 million of HEERF funding (approximately \$1.3 million of which was distributed to qualifying students as emergency grants in fiscal year 2021).

	<b>Government and Non-Government Grants and Contracts</b>				
	<b>Fiscal Years Ended June 30,</b>				
	<b><u>(In Thousands)</u></b>				
	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Grants and Contracts	\$2,779	\$3,473	\$4,953	\$4,159	\$7,714

## Employee Relations

The University has approximately 1,480 employees (excluding student employees), including faculty and administrative, security, maintenance and other workers. The University has collective bargaining agreements with one labor organization (SEIU 1199) covering 205 employees, primarily in the areas of maintenance, administration, and food service. The union contract will expire on September 30, 2024.

## Retirement Plans

The University has several defined contribution retirement plans in which most full-time and many part-time employees participate. The University’s contributions are based on specified percentages of each employee’s annual salary. It is the University’s policy to fund retirement costs currently. Total retirement plan expense for the fiscal years ended June 30, 2021 and 2020 was approximately \$4.4 million and \$4.2 million, respectively.

The University has a 457(b) deferred compensation plan, which is offered to select management employees. The employee contributions are currently capped at the annual federal limit for deferred compensation. The assets related to this plan are included in other assets and receivables in the University's Consolidated Statements of Financial Position and amounted to approximately \$17 million and \$13.6 million as of June 30, 2021 and 2020, respectively. The assets primarily consist of mutual funds and a guaranteed interest account. Offsetting liabilities that relate to this 457(b) plan are included in other liabilities.

### **Outstanding Long-Term Debt and Other Obligations**

The University's direct long-term debt consists of \$130 million principal amount of outstanding fixed rate debt associated with the Dormitory Authority of the State of New York Yeshiva University Revenue Bonds Series 2009 and Series 2011A, which will be refunded with the proceeds of the Series 2022 Bonds.

In addition, as described above under "PART 7 – THE UNIVERSITY – GENERAL INFORMATION – Related Entities," in 2017, the University transferred ownership of five properties to Y Properties and Y Properties leased the properties back to the University. Y Properties entered into a secured loan agreement with certain lenders pursuant to which it issued notes in the aggregate principal amount of \$140,000,000 (of which approximately \$137,000,000 is currently outstanding) and secured its obligation to repay such debt with mortgages on the five properties. The University is bound by certain financial covenants in connection with the notes, including covenants relating to maintaining enterprise-wide liquidity and net assets in excess of specified levels. The University maintains a good cushion above these thresholds. The interest rate on the notes is fixed at 4.324% until 2027 and increases significantly in 2027; principal is payable from 2022 through 2032. The notes may be prepaid at par starting in 2027. The debt service on the notes is included in the front portion of the Official Statement under "PART 3 – THE SERIES 2022 BONDS – Principal and Interest Requirements".

### **LITIGATION AND ADDITIONAL PROCEEDINGS**

There is no material pending litigation against the University at this date for which adequate insurance coverage does not exist or which would have a material adverse effect on the financial resources of the University.

Commencing in August 2019, and pursuant to the enactment of New York's Child Victims Act (and its subsequent extension, which extended the statute of limitations for the filing of claims of child sexual abuse and provided a two-year window for the filing of previously time-barred claims commencing August 2019 through August 2021), eleven lawsuits were filed (two were voluntarily dismissed thereafter by the respective plaintiffs). These Child Victims Act claims allege that the University is liable for certain alleged abuse between the 1960s and 1980s at the High Schools. The cases are in the earliest stages. Defense counsel has been retained. Motions to dismiss are pending in all of the cases, and an answer has not yet been filed in any of the cases. The University and the High Schools purchased insurance policies covering the applicable time periods in question, and do not believe that such litigation will have a material adverse financial impact.

### **PART 8 - BONDHOLDERS' RISKS**

*The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2022 Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2022 Bonds should analyze carefully the information contained in this Official Statement, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which will be available as described in this Official Statement.*

#### **General**

The Series 2022 Bonds are payable from payments to be made by the University under the Loan Agreement. The ability of the University to comply with its obligations under the Loan Agreement depends primarily upon the ability of the University to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The University expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the University will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the University from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations

under the Loan Agreement. Purchasers of the Series 2022 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the University to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the University to provide the services required by students, the continued impact of the COVID-19 pandemic, economic developments in the New York area, and competition from other educational institutions, together with changes in costs, including but not limited to increased costs resulting from severe weather events and the impact of climate change on University facilities and operations, cost of compliance with laws and regulations, and increased costs of energy, materials and other supplies, may adversely affect revenues and expenses and, consequently, the ability of the University to provide for payments. The future financial condition of the University could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

### **COVID-19**

See “PART 7 – THE UNIVERSITY – FINANCIAL STATEMENT INFORMATION – Impact of COVID-19 Pandemic” herein for a discussion of the University’s response to the COVID-19 pandemic and the impact of the COVID-19 pandemic on the University’s operations and financial condition.

The full impact of the COVID-19 pandemic and the scope of any adverse impact on the University cannot be fully determined. At this time, the University cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic; (ii) the re-imposition of travel restrictions and restrictions on assemblies or gatherings; (iii) what effect COVID-19 or any other outbreak or pandemic-related restrictions or warnings may have on demand for higher education; (iv) whether and to what extent the COVID-19 pandemic may continue to disrupt the State, national or global economy or whether any such disruptions may adversely impact the University's operations or revenues; or (v) whether any of the foregoing may have a material adverse effect on the financial condition or operations of the University or the ratings on the Series 2022 Bonds. However, the University currently anticipates that the COVID-19 pandemic and the related responsive measures will not impair the University’s ability to pay debt service on the Series 2022 Bonds and to comply with the other terms thereof.

### **Financial Assistance**

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. Typically, 75% of the University’s enrolled students receive some form of financial assistance through the University. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

### **Investments**

The University annually distributes a portion of the value of its investments to support its operations. See “PART 7 – THE UNIVERSITY – FINANCIAL STATEMENT INFORMATION – University Investments” herein. Developments in the securities markets could have an adverse effect on the market value of the University’s investments and the income generated therefrom. In addition, a large portion of the University’s endowment funds are either permanently restricted (so that the corpus of such funds may not be expended without obtaining certain approvals) or are restricted to being used for specified purposes not including the payment of debt service.

### **Fundraising**

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

### **Government Funding**

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

## **Competition**

Competition for students by colleges and universities remains intense. The University faces competition in a variety of forms, including but not limited to resulting from tuition discounting programs, the establishment of new programs, and the construction of new facilities by competitors. If the University is unable to maintain its competitive position, its ability to pay debt service on the Series 2022 Bonds could be adversely affected.

## **Risks as Employer**

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

## **Cybersecurity**

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

## **No Mortgages or Other Security for the Series 2022 Bonds**

The University's obligations under the Loan Agreement are general unsecured obligations of the University and are not secured by a pledge of any revenues or a mortgage on any properties of the University. As described under "PART 7 – THE UNIVERSITY – FINANCIAL STATEMENT INFORMATION – Outstanding Long-Term Debt and Other Obligations," debt of Y Properties (which is a Related Entity of the University) is secured by mortgages on certain facilities owned by Y Properties and leased to the University. Certain other property is also subject to mortgages to secure approximately \$3 million of debt. If there were a default under the Y Properties or such other debt, the holders of the debt could accelerate the debt and foreclose on such mortgages. Any money so collected and applied will not be available for satisfying any of the University's obligations under the Loan Agreement relating to the Series 2022 Bonds, and the University would lose the use of such facilities.

## **No Debt Service Reserve Fund for the Series 2022 Bonds**

The Resolution permits, but does not require, the establishment of a debt service reserve fund to secure Bonds issued thereunder. There is no debt service reserve fund securing the Series 2022 Bonds. In the event that a debt service reserve fund is established for a Series of Bonds hereafter issued under the Resolution, such debt service reserve fund will secure only such Series of Bonds and will not secure the Series 2022 Bonds.

## **Additional Bonds and Other Indebtedness**

Additional Bonds may be issued under the Resolution. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution, which Bonds may be issued at any time after the scheduled delivery date of the Series 2022 Bonds. The University may also incur other indebtedness in addition to that relating to additional Bonds. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS" herein and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT" attached hereto.

The University may secure such additional indebtedness (including indebtedness relating to additional Bonds) by a mortgage or lien on real or personal property or revenues without granting any such mortgage or lien to

secure the Series 2022 Bonds. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument will have the right to foreclose the lien on such property or revenues and apply the money so collected to the payment of amounts due under such debt instrument. Any money so collected and applied will not be available for satisfying any of the University's obligations under the Loan Agreement relating to the Series 2022 Bonds, and the University would lose the use of such facilities.

### **Change in Law**

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

### **Tax Related Risks**

#### *Tax-Exempt Status Change*

Loss of tax-exempt status by the University could result in loss of the exclusion from federal gross income of interest on the Series 2022 Bonds and defaults in covenants regarding the Series 2022 Bonds, and other related tax-exempt debt would likely be triggered. However, loss of tax-exempt status by the University would not cause a mandatory redemption or acceleration on the Series 2022 Bonds nor would it cause a change in the interest rates on the Series 2022 Bonds. The maintenance by the University of its Section 501(c)(3) tax-exempt status depends, in part, upon compliance with general rules in the Code and related United States Treasury regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals. The IRS has indicated that it is giving greater scrutiny to certain tax-exempt organizations, including colleges and universities. Certain bond-financed property is now owned by Einstein and loss of tax-exempt status by Einstein could similarly result in loss of the exclusion from federal gross income of interest on the Series 2022 Bonds with the same effect as loss of tax-exempt status by the University.

#### *Use of Bond-Financed Property*

The University has covenanted to use the bond-financed property in a manner such that the interest on the Series 2022 Bonds will be, and will remain, excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Certain bond-financed property is now owned by Einstein, which has undertaken similar covenants. Failure by the University or by Einstein to comply with such covenants could result in loss of the exclusion from federal gross income of interest on the Series 2022 Bonds.

#### *Risk of Audit*

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

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

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

If the University should file a plan of reorganization ("Plan"), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor as provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best

interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

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

### **Bond Rating**

There is no assurance that any rating assigned to the Series 2022 Bonds at the time of issuance will not be lowered or withdrawn. A downward revision or withdrawal of any such rating may have a material adverse effect on the market price for, and marketability of, the Series 2022 Bonds in secondary market trading. In addition, a downgrade of the rating assigned to the Series 2022 Bonds could have negative effects on the University's ability to borrow funds for future capital improvements, including but not limited to the costs of any such borrowing.

### **Secondary Market for the Series 2022 Bonds**

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2022 Bonds. From time to time there may be no market for the Series 2022 Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the University's capabilities and the financial condition and results of operations of the University.

## **PART 9 - DASNY**

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

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

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

To carry out its programs, DASNY is authorized to issue and sell negotiable bonds and notes to finance the construction of facilities for such institutions, to issue bonds or notes to refund outstanding bonds or notes, and to lend funds to such institutions. As of March 31, 2022, DASNY had approximately \$59.6 billion aggregate principal amount of bonds and notes outstanding.

DASNY also is authorized to make tax-exempt leases, with its Tax-Exempt Leasing Program (TELP). As part of its operating activities, DASNY also administers a wide variety of grants authorized by the State for economic development, education, and community improvement, which are payable to both public and private grantees from proceeds of State Personal Income Tax Revenue Bonds issued by DASNY.

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

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

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

DASNY has a staff of approximately 475 employees located in four main offices (Albany, New York City, Buffalo and Rochester) and at approximately 39 field sites across the State.

## **Governance**

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

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

The current members of DASNY are as follows:

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

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

GERARD ROMSKI, ESQ., Vice-Chair, Mount Kisco.

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



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

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

JONATHAN H. GARDNER, ESQ., Buffalo.

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

WELLINGTON Z. CHEN, Queens.

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

LISA A. GOMEZ, Pelham.

Lisa A. Gomez was appointed as a Member of DASNY by the Governor on June 2, 2022. Ms. Gomez is CEO of L+M Development Partners, LLC ("L+M"). She previously served as Chief Operating Officer. L+M develops, builds and manages affordable housing with local agencies such as the New York City Department of Housing Preservation and Development and the New York City Housing Authority. Prior to joining L+M, Ms. Gomez held positions in the Bloomberg and Dinkins Administrations as well as with JP Morgan Chase & Co. and Silverstein Properties. Ms. Gomez has a B.A. from Louisiana State University.

JOAN M. SULLIVAN, Slingerlands.

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

JANICE McKINNIE, Buffalo.

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

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

Dr. Betty A. Rosa was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective February 8, 2021. Previously, Dr. Rosa assumed the role of Interim Commissioner of Education and President of the University of the State of New York from August 14,

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

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

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

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

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

The principal staff of DASNY are as follows:

REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of experience in financial services, including public finance, personal wealth management, corporate finance and private equity. During his career in public finance, he participated in more than \$75 billion in tax-exempt bond issuances throughout the country. He has also managed investment portfolios and business assets for a variety of professionals. He previously served as Chair of the Atlanta Board of Education for Public Schools. Mr. McDaniel holds an undergraduate degree in Economics and Mathematics from the University of North Carolina at Charlotte and a Master of Business Administration from the University of Texas at Austin.

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

Administration with a Public Finance concentration, and a Bachelor of Arts degree in Political Science from the State University of New York, University at Albany.

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

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

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

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

CAROLINE V. GRIFFIN is the Chief of Staff of DASNY. She coordinates policy and operations across all of DASNY's business lines and serves as chief advisor on all DASNY operations. In addition, Ms. Griffin directly manages DASNY's work in communications, marketing, and intergovernmental affairs. She previously served in leadership roles for three New York State governors, managing and overseeing government operations and intergovernmental affairs, as well as serving as chief liaison for the governor's office with federal, state and local elected officials. Ms. Griffin holds a Bachelor of Arts degree in Communications from Boston College.

### **Claims and Litigation**

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

There is not now pending any litigation against DASNY (i) restraining or enjoining the issuance or delivery of the Series 2022 Bonds nor (ii) challenging the validity of the Series 2022 Bonds or the proceedings and authority under which DASNY will issue the Series 2022 Bonds.

## **Other Matters**

### *New York State Public Authorities Control Board*

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

### *Legislation*

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

### *Environmental Quality Review*

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

### *Independent Auditors*

The accounting firm of KPMG LLP audited the financial statements of DASNY for the fiscal year ended March 31, 2022. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

## **PART 10 - LEGALITY OF THE SERIES 2022 BONDS FOR INVESTMENT AND DEPOSIT**

Under New York State law, the Series 2022 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2022 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

## **PART 11 - NEGOTIABLE INSTRUMENTS**

The Series 2022 Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2022 Bonds.

## **PART 12 - TAX MATTERS**

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

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of DASNY, the University, Einstein contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2022 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. In addition, Co-Bond Counsel has relied on, among other things, the opinion of counsel to the University, regarding, among other matters, the current status of the University as an organization described in Section 501(c)(3) of the Code, which opinion is subject to a number of qualifications and limitations. Co-Bond Counsel also has relied upon representations of the University concerning the University’s “unrelated trade or business” activities, as defined in Section 513(a) of the Code. Failure of each, the University and Einstein, to maintain its respective status as an

organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2022 Bonds in a manner that is substantially related to the University's and Einstein's respective exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2022 Bonds to be included in gross income retroactively to the date of the issuance of the Series 2022 Bonds. Co-Bond Counsel will not independently verify the accuracy of DASNY's, the University's, and Einstein's representations and certifications or the continuing compliance with DASNY's, the University's, and Einstein's covenants and will not independently verify the accuracy of the opinion of the University's counsel.

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

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

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

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

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

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

### *Risk of Future Legislative Changes and/or Court Decisions*

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

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

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

### *Original Issue Discount and Original Issue Premium*

Certain of the Series 2022 Bonds (“Discount Series 2022 Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Series 2022 Bond. The issue price of a Discount Series 2022 Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Series 2022 Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Series 2022 Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Series 2022 Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2022 Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Series 2022 Bond. A purchaser of a Discount Series 2022 Bond in the initial public offering at the issue price (described above) for that Discount Series 2022 Bond who holds that Discount Series 2022 Bond to maturity will realize no gain or loss upon the retirement of that Discount Series 2022 Bond.

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

***Owners of Discount and Premium Series 2022 Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any***

*period with respect to the Discount or Premium Series 2022 Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.*

#### **PART 13 - STATE NOT LIABLE ON THE SERIES 2022 BONDS**

The Act provides that notes and bonds of DASNY are not a debt of the State, nor shall the State be liable thereon and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2022 Bonds are not a debt of the State and that the State is not liable thereon.

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

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

#### **PART 15 - LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Series 2022 Bonds by DASNY are subject to the approval of Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel, whose approving opinions will be delivered with the Series 2022 Bonds. The proposed form of Co-Bond Counsel's opinion is set forth in "APPENDIX E – FORM OF APPROVING OPINION OF CO-BOND COUNSEL" attached hereto.

Certain legal matters will be passed upon for the University by Andrew J. Lauer, Vice President for Legal Affairs, Secretary and General Counsel of the University, and by the University's special counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Katten Muchin Rosenman LLP, New York, New York.

#### **PART 16 - UNDERWRITING**

Goldman Sachs & Co. LLC, as representative of the underwriters (the "Underwriters"), has agreed, subject to certain conditions, to purchase the Series 2022 Bonds from DASNY and to make a public offering of Series 2022 Bonds at prices that are not in excess of the public offering prices (or at yields not less than the yields) set forth on the inside cover page of this Official Statement. The purchase price for the Series 2022 Bonds shall be \$152,502,898.69 (representing the principal amount of the Series 2022 Bonds plus net premium of \$334,075.10 and less an underwriting discount of \$676,176.41). The Underwriters will be obligated to purchase all such Series 2022 Bonds if any are purchased.

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

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriters and their 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.

UBS Financial Services Inc. (“UBS FSI”), one of the Underwriters of the Series 2022 Bonds, has entered into a distribution and service agreement with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings, including the Series 2022 Bonds. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with respect to the Series 2022 Bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

#### **PART 17 - 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”), the University will enter into a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Holders of the Series 2022 Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent and the Trustee. The proposed form of the Continuing Disclosure Agreement is attached as “APPENDIX F – FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” hereto.

#### **PART 18 - RATINGS**

S&P Global Ratings, a division of S&P Global, Inc. (“S&P”) has assigned a rating of “BBB-” (stable outlook) to the Series 2022 Bonds. Such rating reflects only the view of the rating agency and any desired explanation of the significance of such rating should be obtained from the rating agency at the following addresses: S&P, 55 Water Street, New York, New York 10041. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2022 Bonds.

#### **PART 19 – FINANCIAL ADVISOR**

Prager & Co., LLC, New York, New York (“Prager”) is acting as Financial Advisor (the “Financial Advisor”) to the University in connection with the issuance of the Series 2022 Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Series 2022 Bonds is contingent upon the issuance and delivery of the Series 2022 Bonds. Prager, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2022 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies.

#### **PART 20 – MISCELLANEOUS**

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

The agreements of DASNY with Holders of the Series 2022 Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2022 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2022 Bonds.

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

The information set forth herein relating to DASNY under the heading “PART 9 – DASNY” has been obtained from DASNY. All other information herein has been obtained by the Underwriters from the University and other sources deemed to be reliable by the Underwriters, and is not to be construed as a representation by DASNY or the Underwriters. In addition, DASNY does not warrant the accuracy of the statements contained herein relating to the University nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of security for the Series 2022 Bonds or (3) the value or investment quality of the Series 2022 Bonds.

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



“APPENDIX A – CERTAIN DEFINITIONS,” “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX E – FORM OF APPROVING OPINION OF CO-BOND COUNSEL” have been prepared by Squire Patton Boggs (US) LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel.

“APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES AND INDEPENDENT ACCOUNTANTS’ REPORT” contains the consolidated financial statements of the University as of and for the years ended June 30, 2021 and 2020 and the report thereon of PricewaterhouseCoopers, LLP the University’s independent auditors.

“APPENDIX F – FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE” has been prepared by Katten Muchin Rosenman LLP, New York, New York, counsel to the Underwriters.

The University has reviewed the parts of this Official Statement describing the University, the Principal and Interest Requirements, the Series 2022 Project, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondholders’ Risks, Continuing Disclosure and “APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES AND INDEPENDENT ACCOUNTANTS’ REPORT”. The University, as a condition to issuance of the Series 2022 Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

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

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

CERTAIN DEFINITIONS

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## CERTAIN DEFINITIONS

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

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

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

**Authorized Officer** means in the case of the Issuer, Institution or Trustee, as the case may be, when used with reference to any act or document referenced under the Resolution, any person authorized by a resolution of the party's governing board, the by-laws of the applicable party or any other corporate documentation to perform such act or execute such document.

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

**Bond Counsel** means Squire Patton Boggs (US) LLP and D. Seaton and Associates, P.A., or an attorney or other law firm or firms appointed by the Issuer, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

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

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

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

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

**Certificate of Determination** means a certificate of an Authorized Officer of the Issuer fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under the Resolution or under a Series Resolution as such certificate may be amended or supplemented from time to time.

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

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

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

**Cost** or **Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, a Hedge Agreement, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Issuer, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Issuer, in connection with the foregoing.

**Cost** or **Costs of the Project** means when used in relation to a Project, the costs and expenses incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and

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

**Counterparty** means any person with which the Institution has entered into a Hedge Agreement.

**Credit Facility** means, with respect to a Series of Bonds, an irrevocable letter of credit, insurance policy, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the trustee is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Institution 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 set forth in the Series Resolution authorizing the Series of Bonds.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained in the Resolution.

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

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

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

**Defeasance Security** means:

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

(iii) an Exempt Obligation, provided such Exempt Obligation (a) 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, (b) 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 (a) above, (c) 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 (a) above, and (d) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation; and

(iv) any other investments as provided in the applicable Series Resolution.

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

**Depository or DTC** 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 Certificate of Determination relating to a Series of Bonds to serve as securities depository for the Bonds of such Series (or any successor thereto appointed pursuant to the Resolution).

**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 Issuer 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.

**Electronic Means** means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Resolution.

**EMMA** means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board or any successor repository for municipal securities disclosures.

**Exempt Obligation** means:

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

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

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

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

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

**Federal Agency Obligation** means:

(i) an obligation issued by any federal agency or instrumentality which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Services;

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above;

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

(v) any other obligation issued by any federal agency or instrumentality permitted under the Issuer’s investment guidelines that is approved in writing by both the Issuer and the Institution.

**Government Obligation** means:

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

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

(iii) an obligation to which the full faith and credit of the United States of America are pledged;

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

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

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

**Hedge Agreement** means any financial arrangement entered into by the Institution 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.

**Institution** means Yeshiva University, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

**Intercreditor Agreement** means an agreement by and among, *inter alia*, the Issuer, the Trustee, providers of Credit Facilities, if any, and any other applicable lenders, as creditors of the Institution, with respect to (i) the relative priorities of the liens upon the Shared Collateral, (ii) limitations or conditions upon their respective rights to enforce,



foreclose or realize upon such liens, and (iii) the application of any money realized from the enforcement, foreclosure or other realization upon such liens.

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

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

**Liquidity Facility** means a letter of credit, a surety bond, a standby purchase agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained by the Trustee upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Certificate of Determination relating to such Bonds.

**Loan Agreement** means, when used in connection with a Series of Bonds or the funds and accounts established in connection with a Series of Bonds, the Loan Agreement by and between the Issuer and the Institution entered into in connection with the issuance of such Series of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by such Loan Agreement.

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

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

**Option Bond** means any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Issuer prior to the stated maturity thereof or for purchase by the Issuer 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 Certificate of Determination related to such Bonds.

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

**Outstanding**, when used in reference to Bonds, means, as of a particular date, all Bonds of such Series 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 defeasance provisions of 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 Certificate of Determination 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 Certificate of Determination relating to such Bond.

**Parity Indebtedness** means any indebtedness for borrowed money issued, incurred, assumed or guaranteed by the Institution that is secured by Collateral Security that, pursuant to an Intercreditor Agreement or otherwise, is of equal priority with the lien of such Collateral Security securing the Institution's obligations under one or more Loan Agreements.

**Permitted Collateral** means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligation;
- (iii) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category; and
- (iv) any other obligations or securities permitted under the Issuer's investment guidelines and approved in writing by both the Institution and the Issuer.

**Permitted Investments** means any of the following:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized demand deposits, including interest bearing money market accounts, time deposits, overnight bank deposits and other interest bearing deposits, and 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 demand deposits, including interest bearing money market accounts, time deposits, overnight bank deposits and other interest bearing deposits, and certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;
- (vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;
- (vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;
- (viii) Investment Agreements that are fully collateralized by Permitted Collateral;
- (ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, in the highest short term rating category by at least one Rating Service; and
- (x) any other investment permitted under the Issuer's investment guidelines that is approved in writing by both the Issuer and the Institution.

**Project** means the project referenced in a Loan Agreement and authorized to be financed or refinanced under the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Certificate of Determination relating to such Bonds.

**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 Issuer; 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 Moody's Investors Service, Inc., S&P Global Rating Services, Fitch, Inc. and any other nationally recognized statistical rating organization or their respective successors and assigns.

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

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

**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.

**Resolution** means the Yeshiva University Revenue Bond Resolution, adopted by the Issuer on June 22, 2022, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

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

**Revenues** means, when used in connection with the Bonds of any particular Series:

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

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

**Securities** means (i) moneys, (ii) Government Obligations, (iii) Exempt Obligations, (iv) any bond, debenture, note, preferred stock or other similar obligation of any corporation incorporated in the United States, which security, at the time an investment therein is made or such security is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, “Aa” or better by Moody’s or “AA” or better by S&P or is rated with a comparable rating by any other nationally recognized rating service acceptable to an Authorized Officer of the Issuer and (v) common stock of any corporation incorporated in the United States of America whose senior debt, if any, at the time an investment in its stock is made or its stock is deposited in any fund or account established under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, “Aa” or better by Moody’s or “AA” or better by S&P or is rated with a comparable rating by any other nationally recognized rating service acceptable to an Authorized Officer of the Issuer and the providers of a Credit Facility.

**Serial Bonds** means the Bonds so designated in a Series Resolution or a Certificate of Determination.

**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 the Certificate of Determination relating thereto, 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 Issuer authorizing the issuance of a Series of Bonds adopted by the Issuer pursuant to the Resolution.

**Series 2022 Bonds** means the Issuer’s Yeshiva University Revenue Bonds, Series 2022A.

**Series 2022 Resolution** means the Series Resolution 2022A Authorizing Up To \$165,000,000 Yeshiva University Revenue Bonds, adopted by the Issuer on June 22, 2022.

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

**Sinking Fund Installment** means, as of any date of calculation, when used with respect to any Bonds of a Series, 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 Certificate of Determination relating thereto to be paid on a single future July 1 (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds) for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Issuer 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.

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

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

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

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

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

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

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

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

*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 Certificate of Determination relating thereto, and that Series Resolution or Certificate of Determination shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

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

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

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CONSOLIDATED FINANCIAL STATEMENTS OF YESHIVA UNIVERSITY AND RELATED ENTITIES  
AND INDEPENDENT ACCOUNTANTS' REPORT

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**Yeshiva University**  
**Consolidated Financial Statements**  
**June 30, 2021 and 2020**

**Yeshiva University**  
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**June 30, 2021 and 2020**

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## Report of Independent Auditors

To the Board of Trustees of Yeshiva University

We have audited the accompanying consolidated financial statements of Yeshiva University and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, and of cash flows for the years then ended.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

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

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



*Opinion*

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

*PricewaterhouseCoopers LLP*

New York, New York  
December 23, 2021

**Yeshiva University**  
**Consolidated Statements of Financial Position**  
**June 30, 2021 and 2020**

<i>(in thousands of dollars)</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 25,953	\$ 26,702
Student receivables, net (Note 6)	35,825	38,018
Contribution receivables, net (Note 6)	83,063	52,295
Other assets and receivables (Note 6)	68,746	61,121
Investments, at fair value (Note 4)	646,998	498,769
Investments held for AECOM (Notes 4 and 11)	34,015	35,972
Investments held for unconsolidated organizations (Note 4)	167,396	131,307
Trusts and split-interest agreements held by others	13,742	11,241
Land, buildings and equipment, net (Note 7)	176,023	181,478
Total assets	<u>\$ 1,251,761</u>	<u>\$ 1,036,903</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 31,278	\$ 31,086
Deferred revenue	4,986	5,074
Other liabilities	16,767	13,500
Refundable advances from the U.S. Government	3,224	4,598
Bonds payable and other debt (Note 9)	273,655	279,153
Other obligations (Note 6)	56,819	-
Asset retirement obligations (Note 10)	9,171	9,122
Due to AECOM (Note 11)	39,590	41,577
Investments held for unconsolidated organizations (Note 4)	167,396	131,307
Total liabilities	<u>602,886</u>	<u>515,417</u>
Contingencies (Note 16)		
Net assets		
Without donor restrictions	(53,877)	(47,279)
With donor restrictions (Note 15)	702,752	568,765
Total net assets	<u>648,875</u>	<u>521,486</u>
Total liabilities and net assets	<u>\$ 1,251,761</u>	<u>\$ 1,036,903</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Yeshiva University**  
**Consolidated Statements of Activities**  
**Years Ended June 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<i>(in thousands of dollars)</i>						
<b>Operating revenues</b>						
Tuition and fees, net of scholarships of \$93,130 in 2021 and \$95,143 in 2020 (Note 13)	\$ 127,481	\$ -	\$ 127,481	\$ 118,948	\$ -	\$ 118,948
Contributions	5,703	-	5,703	9,520	-	9,520
Investment support utilized	37,389	-	37,389	25,814	-	25,814
Auxiliary enterprises	6,963	-	6,963	16,456	-	16,456
Other revenue	19,819	-	19,819	17,189	-	17,189
Net assets released from restrictions (Note 14)	38,133	-	38,133	30,283	-	30,283
Total operating revenues	<u>235,488</u>	<u>-</u>	<u>235,488</u>	<u>218,210</u>	<u>-</u>	<u>218,210</u>
<b>Operating expenses</b>						
Instruction	105,535	-	105,535	99,381	-	99,381
Academic support	40,942	-	40,942	44,058	-	44,058
Student services	21,164	-	21,164	24,313	-	24,313
Institutional support	66,154	-	66,154	58,735	-	58,735
Auxiliary enterprises	11,369	-	11,369	13,085	-	13,085
Total operating expenses (Note 12)	<u>245,164</u>	<u>-</u>	<u>245,164</u>	<u>239,572</u>	<u>-</u>	<u>239,572</u>
Change in operating activities	<u>(9,676)</u>	<u>-</u>	<u>(9,676)</u>	<u>(21,362)</u>	<u>-</u>	<u>(21,362)</u>
<b>Nonoperating activities</b>						
Contributions, net	-	64,661	64,661	-	28,957	28,957
Provision for uncollectible contribution receivables	-	736	736	-	(10,583)	(10,583)
Net assets released from restrictions and redesignations (Note 14)	(2,699)	(35,434)	(38,133)	31,804	(62,087)	(30,283)
Net investment return (Note 4)	6,165	135,886	142,051	2,262	23,827	26,089
Investment support utilized	(2,888)	(34,501)	(37,389)	(2,579)	(23,235)	(25,814)
Other revenue and transfers	-	2,639	2,639	-	(221)	(221)
Transfer from related party (Note 6)	2,500	-	2,500	-	-	-
Change in net assets from nonoperating activities	<u>3,078</u>	<u>133,987</u>	<u>137,065</u>	<u>31,487</u>	<u>(43,342)</u>	<u>(11,855)</u>
Change in net assets	<u>(6,598)</u>	<u>133,987</u>	<u>127,389</u>	<u>10,125</u>	<u>(43,342)</u>	<u>(33,217)</u>
<b>Net assets</b>						
Beginning of year	<u>(47,279)</u>	<u>568,765</u>	<u>521,486</u>	<u>(57,404)</u>	<u>612,107</u>	<u>554,703</u>
End of year	<u>\$ (53,877)</u>	<u>\$ 702,752</u>	<u>\$ 648,875</u>	<u>\$ (47,279)</u>	<u>\$ 568,765</u>	<u>\$ 521,486</u>

The accompanying notes are an integral part of these consolidated financial statements.

# Yeshiva University

## Consolidated Statements of Cash Flows

### Years Ended June 30, 2021 and 2020

<i>(in thousands of dollars)</i>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 127,389	\$ (33,217)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized and unrealized gain on investments	(139,962)	(23,062)
Unrealized gain in irrevocable charitable remainder trusts	(102)	(10)
Realized and unrealized gain on investments held for unconsolidated organizations	(38,302)	(4,533)
Unrealized gain in irrevocable charitable remainder trusts held for unconsolidated organizations	(25)	(5)
Noncash contributions received	(3,065)	(136)
Proceeds from sale of donated securities	1,544	71
Depreciation, accretion, and amortization expense	13,483	13,294
Change in trusts and split-interest agreements held by others	(2,501)	403
Present value adjustments to receivables	993	(384)
Provision for uncollectible loans and receivables	2,361	13,264
Contributions restricted for long-term investment	(19,968)	(4,676)
Contributions restricted for investment in plant assets	(374)	(592)
Changes in operating assets and liabilities		
Receivables and other assets	(26,203)	(8,044)
Accounts payable and accrued expenses	642	1,057
Deferred revenue, trusts held for others, other liabilities and asset retirement obligations	38,677	282
Net cash used in operating activities	<u>(45,413)</u>	<u>(46,288)</u>
<b>Cash flows from investing activities</b>		
Change in student and faculty loan receivables, net	934	(29)
Additions to land, buildings and equipment	(8,081)	(8,967)
Change in funds held by bond trustees	5	21
Purchases of investments	(255,330)	(459,100)
Proceeds from sales of investments	252,222	544,682
Net cash (used in) provided by investing activities	<u>(10,250)</u>	<u>76,607</u>
<b>Cash flows from financing activities</b>		
Contributions restricted for long-term investment	7,870	4,741
Contributions restricted for investment in plant assets	374	592
Change in refundable advances from the U.S. Government	(1,374)	(369)
Payment of deferred financing fees	(1,181)	-
Proceeds from assignment of lease income	58,000	-
Payment of bonds, notes, and mortgages payable	(5,724)	(6,552)
Net cash provided by (used in) financing activities	<u>57,965</u>	<u>(1,588)</u>
Net change in cash, cash equivalents and restricted cash	2,302	28,731
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of year	67,635	38,904
End of year	<u>\$ 69,937</u>	<u>\$ 67,635</u>
<b>Reconciliation of cash, cash equivalents and restricted cash</b>		
Cash and cash equivalents as shown on the Consolidated Statements of Financial Position	\$ 25,953	\$ 26,702
Restricted cash and cash equivalents included in Other assets and receivables as shown on the Consolidated Statements of Financial Position	1,543	1,311
Cash and cash equivalents included in the investments portfolio	42,441	39,622
Total cash, cash equivalents and restricted cash as shown on the Consolidated Statements of Cash Flows	<u>\$ 69,937</u>	<u>\$ 67,635</u>
<b>Supplemental disclosure</b>		
Interest paid	\$ 12,976	\$ 13,399
Change in accounts payable and accrued expenses relating to plant assets	(450)	(656)
Proceeds from sale of donated securities	1,544	71
Change in investments held for AECOM	(1,957)	(3,990)

The accompanying notes are an integral part of these consolidated financial statements.

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

#### 1. The University and its Operations

Yeshiva University (the “University”) is a private, nonprofit institution of higher education primarily based in New York City. The University was founded in 1886 as the Rabbi Isaac Elchanan Theological Seminary (“RIETS”), with which it is still affiliated, and was chartered as a separate University in 1945. The University brings together the heritage of western civilization and the ancient traditions of Jewish law and life.

The University is comprised of several colleges and schools providing undergraduate, graduate, professional, and post-doctoral education and training. The University’s undergraduate education includes Jewish Studies (the Robert M. Beren Department of Jewish Studies and the Rebecca Ivy Department of Jewish Studies), Yeshiva College, Stern College for Women, Sy Syms School of Business, Katz School of Science and Health, and the S. Daniel Abraham Israel Program in Israel. Graduate and professional education is provided at the affiliated Albert Einstein College of Medicine (“Einstein”) (Note 1), and at its Benjamin N. Cardozo School of Law (“Cardozo”), Sy Syms School of Business, Wurzweiler School of Social Work, Ferkauf Graduate School of Psychology (“Ferkauf”), Azrieli Graduate School of Jewish Education and Administration, Bernard Revel Graduate School of Jewish Studies, and the Katz School of Science and Health. The University provides instruction to approximately 5,400 undergraduate, graduate and professional students.

The University is accredited by the Middle States Association of Colleges and Schools, Einstein is accredited by the Liaison Committee on Medical Education, and Cardozo is accredited by the American Bar Association. The other academic programs are accredited by appropriate state and professional accrediting agencies and associations.

The University has three Manhattan campuses: the Wilf Campus located in the Washington Heights section, the Israel Henry Beren Campus located in the Murray Hill section, and the Brookdale Center located in the Greenwich Village section. Ferkauf is located in a building in the Bronx, Einstein’s is on the Jack and Pearl Resnick Campus in the Bronx. The Wilf Campus, Beren Campus and the Brookdale Center, together with Ferkauf, comprise the Manhattan Campuses. The University operates a museum in New York City and is associated with programs in Israel and Canada.

The University derives its revenues principally from student tuition and fees, government appropriations, contributions, and investment earnings. Additional support is generated through auxiliary activities carried out by the University, such as dining services and residence facilities. The University spends these resources in support of its instructional and research mission.

#### **Related Entities**

##### **Consolidated Organizations**

There are several entities (the “Consolidated Organizations”) that are controlled by the University for which it provides various administrative services. The financial results of the Consolidated Organizations are consolidated for financial statement reporting purposes.

The Yeshiva Endowment Foundation, Inc. (the “Foundation”) was formed in 1927 as a separate not-for-profit corporation organized for the benefit of the University and its affiliate, RIETS. Control of the Foundation is vested in a Board of Directors, all of whom are members of the University’s Board of Trustees (the “Board of Trustees”). The Foundation includes five wholly owned, for-profit real estate corporations.



# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

Y Properties Holdings, LLC (“Y Properties”) was formed in 2017 as a special purpose bankruptcy remote entity in connection with the refinancing of the University’s private placement debt which was collateralized by a mortgage encumbering five University properties in New York City. The purpose of Y Properties is to generally acquire, hold, maintain, operate, lease, or otherwise use its properties and to borrow money in furtherance of the objectives of Y Properties. The sole member of Y Properties is the University. On April 21, 2017, the University transferred ownership of the five aforementioned properties to Y Properties, and Y Properties entered into a \$140,000 loan agreement secured by a mortgage on such properties. The net proceeds of the loan (less the costs of issuance) were distributed to the University as the sole member and used to repay the private placement debt. The University continues to use these properties as a tenant, pursuant to a long-term operating lease with Y Properties as landlord (Notes 7 and 9(c)). Y Properties remains a separate entity whose assets and credit are not available to satisfy the University’s unrelated debts and other obligations. As the sole controlling member, the University includes the operations of Y Properties in the University’s consolidated financial statements.

#### **Unconsolidated Organizations**

RIETS and Yeshiva University High Schools (the “High Schools”), an education corporation that maintains separate secondary school programs for boys and girls, are independently incorporated not-for-profit institutions separately chartered by the Board of Regents of the State of New York in 1970 and 2009, respectively. Control of RIETS and the High Schools is vested in their respective boards of trustees, a minority of whose membership includes trustees of the University. The financial results for these two entities are excluded from the consolidated financial statements.

#### **Affiliation Agreements**

On September 9, 2015 (the “Acquisition Date” or the “Closing”), the University entered into a Joint Collaboration Agreement regarding Einstein with Montefiore Medicine Academic Health System, Inc. (“Montefiore Medicine”), an affiliate of Montefiore Medical Center (“Montefiore”) which has long been Einstein’s principal teaching hospital. Pursuant to the Joint Collaboration Agreement, the University transferred operational and financial responsibility for Einstein to a newly-created not-for-profit tax-exempt corporation (which, as of January 1, 2019, merged into a newly-created tax-exempt education corporation “AECOM”) controlled by Montefiore Medicine (the “Transaction”). In accordance with the Joint Collaboration Agreement, at the Closing the majority of the University’s investment and endowment accounts that were attributable to (i.e., donated for the benefit of) Einstein were transferred from the University to AECOM. The remainder of those investments have continued to be transferred to AECOM over time (Notes 4 and 11).

The University maintained academic oversight for the medical school (including granting degrees) and provided certain administrative services until AECOM became a freestanding degree-granting institution as of March 1, 2019. The University continued to sponsor and enroll international students at the medical school until June 1, 2020 when AECOM was able to do so on its own after receiving authority from the U.S. Government. In addition, as part of the transaction, the University retained ownership of (or the right to use) certain limited real estate assets on Einstein’s Resnick Campus in the Bronx.

#### **Tax Matters**

The University is a not-for-profit corporation described in Internal Revenue Code Section 501(c)(3) and is generally exempt from federal income taxes on related income under Internal Revenue Code Section 501(a). Accordingly, no provision for federal income tax has been recorded in the consolidated financial statements. The University is also exempt from New York income taxes

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

under the related state provisions. The University is subject to the unrelated business income tax on revenue generated by activities unrelated to its tax-exempt mission of education and research, primarily from income generated by certain investments. For the years ended June 30, 2021 and 2020, the University generated net unrelated trade or business income/(loss) of (\$593) and (\$691), respectively. As of June 30, 2021, the University had approximately \$20,400 of ordinary loss carry-forwards to offset unrelated business income and capital gains generated in future years. Management has taken the position not to record a deferred tax asset with respect to these losses, as it is uncertain whether such losses will be utilized in the future.

The Foundation is a not-for-profit corporation described in Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes under Internal Revenue Code Section 501(a). The Foundation operates as a supporting organization of the University and RIETS. The real estate entities are wholly owned by either the University or the Foundation, and operate as for-profit entities which are either disregarded or are subject to income tax at the federal, state, and local levels. In the opinion of management, these entities generate recurring losses and de minimis tax liabilities that are not material to the consolidated financial statements. Management has taken the position not to record a deferred tax asset with respect to these losses, as it is uncertain whether such losses will be utilized in the future.

Y Properties is a single member limited liability company that is classified as a disregarded entity for federal and state income tax purposes. For tax purposes, all of Y Properties' income and losses are reported by the University, its sole member.

Management assesses its income tax position each year to determine whether it is likely to be sustained if examined by an applicable taxing authority. This review for fiscal 2021 had no material impact on the consolidated financial statements.

## 2. Summary of Significant Accounting Policies

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

### **Basis of Presentation**

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board ("FASB") for external financial reporting by not-for-profit organizations. While the underlying accounts of the University are maintained in accordance with the principles of fund accounting to facilitate observance of specific donor-imposed restrictions placed on some of the resources available to the University, the accompanying consolidated financial statements present the financial position, activities, and cash flows of the University as a whole. University resources are classified and reported in the consolidated financial statements within separate classes of net assets based on the existence or absence of donor-imposed restrictions.

### **Net Assets Classification**

The University classifies its net assets as without donor restrictions or with donor restrictions. Periodically, donor redesignations may result in reclassifications of net assets. The two net assets categories of the University are classified as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations and are available for operations.

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

*With donor restrictions* – Net assets that are subject to donor-imposed stipulations. This includes net assets with donor restrictions that will be satisfied by the actions of the University, the passage of time, or both. These net assets include gifts for which donor-imposed restrictions have not been met (including gifts for capital projects not yet placed in service), pledges, split-interest agreements, and net assets from donor-restricted endowments not yet appropriated for spending. Once the restrictions are satisfied, or have been deemed to have been satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Also included in this category are net assets with donor restrictions that require such assets to be maintained permanently by the University and invested to provide a perpetual source of income. The University considers cash assets and pledges that are maintained and invested in perpetuity as endowment funds that will ultimately be invested when collected. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts and remainder trusts, and income and gains that are required to be permanently retained.

#### **Operating and Nonoperating Activities**

The Consolidated Statements of Activities present the changes in net assets by distinguishing between operating and nonoperating activities.

Operating activities principally include all revenue and expenses that relate to the University's educational programs, research, training, and supporting activities. Investment returns utilized included in operating revenues consist of appropriated endowment spending on pooled endowed funds and investment income on nonendowed funds, as well as nonpooled endowed funds, that were used to support operating activities in accordance with the University's endowment spending policy (Note 5). Operating revenues also include the release of restricted net assets which include prior year contributions for which the donor-specified conditions have been met.

The University has defined nonoperating activities to principally include net investment return less investment return utilized to support current year operating activities in accordance with the University's endowment spending rate policy (Note 5), restricted contributions, net assets released from restrictions and redesignations, provision for or loss on uncollectible contributions receivable, and transfer from related party. Certain other gains, losses or transfers in net assets related to transactions considered to be of an unusual or nonrecurring nature are also included in nonoperating activities.

#### **Revenue Recognition**

Revenue related to exchange transactions is recognized under the provisions of the applicable FASB Accounting Standards Codification ("ASC") Topic, which is typically ASC Topic 606, Revenue from Contracts with Customers. The University recognizes contributions in accordance with the revenue recognition provisions of ASC Topic 958-605, Not-for-Profit Entities Revenue Recognition. Revenue is considered a contribution if it is determined not to be an exchange transaction.

Revenue recognition for the University's significant types of revenue is discussed below.

#### **Tuition and Fees**

Tuition and fees are derived from degree and continuing education programs. The University administers a variety of federal, state, institutional, and private programs in order to assist students in meeting tuition and other costs of attendance. Tuition and fees do not include other items such

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

as meal plans and room and board which are included in auxiliary revenue in the Consolidated Statements of Activities; however the recognition process mirrors that for tuition and fees. Tuition and fee revenues are reported net of scholarships and transfers to AECOM. Scholarships are provided to offset tuition and fees and are either merit or need based. Tuition and fees and room and board revenues are supported by separate contracts entered between the University and the individual student.

Tuition and fees and room and board revenues are recognized as operating revenue in the period in which the University satisfies its performance obligations to its students. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of accounting in ASC Topic 606. The University's performance obligations are to provide education to the student and, in certain instances, other items such as room and board. The University recognizes tuition and fees, and room and board on a straight-line basis over each academic session based on gross price, net of explicit price concessions such as financial aid grants which are applied to tuition and fees. The value that is recognized for each performance obligation is set forth in a publicly available University fee schedule and is identified in the individual contracts with each student. Individual contracts for tuition and fees, and room and board display the transaction price on a standalone basis for each service to be provided to each specific student. Additionally, the contract contains the price adjustment in the form of financial aid grants that are being awarded to the student. Given the timing of each year's academic semesters, nearly all performance obligations on behalf of the University are completed within the fiscal year.

The timing(s) of billings, cash collections and revenue recognition results in accounts receivable and deferred revenue and student deposits on the Consolidated Statements of Financial Position. Receivables are recognized only to the extent that it is probable that the University will collect substantially all of the consideration to which it is entitled in exchange for goods and services transferred to the student. Receipts received in advance of goods and services performed are recorded as deferred revenue and student deposits.

Of the \$134,444 in total net tuition, fees and auxiliary revenue recognized in fiscal year 2021, \$64,020 was from undergraduate students, and \$70,424 was from graduate students. Of the \$135,404 in total net tuition, fees and auxiliary revenue recognized in fiscal year 2020 \$72,098 was from undergraduate students, \$63,154 was from graduate students, and \$152 was from other sources.

#### **Contributions**

Contributions, including unconditional promises to give ("pledges"), are reported as revenues in the period received or pledged.

Conditional promises to give are not recognized until they become unconditional, that is, when both the barrier to entitlement and the refund of amounts paid (or a release from obligation to make future payments) have been substantially met. Conditional contributions received, where the barrier to entitlement has not yet been substantially met, are recorded as deferred revenue.

Contributions of assets other than cash are recorded at their estimated fair value at the date of receipt if the University received certain goods and services that meet criteria under generally accepted accounting principles in the United States of America ("GAAP") for recognition as contributions. Contributions of property and equipment are recorded as increases in net assets without donor restrictions unless the donor places restrictions on their use. Pledges not expected

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

to be received within one year are discounted at a risk-adjusted rate that includes a premium for credit risk, if any. In addition, provisions for uncollectible contribution receivables that are related to pledges with donor restrictions are presented under nonoperating activities.

#### **Other Revenue**

Other revenue consists of government awarded grants and contracts, income from the Jack D. Weiler Hospital of Albert Einstein College of Medicine ("WHAECOM") lease and other program income support revenue.

The University receives sponsored program grant and contract income from governmental sources. The funding may represent a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large or it may be a reciprocal transaction in exchange for an equivalent benefit in return. Revenues from exchange transactions are recognized as performance obligations are satisfied which in most cases mirrors the timing of when related costs are incurred. Revenues from nonexchange transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). The University recognizes revenue earned from conditional nonexchange transactions when the barrier is satisfied, typically as related costs are incurred. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions will include the donor-restricted contributions if the purpose restrictions are met in the same reporting year as the revenue is recognized.

The University has a lease agreement with Montefiore, whereby exclusive occupation, management, and control of WHAECOM is with Montefiore. The annual lease payment along with the straight-line of the WHAECOM lease are recorded as other revenue. On December 15, 2020, the University entered into a transaction to assign 49 years of lease payments to a third party, refer to Note 6.

#### **Investments and Net Investment Return**

Investments are stated at estimated fair value. These fair values may differ from the values that would have been used had a ready market existed for these investments, and the differences could be significant.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are generally determined on the basis of average cost of securities sold and are reflected in net investment return in the Consolidated Statements of Activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis, and are reflected in net investment return in the Consolidated Statements of Activities.

#### **Cash and Cash Equivalents**

The Cash and cash equivalents line on the Consolidated Statements of Financial Position represents the University's working capital and includes cash on hand and other highly liquid investments having an original maturity of less than three months, excluding investments. Cash and cash equivalents may include cash in bank accounts and investments in money market funds. Cash and cash equivalents related to the University's investment strategies are included in Investments in the Consolidated Statements of Financial Position. In the Consolidated Statements of Cash Flows, the University elected to show restricted cash and cash equivalents from investments and other assets and receivables as part of a reconciliation equating to total cash,

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

cash equivalents and restricted cash. At times, cash in banks may exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits. Management believes that the credit risk to these deposits is minimal.

#### **Student Receivables and Allowance for Doubtful Accounts**

Student receivables are recorded when billed to the student. Student receivables are reduced by an allowance for doubtful accounts. The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. Account balances are written off against the allowance when management determines it is probable the receivable will not be recovered. Historical collection is an integral part of the estimation process related to the allowance for uncollectible accounts. Revisions in allowance for doubtful accounts estimates are recorded as an adjustment to the provision for bad debts.

#### **Institutional Student Loans**

The University manages a variety of internal loan programs. Student loans are classified as net assets with donor restrictions. Interest earned on institutional loan programs is reinvested to support additional loans. The repayment and interest rate terms of the institutional loans vary considerably.

#### **Split-Interest Agreements and Perpetual Trusts**

The University’s split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts for which the University serves as trustee. The fair value of trusts and split-interest agreements are categorized as Level 3 within the fair value hierarchy. Contribution revenue is recognized at the date that the trusts are established, after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

The University is the beneficiary of certain perpetual trusts and other split-interest agreements held and administered by others. The present value of the estimated future cash receipts from the trusts and agreements is recognized as an asset and as a contribution when the University is notified that the trusts or agreements have been funded. Distributions from the trusts greater than the estimated present value are recorded as contributions and the carrying value of the assets is adjusted annually for changes in the estimates of future receipts. Changes in the fair values of assets of perpetual trusts and agreements are recorded as increases or decreases in net assets with donor restriction.

#### **Land, Buildings and Equipment**

Land, buildings and equipment (Note 7) are stated substantially at cost, except for those received by contribution, which are stated at appraised value at date of contribution. Equipment, furniture and fixtures having a useful life of one year or more and an acquisition cost of five thousand dollars or more per unit are capitalized.

Depreciation is computed on a straight-line basis over the assets’ estimated useful lives. Depreciable lives of buildings and improvements are 50 years for building shell and up to 28 years for all other building components. The depreciable lives of equipment, furniture, and fixtures range from 5 to 15 years and range from 5 to 10 years for software applications.

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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(in thousands of dollars)

#### **Refundable Advances From the U.S. Government**

Funds provided by the U.S. Government under the Federal Perkins Loan program are loaned to eligible students and may be re-loaned after collection. These funds are ultimately refundable to the U.S. Government and are presented in the Consolidated Statements of Financial Position as a liability. The Perkins Loan Program was not reauthorized by the federal government in September 2017, and therefore, collected funds will be returned to the U.S. Government and the University proportionate to their original funding.

#### **Fair Value**

The University values certain financial and nonfinancial assets and liabilities by applying the FASB pronouncement on *Fair Value Measurements*. The pronouncement defines fair value and establishes a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The hierarchy has three levels based on inputs that market participants would use in valuing the asset or liability based on market data obtained from sources independent of the University as follows:

- Level 1      Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2      Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable.
- Level 3      Unobservable inputs for the asset or liability.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. The University is required by the pronouncement to maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3). The University considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, provided by independent sources that are actively involved in the relevant market, and not proprietary. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that instrument.

Assets and liabilities are disclosed in the Notes to Consolidated Financial Statements within the hierarchy based on the lowest (or least observable) input that is significant to the measurement. The University's assessment of the significance of an input requires judgment, which may affect the valuation and categorization within the fair value hierarchy. The fair value of assets and liabilities using Level 3 inputs are generally determined by using pricing models, discounted cash flow methods or calculated Net Asset Value ("NAV"), which all require significant management judgment or estimation.

As a practical expedient, the University is permitted, under the pronouncement, to estimate the fair value of an investment in an investment company at the measurement date using the reported NAV. Adjustment is required if the University expects to sell the investment at a value other than NAV or if NAV is not calculated in accordance with GAAP. All investments for which fair value is

# Yeshiva University

## Notes to Consolidated Financial Statements

### June 30, 2021 and 2020

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*(in thousands of dollars)*

measured using NAV are excluded within the fair value hierarchy, as long as no adjustment is required to NAV and the investment manager has reported a NAV at the measurement date. Investments are categorized as Level 3 if a NAV adjustment is required or if there is no reported NAV at the measurement date.

The University performs additional procedures, including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with GAAP. The University has assessed factors including, but not limited to, managers' compliance with the *Fair Value Measurement* standard, price transparency and valuation procedures in place.

All investments are subject to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is likely that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

The fair value of the University's investments is disclosed in Note 4. A reasonable estimate of the fair value of loans receivable from students under government loan programs could not be made because the loans are not saleable and can only be assigned to the U.S. Government or its designees. The fair value of the mortgage loans receivable at June 30, 2021 and 2020 approximate carrying value in the Consolidated Statements of Financial Position. The carrying amount of the University's remaining financial instruments approximates fair value because of their short maturity.

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions include the valuation of investments, provision for uncollectible receivables, the present value of multi-year pledges, and the allocation of expenses to functional classifications.

#### **New Authoritative Pronouncements Adopted by the University**

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The University adopted ASU 2016-02 on July 1, 2020 using the modified retrospective transition method that allows for application of the standard at the adoption date rather than at the beginning of the earliest comparative period presented in the consolidated financial statements. The University does not have material lessee lease obligations and therefore there is no further impact, resulting from this ASU, to the statements of financial position from the lessee perspective. The University has adopted this ASU as a lessor. At the time of adoption, the University elected to adopt various practical expedients as allowed by the standard. The University adopted the transitional package of practical expedients which among other provisions, allowed the University to carry forward historical lease classifications. Additionally, the University has elected the practical expedient that allows lease and non-lease components to be viewed together and not separately. Additionally, the University elected a policy, as permitted under the guidance, which excludes short-term leases from the application of this ASU. The University has also elected to use a risk free discount rate if the rate is not implicit in the lease. Lessors in operating leases continue to recognize the underlying asset and recognize lease income on either a straight-line basis or



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another systematic and rational basis. Adoption did not have a material impact on the University's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement. The new guidance simplifies fair value measurement disclosures through the removal and modification of a number of investment related disclosure requirements. Certain disclosures are no longer required including amount of and reasons for transfers between Levels 1 and 2; policy for timing of transfers between level and valuation processes for Level 3 investments. The ASU is effective for fiscal year 2021 for the University. Adoption did not have a material impact on the University's consolidated financial statements.

#### **New Authoritative Pronouncements Not Yet Adopted by the University**

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets). The ASU amends financial reporting requirements in Topic 958, Not-for-Profit Entities by providing new presentation and disclosures requirements about contributed nonfinancial assets for not-for-profit entities. This ASU is effective for fiscal years beginning after June 15, 2021. The University is evaluating the impact of the new standard on the University's consolidated financial statements.

#### **Reclassifications**

Certain previously reported amounts in the fiscal year 2020 consolidated financial statements have been reclassified in order to conform to fiscal year 2021 presentation.

### **3. Liquidity and Availability of Financial Resources**

As part of the University's liquidity management strategy, the University structures its financial assets to be available to meet cash needs for general expenditures, liabilities, and other obligations as they come due. A significant portion of the University's annual expenditures are funded by operating revenues in the current year including tuition and fees, endowment support, auxiliary enterprises, gifts for current use and other revenues.

The University routinely monitors liquidity required to meet its ongoing operating needs and commitments while striving to maximize the investment of available resources within its investment pools.

The University's financial assets available within one year of the Consolidated Statements of Financial Position for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital projects are as follows:

	2021	2020
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 19,363	\$ 19,436
Student receivables	10,400	9,300
Pledge receivables due in one year	17,911	11,861
Short term investments	64,200	36,500
Estimated spending appropriation	26,144	25,801
Total financial assets available within one year	\$ 138,018	\$ 102,898

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In addition, the University has board-designated funds of \$4,996 and \$4,024 at June 30, 2021 and 2020. Although the University does not intend to spend from such funds, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from such board-designated funds could be made available if necessary.

The University was in compliance with its bond and bank loan covenants at June 30, 2021 and 2020. Management believes that the University will have sufficient resources to meet its ongoing obligations, through June 30, 2023.

Due to the COVID-19 pandemic, Congress provided Higher Education Emergency Relief Funds (HEERF) to higher education institutions via the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA). The HEERF funds, which are eligible to be used for all permitted purposes dating back to the March 13, 2020 national emergency declaration onward, are divided into two portions, the Student Portion and the Institutional Portion. The University has been allocated HEERF funding in the amount of \$10,200 and \$2,500 for the fiscal years ending June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, \$2,472 and \$1,240 was drawn-down and utilized for qualifying institutional purposes and \$1,250 and \$1,250 was drawn-down and distributed to qualifying students as emergency grants. The remaining \$6,509 of allocated institutional and student HEERF funds will be drawn-down and utilized in fiscal year 2022. The University believes it is in compliance with existing federal guidelines with respect to the HEERF funds.

The University continues to monitor developments related to COVID-19. However, given the uncertainty regarding the future impact of COVID-19, it is difficult to predict the potential impact on the University's consolidated financial statements which may be material to the University's results of operations.

#### **4. Investments**

The University manages substantially all of its investments and those of certain Consolidated Organizations and Unconsolidated Organizations in three investment groups – the Long Term Pool (“LTPool”) for long-term investments, the Operational Investment Funds (“OIFunds”) for shorter-term investments, and Segregated Investments.

The Investment Oversight Committee of the Board of Trustees oversees the University's investment strategy for the LTPool in accordance with established guidelines, which cover, among other criteria, asset allocation, diversification, liquidity and performance return objectives. The overall investment objective of the University is to invest the LTPool in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after accounting for inflation. The University diversifies its investments among various asset classes incorporating multiple strategies and managers.

In anticipation of the Joint Collaboration Agreement regarding Einstein (Note 1), the University split the LTPool into two unitized pools in fiscal year 2015, both of which are included as part of the LTPool in the schedule below. The remaining portion of Einstein's investments of \$34,015 and \$35,972 at June 30, 2021 and 2020, respectively, represents investments held for AECOM that are being transferred over time due to illiquidity and other regulatory reasons. These amounts are shown separately on the Consolidated Statements of Financial Position as of June 30, 2021 and

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2020, respectively.

The OIFunds are managed to a shorter-term investment horizon with an emphasis on liquidity. Investments include cash and cash equivalents and fixed income securities.

Segregated Investments include investments that are donor-directed and assets held in irrevocable charitable remainder trusts. These investments include cash and cash equivalents, U.S. Government obligations, mutual funds (fixed income), corporate debt, State of Israel Bonds, corporate stocks, mutual funds (equities), investment receivables, investment payables and other investments.

At June 30, 2021 and 2020, the value of the University's interest in these groups is as follows:

	2021	2020
Long term pool	\$ 642,343	\$ 493,907
Operational investment funds	94	94
Segregated investments	4,561	4,768
Total investments, at fair value	<u>\$ 646,998</u>	<u>\$ 498,769</u>

Included in segregated investments are irrevocable charitable remainder trusts of \$678 and \$837 as of June 30, 2021 and 2020, respectively. Included in investments held for AECOM on the Consolidated Statements of Financial Position are \$24,387 and \$18,993 of irrevocable charitable remainder trusts as of June 30, 2021 and 2020, respectively.

The following tables present the fair value hierarchy for those assets reported at fair value in the Consolidated Statements of Financial Position as of June 30, 2021 and 2020. The fair value amounts presented below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Financial Position as of June 30, 2021 and 2020:

Investment Strategy	2021				Total
	Level 1	Level 2	Level 3	NAV	
Cash and cash equivalents	\$ 42,441	\$ -	\$ -	\$ -	\$ 42,441
Fixed income					
U.S. Government obligations	7,036	-	-	-	7,036
Mutual funds (fixed income)	21,259	-	-	-	21,259
Corporate debt	-	44,326	-	-	44,326
State of Israel bonds	-	260	-	-	260
Equities					
Corporate stocks	59,371	-	-	-	59,371
Mutual funds (equities)	59,174	-	-	-	59,174
Long-only equities	-	-	-	187,841	187,841
Long-short equities	-	-	-	79,768	79,768
Private equity	-	-	-	142,145	142,145
Venture capital	-	-	-	51,417	51,417
Marketable alternatives					
Multi-strategy/event-driven	-	-	-	121,313	121,313
Real assets	-	-	-	10,096	10,096
Real estate	-	-	-	18,985	18,985
Investment receivables	-	-	-	254	254
Other investments	1,005	1,718	-	-	2,723
	<u>\$ 190,286</u>	<u>\$ 46,304</u>	<u>\$ -</u>	<u>\$ 611,819</u>	<u>848,409</u>
Less: Unconsolidated Organizations' interests in the investments portfolio					(167,396)
Less: Investments held for AECOM					(34,015)
Total investments, at fair value					<u>\$ 646,998</u>

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Investment Strategy	2020				NAV	Total
	Level 1	Level 2	Level 3			
Cash and cash equivalents	\$ 39,622	\$ -	\$ -	\$ -	\$ -	\$ 39,622
Fixed income						
U.S. Government obligations	6,394	-	-	-	-	6,394
Mutual funds (fixed income)	18,689	-	-	-	-	18,689
Corporate debt	-	9,494	-	-	-	9,494
State of Israel bonds	-	295	-	-	-	295
Equities						
Corporate stocks	52,187	-	-	-	-	52,187
Mutual funds (equities)	29,239	-	-	-	-	29,239
Long-only equities	-	-	-	97,206	-	97,206
Long-short equities	-	-	-	137,186	-	137,186
Private equity	-	-	-	107,753	-	107,753
Venture capital	-	-	-	18,931	-	18,931
Marketable alternatives						
Multi-strategy/event-driven	-	-	-	109,841	-	109,841
Real assets	-	-	-	8,987	-	8,987
Real estate	-	-	-	14,660	-	14,660
Investment receivables	-	-	-	12,123	-	12,123
Other investments	1,747	1,694	-	-	-	3,441
	<u>\$ 147,878</u>	<u>\$ 11,483</u>	<u>\$ -</u>	<u>\$ 506,687</u>		<u>666,048</u>
Less: Unconsolidated Organizations' interests in the investments portfolio						(131,307)
Less: Investments held for AECOM						<u>(35,972)</u>
Total investments, at fair value						<u>\$ 498,769</u>

**Fixed Income**

Fixed income securities include directly-held U.S. Government obligations, fixed income securities held in mutual funds, directly-held corporate debt and directly-held State of Israel bonds. U.S. Government obligations and fixed income securities held in mutual funds are valued based on quoted market prices in active markets and are categorized as Level 1. Corporate debt is valued based on quoted market prices or dealer or broker quotations and is categorized as Level 2. State of Israel bonds are recorded at face value, which approximates fair value, and are categorized as Level 2.

**Equities**

Equity investments include directly-held corporate stocks, public equities held in mutual funds, and long-only equities, long-short equities, private equity and venture capital, all held in limited partnerships. Corporate stocks and public equities held in mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1. Long-only equities (where only long positions in assets and securities are traded and held), long-short equities (where long positions that are expected to appreciate and short positions that are expected to decline are traded and held), private equity (which invests directly in private firms) and venture capital (which includes direct equity investments of less mature firms) are valued at NAV provided by the investment manager. All investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

**Marketable Alternatives**

Marketable alternatives include limited partnership investments in multi-strategy/event-driven and macro strategies. Multi-strategy/event-driven (which represents an investment strategy that includes several strategies or attempts to take advantage of events such as mergers and restructurings) and macro (that bases its holdings - such as long and short positions in various equity, fixed income, currency, and futures markets - primarily on overall economic and political

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views of various countries (macroeconomic principles)) are valued at NAV provided by the investment manager. All such investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

#### **Real Assets and Real Estate**

Real Assets represent limited partnership investments in tangible assets that may include rail cars, ships, aircraft, forestry or traded commodities. Real estate represents limited partnership investments in real property. The interests in these investments are valued at NAV provided by the investment manager. All such investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy, as long as no adjustment is required to NAV and the manager has reported a NAV at the measurement date. Investments are categorized as Level 3 if a NAV adjustment is required or if there is no reported NAV at the measurement date.

#### **Investment Receivables**

Investment receivables include investments in limited partnerships where the University has placed redemption requests or provided prepaid subscriptions and are measured at NAV and accrued income earned not yet paid are measured at Level 1. All such investments, for which fair value is measured using NAV, have been excluded within the fair value hierarchy.

#### **Other Investments**

Other investments include life insurance policies and directly-held real estate property.

All net realized and unrealized gains (losses) in the table above are reflected in the Consolidated Statements of Activities. The University's policy is to recognize transfers in and transfers out as of the end of the period. During the years ended June 30, 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

The University has made investments in various long-lived partnerships and, in other cases, has entered into contractual agreements that may limit its ability to initiate redemptions due to notice periods, lock-ups and other restrictions. The University has also made commitments to provide capital to various limited partnerships, and under the terms of those agreements, the University is obligated to periodically advance additional funding. The University had commitments of approximately \$93,255 and \$128,726 at June 30, 2021 and 2020, respectively, to investment funds and limited partnerships for which capital calls had not been exercised. These amounts have not been recorded as liabilities in the Consolidated Statements of Financial Position. Such commitments generally have fixed expiration dates or other termination clauses. The University maintains sufficient liquidity in its investment portfolio to cover such calls.

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Details on liquidity, restrictions by strategy and type of investment are provided below as of June 30, 2021 and 2020:

Investment strategy	2021						Current Year Notice Periods in Days
	Monthly and More Frequent	Quarterly	Semi-Annually and Annually	Greater Than One Year	Redemptions Placed	Total	
Cash and cash equivalents	\$ 42,441	\$ -	\$ -	\$ -	\$ -	\$ 42,441	N/A
Fixed income							
U.S. Government obligations	7,036	-	-	-	-	7,036	N/A
Mutual funds (fixed income)	21,259	-	-	-	-	21,259	N/A
Corporate debt	44,326	-	-	-	-	44,326	N/A
State of Israel bonds	-	-	-	260	-	260	N/A
Equities							
Corporate stocks	59,371	-	-	-	-	59,371	N/A
Mutual funds (equities)	59,174	-	-	-	-	59,174	N/A
Long-only equities	61,049	24,523	41,947	60,322	-	187,841	10-90
Long-short equities	-	36,961	255	28,931	13,621	79,768	30-60
Private equity	-	-	-	142,145	-	142,145	N/A
Venture capital	-	-	-	51,417	-	51,417	N/A
Marketable alternatives							
Multi-strategy/event-driven	-	73,015	47,151	-	1,147	121,313	60-90
Real assets	-	-	-	10,096	-	10,096	N/A
Real estate	-	-	-	18,985	-	18,985	N/A
Investment receivables	254	-	-	-	-	254	N/A
Other investments	1,345	-	-	1,378	-	2,723	N/A
Total investments, at fair value	\$ 296,255	\$ 134,499	\$ 89,353	\$ 313,534	\$ 14,768	\$ 848,409	

  

Investment strategy	2020						Current Year Notice Periods in Days
	Monthly and More Frequent	Quarterly	Semi-Annually and Annually	Greater Than One Year	Redemptions Placed	Total	
Cash and cash equivalents	\$ 39,622	\$ -	\$ -	\$ -	\$ -	\$ 39,622	N/A
Fixed income							
U.S. Government obligations	6,394	-	-	-	-	6,394	N/A
Mutual funds (fixed income)	18,689	-	-	-	-	18,689	N/A
Corporate debt	9,494	-	-	-	-	9,494	N/A
State of Israel bonds	-	-	-	295	-	295	N/A
Equities							
Corporate stocks	52,187	-	-	-	-	52,187	N/A
Mutual funds (equities)	29,239	-	-	-	-	29,239	N/A
Long-only equities	44,231	23,344	29,631	-	-	97,206	10-90
Long-short equities	-	41,451	805	81,092	13,838	137,186	30-60
Private equity	-	-	-	107,753	-	107,753	N/A
Venture capital	-	-	-	18,931	-	18,931	N/A
Marketable alternatives							
Multi-strategy/event-driven	-	63,481	44,498	-	1,862	109,841	60-90
Real assets	-	-	-	8,987	-	8,987	N/A
Real estate	-	-	-	14,660	-	14,660	N/A
Investment receivables	123	12,000	-	-	-	12,123	N/A
Other investments	2,008	-	-	1,433	-	3,441	N/A
Total investments, at fair value	\$ 201,987	\$ 140,276	\$ 74,934	\$ 233,151	\$ 15,700	\$ 666,048	

As of June 30, 2021 and 2020, there are no investments subject to lock up restrictions.

The University has placed redemptions with certain investments that are in the process of fully redeeming, are in liquidation or are side-pocketed. Payout from these investments is subject to when the investment manager determines and has the ability to sell the underlying assets to generate cash for payment. As such, payout of such investments may take a significant and indeterminable amount of time.

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Details on unfunded commitments by investment strategy are provided below as of June 30, 2021 and 2020:

Investment Strategy	2021			
	Unfunded Commitments by Date of Fund Termination			
	0-3 Years	4-5 Years	Greater Than 5	Total
<b>Equities</b>				
Private equity	\$ 9,331	\$ 16,675	\$ 4,118	\$ 30,124
Venture capital	235	300	44,213	44,748
Real assets	4,102	-	-	4,102
Real estate	2,581	1,500	10,200	14,281
	<u>\$ 16,249</u>	<u>\$ 18,475</u>	<u>\$ 58,531</u>	<u>\$ 93,255</u>

Investment Strategy	2020			
	Unfunded Commitments by Date of Fund Termination			
	0-3 Years	4-5 Years	Greater Than 5	Total
<b>Equities</b>				
Private equity	\$ 7,044	\$ 8,389	\$ 32,008	\$ 47,441
Venture capital	531	-	58,983	59,514
Real assets	4,801	389	-	5,190
Real estate	2,581	-	14,000	16,581
	<u>\$ 14,957</u>	<u>\$ 8,778</u>	<u>\$ 104,991</u>	<u>\$ 128,726</u>

**Net Investment Return**

Net investment return for the years ended June 30, 2021 and 2020 is as follows:

	2021	2020
Investment income	\$ 4,088	\$ 5,083
Investment expenses	(1,999)	(2,056)
Net realized and unrealized gains	139,962	23,062
Net investment return	<u>\$ 142,051</u>	<u>\$ 26,089</u>

**Investment Support Appropriated From LTPool**

In fiscal year 2021, investment support appropriated from the LTPool was \$40,759, inclusive of appropriation from endowments of \$38,042, of which \$37,389 was utilized. In fiscal year 2020, investment support appropriated from the LTPool was \$28,197, inclusive of appropriation from endowments of \$25,812, of which \$25,814 was utilized.

**5. Endowment**

The University's endowment consists of approximately 1,200 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The University classifies as net assets with donor restrictions: (a) the original value of contributions donated to the permanent endowment, (b) the original value of subsequent contributions to the permanent endowment, (c) accumulations to the permanent endowment required by the applicable donor gift instrument and (d) appreciation related to donor-restricted endowment funds. When appreciation is appropriated for expenditure and utilized, those amounts are reclassified to net assets without donor restrictions.

The following represents the University's endowment net asset composition by type of fund as of June 30, 2021 and 2020:

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 576,215	\$ 576,215
Board-designated endowment funds	4,996	-	4,996
Total endowment net assets	<u>\$ 4,996</u>	<u>\$ 576,215</u>	<u>581,211</u>
Other investments, net			<u>65,787</u>
Total investments			<u>\$ 646,998</u>

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 470,484	\$ 470,484
Board-designated endowment funds	4,024	-	4,024
Total endowment net assets	<u>\$ 4,024</u>	<u>\$ 470,484</u>	<u>474,508</u>
Other investments, net			<u>24,261</u>
Total investments			<u>\$ 498,769</u>

The tables above do not include endowed related pledge receivables, loan funds and other funds of \$45,954 and \$33,261 for the years ended June 30, 2021 and 2020, respectively.



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

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets at June 30, 2020</b>	\$ 4,024	\$ 470,484	\$ 474,508
Endowment income, net of expenses	15	1,854	1,869
Net realized and unrealized gains (losses) on endowments	<u>1,159</u>	<u>133,871</u>	<u>135,030</u>
Net endowment return	1,174	135,725	136,899
Contributions	-	7,870	7,870
Appropriation of endowment assets	(202)	(37,840)	(38,042)
Transfers, withdrawals and other changes	<u>-</u>	<u>(24)</u>	<u>(24)</u>
<b>Endowment net assets at June 30, 2021</b>	<u>\$ 4,996</u>	<u>\$ 576,215</u>	<u>\$ 581,211</u>

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

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets at June 30, 2019</b>	\$ 4,020	\$ 499,934	\$ 503,954
Endowment income, net of expenses	20	2,538	2,558
Net realized and unrealized gains (losses) on endowments	<u>184</u>	<u>21,213</u>	<u>21,397</u>
Net endowment return	204	23,751	23,955
Contributions	-	4,741	4,741
Appropriation of endowment assets	(200)	(25,612)	(25,812)
Transfers, withdrawals and other changes	<u>-</u>	<u>(32,330)</u>	<u>(32,330)</u>
<b>Endowment net assets at June 30, 2020</b>	<u>\$ 4,024</u>	<u>\$ 470,484</u>	<u>\$ 474,508</u>

The New York Prudent Management of Institutional Funds Act (“NYPMIFA”) contains provisions that govern appropriation and use, among other things, of donor-restricted endowment funds. NYPMIFA updated certain provisions of prior endowment management law.

Under NYPMIFA, a detailed prudence standard governs appropriation from endowment funds, and there is no longer a requirement to always maintain historic dollar value. Prudent appropriation from a fund whose value is less than its historic dollar value is permitted under certain circumstances. In particular, NYPMIFA provides that, unless a donor expresses a contrary intention

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in a gift instrument, a charitable institution may appropriate as much of an endowment fund as it “determines is prudent for the uses, benefits, purposes and duration for which the fund is established,” without regard for historic dollar value. NYPMIFA retains the requirement that in making any decision to appropriate, “the institution shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.” It further provides a requirement that the institution “shall consider, if relevant” the following eight factors in deciding whether or not to appropriate from a fund:

- The duration and preservation of the endowment fund.
- The purposes of the Institution and the endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Institution.
- Alternatives to expenditure of the endowment fund.
- The investment policy of the Institution.

The provisions of NYPMIFA allowing prudent appropriation without regard to historic dollar value apply to funds created after its September 2010 effective date. Donors of funds created before that date were given the option of requiring institutions to continue to observe the historic dollar value restrictions contained in prior law. Some donors of University funds have elected this option. Moreover, a donor may incorporate in a gift instrument specific restrictions on appropriation that are different from either NYPMIFA or prior law.

Certain of the University’s funds are governed by such restrictions. Thus, the University has funds that fall into three categories with respect to appropriation: those from which it may prudently appropriate without regard to historic dollar value; those from which it may prudently appropriate appreciation only above historic dollar value; and those whose appropriation is governed by specific instructions in the governing gift instrument.

The investment objectives for the University’s endowment are to preserve the principal value of those funds (noting guidance above regarding appropriation), in both absolute as well as real terms, and to maximize over the long-term the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board of Trustees has adopted a spending policy.

The University’s spending policy is consistent with the University’s objectives to utilize income to support mission-critical programs while preserving capital and ensuring future growth of the endowment. Under the policy, and as approved by the Board of Trustees, the long-term focus of the endowment is to support the University’s mission by providing a reliable source of funds for current and future use.

The University utilizes a spending rate in allocating appreciation earned on assets invested in the LTPool. For fiscal year 2021, the spending rate policy consisted of appropriating 5% of the fair value per unit in the LTPool, based on a twelve-quarter average value through December 31 of the previous year. When donors have expressly stipulated the payout percentage of earnings on

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endowment that differs from the University's policies, the donors' intent prevails. For fiscal years 2021 and 2020, the University approved an additional appropriation of approximately \$1,895 and \$2,431, respectively from certain accessible endowment gains in accordance with NYPMIFA guidelines, and for fiscal year 2021, the University approved a one-time special appropriation in order to repay a portion of the Manhattan Campuses prior borrowings from the LTPool of approximately \$12,500.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gift value, which represents the total of the initial and subsequent donor contribution amounts. When this occurs, the deficit is classified as a reduction of donor restricted net assets. Deficits existed in various donor-restricted endowment funds as of June 30, 2021 and 2020, which combined had an original gift value \$22,328 and \$80,748 at June 30, 2021 and 2020, respectively, and a current market value of \$17,124 and \$69,528, at June 30, 2021 and 2020, respectively, resulting in a deficiency of \$5,204 and \$11,220 at June 30, 2021 and 2020, respectively. These deficiencies resulted from market fluctuations that occurred after the investment of recent contributions and authorized appropriation from an endowment that was deemed prudent.

**6. Receivables, Other Assets and Other Obligations**

**Student Receivables, Net**

The tables below provide disclosures about student loan receivables as well as student tuition receivables at June 30, 2021 and 2020.

	<b>2021</b>		
	<b>Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
Federal revolving loans	\$ 4,018	\$ (1,514)	\$ 2,504
Institutional loans	32,937	(9,992)	22,945
Accrued interest	7,441	(5,963)	1,478
Total student loan receivables	<u>44,396</u>	<u>(17,469)</u>	<u>26,927</u>
Total student tuition receivables	<u>17,894</u>	<u>(8,996)</u>	<u>8,898</u>
Total student receivables	<u>\$ 62,290</u>	<u>\$ (26,465)</u>	<u>\$ 35,825</u>
	<b>2020</b>		
	<b>Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
Federal revolving loans	\$ 4,602	\$ (1,384)	\$ 3,218
Institutional loans	33,119	(9,029)	24,090
Accrued interest	6,903	(5,379)	1,524
Total student loan receivables	<u>44,624</u>	<u>(15,792)</u>	<u>28,832</u>
Total student tuition receivables	<u>17,092</u>	<u>(7,906)</u>	<u>9,186</u>
Total student receivables	<u>\$ 61,716</u>	<u>\$ (23,698)</u>	<u>\$ 38,018</u>

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	2021					
	Federal Revolving	Institutional	Accrued Interest	Total Loans Allowance	Student Receivables	Gross Allowances
Allowance at beginning of year	\$ (1,384)	\$ (9,029)	\$ (5,379)	\$ (15,792)	\$ (7,906)	\$ (23,698)
Current year provisions	(130)	(963)	(584)	(1,677)	(1,090)	(2,767)
Allowance at end of year	\$ (1,514)	\$ (9,992)	\$ (5,963)	\$ (17,469)	\$ (8,996)	\$ (26,465)

	2020					
	Federal Revolving	Institutional	Accrued Interest	Total Loans Allowance	Student Receivables	Gross Allowances
Allowance at beginning of year	\$ (1,361)	\$ (8,259)	\$ (4,783)	\$ (14,403)	\$ (6,548)	\$ (20,951)
Current year provisions	(23)	(770)	(596)	(1,389)	(1,358)	(2,747)
Allowance at end of year	\$ (1,384)	\$ (9,029)	\$ (5,379)	\$ (15,792)	\$ (7,906)	\$ (23,698)

Write-offs of a student loan receivable are based primarily on the age of the receivable and an evaluation of any recent activity in the account. Overall default rates and an evaluation of general economic conditions are reviewed at least annually. The University, because of its close and continuing relationship with its students and graduates, seeks to work closely with the students and graduates to help ensure repayment.

**Contribution Receivables, Net**

Contribution receivables, net consisted of the following at June 30, 2021 and 2020:

	2021	2020
<b>Amount expected to be collected in</b>		
Less than one year	\$ 22,005	\$ 14,733
One to five years	45,783	23,867
Greater than five years	23,911	22,822
	<u>91,699</u>	<u>61,422</u>
Less:		
Discount to present value (0.66%–6.00%)	(5,418)	(4,425)
Allowance for uncollectible amounts	(3,218)	(4,702)
Total contribution receivables, net	<u>\$ 83,063</u>	<u>\$ 52,295</u>

As of June 30, 2021 and 2020, 60% of gross contribution receivables were from five donors.

**Other Assets, Receivables and Other Obligations**

Other assets consist of grant receivables, prepaid expenses, deposits, donated fractional interests in real estate, due to/from related entities, rent receivables, and various other miscellaneous receivables. Included at fair value are the assets of the University's 457(b) deferred compensation plan (Note 8).

The University has a lease agreement with Montefiore, whereby exclusive occupation, management, and control of the Jack D. Weiler Hospital of Albert Einstein College of Medicine ("WHAECOM") is with Montefiore. As of September 9, 2015, the annual lease payment is \$2,500 with increases thereafter of 2% compounded annually through 2114. The rental income on this lease is recognized evenly over the life of the lease, and accordingly, a rent receivable of \$37,886

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and \$33,020 is included in other assets and receivables in the Consolidated Statements of Financial Position at June 30, 2021 and 2020, respectively.

As of June 30, 2021, the minimum future lease payments for WHAECOM over the next 5 years and thereafter and for the remaining term of the lease are as follows:

	2022	2023	2024	2025	2026	Thereafter	Total
Minimum lease income	\$ 2,815	\$ 2,872	\$ 2,929	\$ 2,988	\$ 3,047	\$ 732,402	\$ 747,053

In December 2020, the University entered into an agreement with a third party whereby the University assigned 49 years of the WHAECOM lease payments to be made directly to the third party in exchange for approximately \$58,000, which is the net present value of the assigned payments over that period of time, less the issuance costs of \$1,181. Under the terms of the agreement, the University, among other provisions, is required to complete a “tax lot sub-division” related to the leased property within 3 years (September 2023), or if not completed, have the option to either provide alternative collateral to the third party or repay the funds to the third party. Management has taken all necessary steps to cause the tax lot sub-division filings to be submitted to the relevant NYC agencies and is awaiting final approval of the sub-division.

Once the sub-division is completed the University will hold the lease and the underlying property within a special purpose vehicle (SPV), a consolidated entity, for which the University will be the sole member and provide an equity pledge of the SPV as collateral to the third party for the lease payments. At such time the University will no longer be required to guaranty any further lease payments to be made by Montefiore, the lessee. The transaction resulted in a discount rate on the assignment of lease payments of approximately 6%. At the end of the assignment period, the remaining lease stream of approximately 45 years would revert to the University.

The lessee, is expected to make the assigned lease payments to the third party in the following amounts over the next 5 years and thereafter:

	2022	2023	2024	2025	2026	Thereafter	Total
Assigned lease payments	\$ 2,815	\$ 2,872	\$ 2,929	\$ 2,988	\$ 3,047	\$ 216,044	\$ 230,695

Other obligations are shown net of issuance costs on the Consolidated Statement of Financial position at \$56,819 as of June 30, 2021. Annual payments will be allocated to interest and principal, and issuance costs will be amortized over the life of the agreement.

The University charges RIETS and the High Schools for management services (such as accounting, treasury operations, human resources, procurement, legal, and other administrative services) as well as facilities maintenance. The fees for these services to RIETS were \$2,500 for each of the years ended June 30, 2021 and 2020. The cost of these services to the High Schools was \$1,220 and \$1,300 for the years ended June 30, 2021 and 2020, respectively. The University’s inter-company balance to RIETS is (\$811) payable and \$520 receivable at June 30, 2021 and 2020, respectively. The University’s inter-company payable to the High Schools is (\$1,840) and (\$762) at June 30, 2021 and 2020, respectively.

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Given the positive structural changes at the High Schools, the University and the High Schools agreed to reduce the due to related organization balance, within other assets and receivables in the Consolidated Statement of Financial Position at June 30, 2021 by \$2,500 for previously funded working capital advances to the High Schools. This is reflected as transfers from related party in the Consolidated Statement of Activities.

**7. Land, Buildings and Equipment, Net**

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

	<b>2021</b>	<b>2020</b>
Land	\$ 13,717	\$ 13,717
Buildings and improvements	404,410	398,704
Equipment, furniture and fixtures	29,788	27,863
Capitalized asbestos remediation costs	3,945	3,945
	<u>451,860</u>	<u>444,229</u>
Less: Accumulated depreciation and amortization	<u>(275,837)</u>	<u>(262,751)</u>
Total land, buildings and equipment, net	<u>\$ 176,023</u>	<u>\$ 181,478</u>

The Depreciation and amortization expense related to buildings and equipment for the years ended June 30, 2021 and 2020 was \$13,086 and \$13,038, respectively.

**8. Retirement Plans**

**Defined Contribution and Deferred Compensation Plans**

The University has several defined contribution retirement plans in which most full-time and many part-time employees participate. The University's contributions are based on specified percentages of each employee's annual salary. It is the University's policy to fund retirement plan costs currently. Total retirement plan expense for the years ended June 30, 2021 and 2020 was \$4,423 and \$4,168, respectively.

The University has a 457(b) deferred compensation plan, which is offered to select management employees. The employee contributions are capped at the annual federal limit for deferred compensation. The assets related to this plan are included in other assets and receivables in the Consolidated Statements of Financial Position and amounted to \$17,128 and \$13,586 as of June 30, 2021 and 2020, respectively. The assets primarily consist of mutual funds and a guaranteed interest account classified as Level 1 based on the fair value hierarchy described in Note 4. The assets of the mutual funds for the years ended June 30, 2021 and 2020 were \$13,717 and \$9,868, respectively. The contract value of the guaranteed interest account for the years ended June 30, 2021 and 2020 was \$3,411 and \$3,718, respectively.

Offsetting liabilities that relate to this 457(b) plan are included in other liabilities as of June 30, 2021 and 2020.

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**Multi-Employer Benefit Plan**

The University participates in the 1199 SEIU Health Care Employees Pension Fund, a multi-employer defined benefit pension plan, for its 1199 union employees.

The University makes cash contributions to the plan under the terms of collective-bargaining agreements that cover its union employees based on a fixed rate and hours of service per week worked by the covered employees. The risks of participating in a multi-employer plan are different from other single-employer plans in the following aspects: (1) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and (3) if the University chooses to stop participating in the multi-employer plan, the University may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The University contributed \$1,182 and \$1,029 in cash and recorded expenses for the 1199 Pension Fund for fiscal 2021 and 2020, respectively. The University's contributions to the 1199 Pension Fund represent less than 5% of its total contributions to all retirement plans.

The following table includes additional disclosure information related to the 1199 Pension Fund.

Plan Name	EIN Plan Number /Pension	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		2021	2020			
1199 Pension Fund	13-3604862/001	Green	Green	N/A	No	December 31, 2021

The Pension Protection Act zone status indicates the plan's funded status of either at least 80% funded (green) or less than 80% funded (red). A zone status of red requires the plan sponsor to implement a Funding Improvement Plan or Rehabilitation Plan.

**9. Bonds Payable and Other Debt**

Details of the bonds payable and other debt as of June 30, 2021 and 2020 are as follows:

Description	Maturity Date	Interest Rate	2021	2020
Bonds payable - DASNY Bonds				
Series 2011A <sup>(a)</sup>	November 1, 2040	4.00%–5.00%	\$ 44,210	\$ 46,575
Series 2009 <sup>(b)</sup>	September 1, 2038	4.00%–5.00%	90,725	93,805
Principal subtotal			134,935	140,380
Add: Unamortized premiums			(565)	(431)
Less: Unamortized bond issuance costs			(1,216)	(1,360)
Subtotal - Bonds payable - DASNY Bonds			133,154	138,589
Mortgages payable	Varied	3.13%–3.25%	3,098	3,187
Y Properties notes <sup>(c)</sup>	May 6, 2032	4.32%	139,810	140,000
Less: Unamortized loan issuance costs			(2,407)	(2,623)
Total bonds payable and other debt			\$ 273,655	\$ 279,153

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- a. In September 2011, DASNY issued \$90,000 of Revenue Bonds Series 2011A (Series 2011A Bonds) on behalf of the University. The Series 2011A Bonds bear interest rates ranging from 4% to 5% with principal payments due at various dates commencing November 1, 2014, and a final maturity date of November 1, 2040. The Series 2011A Bonds are general unsecured obligations of the University; no security interest or mortgage encumbering University revenues or assets was granted in connection with the issuance of the Series 2011A Bonds. A portion of the proceeds of the Series 2011A Bonds was used for the payment of, or to reimburse the University for the payment of, certain capital expenditures and to reimburse \$20,500 on a line of credit. A portion of the Series 2011A Bonds was used to refund all but \$3,064 of the outstanding DASNY Series 2001 Bonds. The Series 2011A Bonds were issued with a net premium of \$3,390, of which \$186 and \$271 were unamortized as of June 30, 2021 and 2020, respectively.
- b. In July 2009, DASNY issued \$140,820 of Revenue Bonds Series 2009 (Series 2009 Bonds) on behalf of the University. The Series 2009 Bonds bear interest rates ranging from 4% to 5% with principal payments due at various dates commencing September 1, 2016, and a final maturity date of September 1, 2038. The Series 2009 Bonds are general unsecured obligations of the University; no security interest or mortgage encumbering University revenues or assets was granted in connection with the issuance of the Series 2009 Bonds. A portion of the proceeds of the Series 2009 Bonds was used for the payment of, or to reimburse the University for the payment of, certain capital expenditures. A portion of the Series 2009 Bonds was used to refund the outstanding DASNY Series 1998 Bonds. The Series 2009 Bonds were issued with a net premium of \$1,386, of which (\$751) and (\$702) were unamortized as of June 30, 2021 and 2020, respectively.
- c. In April 2017, in connection with the refinancing of certain private placement taxable bonds, the University transferred ownership of five mortgaged properties to Y Properties, a special purpose entity of which the University is the sole member (Note 1). Y Properties entered into a secured loan agreement with certain lenders whereby it issued notes in the aggregate principal amount of \$140,000 which are secured by a mortgage on the five properties owned by Y Properties. The terms of the notes are for 15 years, and the notes currently bear interest at a rate of 4.324% per annum. Until June 2021, Y Properties made interest only payments; subsequent payments will include a portion of the principal amount outstanding, using a 30-year amortization table.

As part of the loan, the University entered into a unitary lease with Y Properties, whereby the University will continue to use the mortgaged properties as a tenant pursuant to a long term operating lease and make monthly rent payments to Y Properties, initially in the approximate amount of \$1,590. Payments in excess of debt service and certain operating costs of Y Properties are distributed to the University as the sole member, on a monthly basis. As controlling member, the University includes the operations of Y Properties in its consolidated financial statements, and accordingly all intercompany revenue, expenses, equity transfers and distributions are eliminated in consolidation.



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Projected debt service payments on the bonds, mortgages payable and notes are as follows:

	Principal	Interest	Total
<b>Year Ending June 30,</b>			
2022	\$ 8,151	\$ 12,504	\$ 20,655
2023	8,547	12,113	20,660
2024	8,923	11,734	20,657
2025	9,293	11,358	20,651
2026	10,930	10,910	21,840
Thereafter	231,999	41,666	273,665
	<u>277,843</u>	<u>\$ 100,285</u>	<u>\$ 378,128</u>
Unamortized premium	(565)		
Unamortized issuance costs	(3,623)		
Total projected debt service payments	<u>\$ 273,655</u>		

Interest expense on the bonds and other debt for the years ended June 30, 2021 and 2020 was \$12,675 and \$12,863, respectively.

**10. Asset Retirement Obligations**

The University has asset retirement obligations for asbestos-related removal costs. The University accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability amount recorded.

A reconciliation of the beginning and ending carrying amounts of such obligations is as follows:

	2021	2020
<b>Asset retirement obligations at June 30, 2020 and 2019</b>	\$ 9,122	\$ 9,552
Accretion expense	178	171
Asset retirement obligations settled or eliminated	(129)	(601)
<b>Asset retirement obligations at June 30, 2021 and 2020</b>	<u>\$ 9,171</u>	<u>\$ 9,122</u>

**11. Due to AECOM**

Included in the Consolidated Statements of Financial Position are certain assets that are being held for AECOM due to the Joint Collaboration Agreement (Note 1).

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The following are liabilities payable to AECOM that the University has recognized as of June 30, 2021 and 2020:

	2021	2020
Investments held pending transfer	\$ 34,015	\$ 35,972
Cash and cash equivalents	384	580
Other assets and receivables		
457B Plan	2,014	1,821
Workers compensation	2,925	2,925
Faculty mortgages	252	279
Total due to AECOM	<u>\$ 39,590</u>	<u>\$ 41,577</u>

**12. Allocation of Operating Expenses**

The accompanying Consolidated Statements of Activities report expenses by functional classification in accordance with the educational mission of the University in categories recommended by the National Association of College and University Business Officers. The University's primary program services is instruction. Expenses reported as Academic support, Student services and Auxiliary enterprises are incurred in support of this primary program services. Institutional support includes general and administrative expenses of the University.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Depreciation, operations and maintenance expense are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt.

Expenses by functional and natural classification, after allocating operations and maintenance, depreciation, and interest, are as follows for the years ended June 30, 2021 and 2020:

	2021					Total
	Instruction	Academic support	Student services	Institutional support	Auxiliary enterprises	
<b>Direct expenses</b>						
Compensation and benefits	61,447	26,719	13,600	27,627	2,742	132,135
Fees for services	1,640	1,002	982	8,069	40	11,733
Study abroad expenses	13,137	9	-	-	-	13,146
Other than personnel services	10,501	5,685	2,691	17,705	1,179	37,761
Total direct expenses	<u>86,725</u>	<u>33,415</u>	<u>17,273</u>	<u>53,401</u>	<u>3,961</u>	<u>194,775</u>
<b>Allocated expenses</b>						
Operations and maintenance	8,869	3,549	1,834	6,013	5,167	25,432
Depreciation	4,823	1,930	998	3,270	1,261	12,282
Interest	5,118	2,048	1,059	3,470	980	12,675
Total allocated expenses	<u>18,810</u>	<u>7,527</u>	<u>3,891</u>	<u>12,753</u>	<u>7,408</u>	<u>50,389</u>
Year ended June 30, 2021	<u>\$ 105,535</u>	<u>\$ 40,942</u>	<u>\$ 21,164</u>	<u>\$ 66,154</u>	<u>\$ 11,369</u>	<u>\$ 245,164</u>

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	2020					
	Instruction	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
<b>Direct expenses</b>						
Compensation and benefits	57,009	26,770	13,174	24,202	2,823	123,978
Fees for services	1,011	1,967	574	12,001	40	15,593
Study abroad expenses	13,116	21	-	-	-	13,137
Other than personnel services	8,537	6,368	5,636	10,184	2,064	32,789
Total direct expenses	<u>79,673</u>	<u>35,126</u>	<u>19,384</u>	<u>46,387</u>	<u>4,927</u>	<u>185,497</u>
<b>Allocated expenses</b>						
Operations and maintenance	9,909	4,491	2,478	6,208	5,887	28,973
Depreciation	4,718	2,138	1,180	2,956	1,247	12,239
Interest	5,081	2,303	1,271	3,184	1,024	12,863
Total allocated expenses	<u>19,708</u>	<u>8,932</u>	<u>4,929</u>	<u>12,348</u>	<u>8,158</u>	<u>54,075</u>
Year ended June 30, 2020	<u>\$ 99,381</u>	<u>\$ 44,058</u>	<u>\$ 24,313</u>	<u>\$ 58,735</u>	<u>\$ 13,085</u>	<u>\$ 239,572</u>

Fundraising expenses are included in institutional support. For the years ended June 30, 2021 and 2020, such costs were \$7,476 and \$8,843, respectively. For purposes of reporting fundraising expenses, the University includes only those fundraising costs incurred by its development office.

**13. Scholarships and Tuition**

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

	2021	2020
University unfunded support	\$ 58,895	\$ 75,665
University funded support	<u>34,235</u>	<u>19,478</u>
	<u>\$ 93,130</u>	<u>\$ 95,143</u>

University unfunded support includes tuition discounts, financial aid, and merit scholarships awarded to students from operating resources. University-funded support includes financial aid and scholarships funded from restricted and external sources, including federal grant programs, private giving and endowment support.

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**14. Net Assets Released From Restrictions**

Net assets released from restrictions during June 30, 2021 and 2020 were released for the following purposes:

	<b>2021</b>	<b>2020</b>
Academic chairs and support	\$ 615	\$ 1,176
Facility maintenance	200	1,020
Fellowships	2,660	1,658
Instruction, training and lectureships	6,628	7,437
Other	11,241	7,834
Public service	13	134
Research	664	99
Student scholarships	14,106	8,580
Time restricted pledges	2,006	2,345
	<u>\$ 38,133</u>	<u>\$ 30,283</u>

**15. Net Assets**

The composition of the University's net assets with donor restrictions as of June 30, 2021 and 2020 are as follows:

<b>Nature of Specific Net Assets:</b>	<b>2021</b>		
	<b>Funds held in Perpetuity</b>	<b>All other Funds</b>	<b>Total</b>
Academic chairs and support	\$ 55,088	\$ 42,793	\$ 97,881
General spending Endowment	13,957	11,084	25,041
Facility maintenance	6,055	1,946	8,001
Faculty scholars and fellowships	15,110	12,797	27,907
Instruction, training and lectureships	66,372	44,062	110,434
Library	2,616	2,984	5,600
Other	27,261	28,694	55,955
Prizes	1,221	6,386	7,607
Public service	-	904	904
Research	5,523	885	6,408
Revolving fund for special projects	22,328	(5,205)	17,123
Student loans	16,881	-	16,881
Student scholarships	182,371	124,249	306,620
Trusts held by others in perpetuity	4,895	-	4,895
Time restricted pledges	-	11,495	11,495
	<u>\$ 419,678</u>	<u>\$ 283,074</u>	<u>\$ 702,752</u>

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Nature of Specific Net Assets:	2020		
	Funds held in Perpetuity	All other Funds	Total
Academic chairs and support	\$ 55,088	\$ 25,459	\$ 80,547
General spending Endowment	13,952	6,914	20,866
Facility maintenance	6,055	1,796	7,851
Faculty scholars and fellowships	15,110	10,543	25,653
Instruction, training and lectureships	63,057	27,795	90,852
Library	2,616	2,036	4,652
Other	17,739	30,380	48,119
Prizes	1,215	5,451	6,666
Public service	-	622	622
Research	4,632	447	5,079
Revolving fund for special projects	22,328	(8,535)	13,793
Student loans	15,344	-	15,344
Student scholarships	176,769	60,834	237,603
Trusts held by others in perpetuity	4,150	-	4,150
Time restricted pledges	-	6,968	6,968
	<u>\$ 398,055</u>	<u>\$ 170,710</u>	<u>\$ 568,765</u>

**16. Contingencies**

The University is a party to various litigation and other claims arising in the ordinary course of business. In the opinion of management, appropriate provision has been made for possible losses, and the ultimate resolution of these matters will not have a significant effect on the University's consolidated financial statements.

Amounts received and expended by the University under various federal and state grants and contracts are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the University's consolidated financial statements.

Commencing in August 2019, and pursuant to the enactment of New York's Child Victims Act (and its subsequent extension, which extended the statute of limitations for the filing of claims of child sexual abuse and provided a two year window for the filing of previously time-barred claims commencing August 2019 through August 2021), eleven lawsuits were filed (two were voluntarily dismissed by the plaintiff). These Child Victims Act claims allege that the University is liable for certain alleged abuse during the 1970s and 1980s. The cases are in the earliest stages. Defense counsel has been retained. An answer or responsive pleading has not yet been filed in any of the cases. The University and the High Schools purchased insurance policies covering the applicable time periods in question, and do not believe that such litigation will have a material adverse financial impact.

**Yeshiva University**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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*(in thousands of dollars)*

**17. Subsequent Events**

Subsequent event guidance requires the University to evaluate subsequent events to determine whether they provide additional evidence about conditions that existed at the date of the consolidated financial statements, and to determine if those events require recognition or disclosure in the consolidated financial statements. The University has performed an evaluation of subsequent events through December 23, 2021, which is the date the consolidated financial statements were issued.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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## SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

### Representations of the Institution

The Institution warrants and represents that:

(a) The Institution is a not-for-profit education corporation duly organized and validly existing under the laws of the State, is in good standing under the laws of the State and has full legal right, power and authority to execute, deliver and perform its obligations under each of the Institution Documents and the other documents contemplated thereby. Each of the Institution Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Institution.

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

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

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

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

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

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

*(Section 2.3)*

## **Maintenance of Corporate Existence**

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

## **Limitation on Agreements**

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

## **Restriction on Religious Use**

With respect to the Project or any portion thereof, so long as any of the Bonds are outstanding, the Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction shall not prohibit the free exercise of any religion; and, provided, further, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or a portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the Project or portion thereof.

## **Sale of the Project**

The Institution shall not transfer, sell or convey any interest in the Project or any part thereof or interest therein, including development rights unless the Institution provides a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee relating to such action. Unless otherwise required in order to maintain the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation, upon any transfer, sale or other conveyance of the Project or any portion thereof the provisions of the Loan Agreement relating to the Project and its use, other than those provisions of the Loan Agreement so indicated therein, shall no longer apply to the Project or portion thereof so sold.

*(Section 2.4)*

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

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

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

*(Section 3.1)*

### **Loan Repayments and Other Amounts Payable.**

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

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

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

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

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

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

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

(vii) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for payments made by it pursuant to paragraph h of the Loan Agreement and any expenses or liabilities incurred by the Issuer pursuant to the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Institution of all the provisions of the Loan Agreement or of the Resolution

in accordance with the terms thereof and (E) for the fees and expenses of the Trustee and any paying agent in connection with performance of their duties under the Resolution; and,

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

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

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

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

(e) The Issuer hereby directs the Institution, and the Institution hereby agrees, to make the payments required by paragraphs (a)(iii), (a)(iv), (a)(vi), and (a)(viii) of this Section directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraphs (a)(ii) and (a)(vii)(E) of this Section directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by the Issuer, and the payments required by paragraphs (a)(i), (a)(v), (a)(vii) (A),(B),(C) and (D) and (b) of this Section directly to the Issuer.

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

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

(h) The Issuer shall have the right in its sole discretion to make on behalf of the Institution any payment required pursuant to this Section which has not been made by the Institution when due. No such payment by the Issuer

shall limit, impair or otherwise affect the rights of the Issuer under the Loan Agreement arising out of the Institution's failure to make such payment and no payment by the Issuer shall be construed to be a waiver of any such right or of the obligation of the Institution to make such payment.

*(Section 4.2)*

#### **Assignment to Trustee and Institution Consent**

The Issuer shall pledge and assign its rights to and interest in the Loan Agreement and in all amounts payable by the Institution to the Trustee pursuant to the Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bonds. The Institution hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, (1) all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit; and (2) both the Trustee and the Issuer shall each have the right to enforce Events of Default arising from violations of the tax-related provisions the Loan Agreement.

*(Section 4.7)*

#### **Maintenance and Modification of Project**

(a) The Institution agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Project in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Project may be properly and advantageously conducted. The Institution shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project which may have been financed by the proceeds of the sale of the Bonds provided that such fixtures, furnishings and equipment continue to be used for purposes permitted under the Tax Certificate are obsolete or not operable or as otherwise permitted in a Favorable Opinion of Bond Counsel delivered by the Institution to the Issuer and the Trustee. This Section shall not prohibit the Institution from ceasing to operate any part of the Project if, in its judgment, it is advisable not to operate such part of the Project.

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

*(Section 5.1)*

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

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

*(Section 5.2)*

#### **Insurance Required**

The Institution agrees to maintain or cause to be maintained insurance with insurance companies or by means or self-insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the Institution, which insurance shall include

property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability, subject to reasonable deductible provisions. The Institution shall at all times also maintain worker's compensation coverage and disability benefits insurance coverage as required by the laws of the State.

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

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

*(Section 5.5)*

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

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

*(Section 5.6)*

### **Damage or Condemnation**

Any insurance, condemnation or eminent domain proceeds received by the Institution, if in excess of \$1,000,000, shall either be: (i) applied to the cost of replacing, repairing, rebuilding, restoring or relocating the Project; or (ii) paid to the Trustee for deposit to the Debt Service Fund and applied to the purchase or redemption of Outstanding Bonds; or (iii) used for any other purpose for which the Institution provides a Favorable Opinion of Counsel to the Issuer and the Trustee.

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

If any portion of the Project shall be damaged or destroyed (in whole or in part) at any time during the term of the Loan Agreement: (i) there shall be no abatement or reduction in the amounts payable by the Institution under the Loan Agreement (whether or not such portion of the Project is replaced, repaired, rebuilt, restored or relocated);

and (ii) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Project or any portion of the Project.

*(Section 6.1)*

### **Investment of Funds**

The Issuer may in its sole discretion direct the investment of certain moneys held under the Resolution as provided therein.

*(Section 7.6)*

### **Tax Matters**

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

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

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

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

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

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

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

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

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

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

*(Section 8)*

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

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

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

(ii) the Institution defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph (i) hereof) or breaches any representation made in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the Institution by the Issuer or the Trustee; provided, however, that, if in the determination of the Issuer such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the Institution within such period and is diligently pursued until the default is corrected and in any event, not to exceed one hundred eighty days (180) days;

(iii) as a result of any default in payment or performance required of the Institution under the Loan Agreement or any Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Issuer shall be in default in the payment or performance of any of its obligations under the Resolution or an “event of default” (as defined in the Resolution) shall have been declared under the Resolution so long



as such default or event of default shall remain uncured or the Trustee or Holders of the Series 2022 Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*(Section 9.1)*

#### **Termination**

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

*(Section 10.1)*

#### **Amendments, Changes and Modifications**

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

*(Section 11.4)*

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

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## SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

*The following is a brief summary of certain provisions of the Resolution pertaining to the Series 2022 Bonds. This summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. The headings below are not part of the Resolution but have been added for ease of reference only. Defined terms used herein shall have the meanings ascribed to them in Appendix A or in the body of this Official Statement.*

### **Resolution and Bonds Constitute a Contract**

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

*(Section 2.2)*

### **Pledge of Resolution**

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

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

The Bonds of each Series shall be separately secured one from another by the Loan Agreement entered into in connection with a particular Series of Bonds, the Revenues derived from such Loan Agreement, and the Collateral Security given to secure the Institution's obligations under such Loan Agreement, and only the Bonds of the Series in connection with which such Loan Agreement was entered into shall be secured by such Loan Agreement except as otherwise expressly permitted by the Resolution or the Series Resolution or Certificate of Determination relating to such Series and by the terms of the applicable Loan Agreement.

*(Section 2.3)*

### **Assignment of Rights and Remedies to Trustee**

As security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of, and interest on, the Outstanding Bonds of a Series and for the performance of each other obligation of the Issuer under the Resolution and for the performance of each other obligation of the Institution thereunder, under the Resolution the

Issuer grants, pledges and assigns to the Trustee, all of the Issuer's estate, right, title, interest and claim in, to and under (other than the Unassigned Rights and subject to the provisions of any Intercreditor Agreement) the related Loan Agreement and the Collateral Security for such Loan Agreement, together with all rights, powers, security interests, privileges, options and other benefits of the Issuer under such Loan Agreement and Collateral Security, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance with the Resolution) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Issuer under such Loan Agreement, including without limitation the right to declare the indebtedness under such Loan Agreement immediately due and payable and to foreclose, sell or otherwise realize upon such Collateral Security, and the right to make all waivers and agreements in the name and on behalf of the Issuer, as Trustee for the benefit of the Bondholders, and to perform all other necessary and appropriate acts under such Loan Agreement. Such assignment shall be made by the execution and delivery to the Trustee of documents of assignment in form and substance reasonably acceptable to the Trustee. The Trustee shall accept such grant, pledge and assignment which acceptance shall be evidenced in writing and signed by an Authorized Officer of the Trustee in form and substance reasonably satisfactory to the Issuer.

Notwithstanding anything to the contrary in the Resolution or the Loan Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with the Resolution or the Loan Agreement, shall have the right, without any direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under the Resolution and the Loan Agreement (other than the Issuer's Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Institution under the Loan Agreement.

*(Section 2.4)*

#### **Additional Obligations**

The Issuer 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 Issuer, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as permitted by 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 Issuer and Holders of Bonds as provided by the Resolution.

*(Section 3.5)*

#### **Authorization of Redemption**

Bonds subject to redemption prior to maturity pursuant to the Resolution or to a Series Resolution or a Certificate of Determination shall be redeemable, in accordance with the Resolution, at such times, at such Redemption Prices and upon such terms as may otherwise be specified in the Resolution or in the Series Resolution authorizing such Series or the applicable Certificate of Determination.

*(Section 5.1)*

#### **Optional Redemption**

If permitted by the Series Resolution or Certificate of Determination relating to the Series of Bonds, the Institution shall give written notice, which notice has been acknowledged in writing by the Issuer, to the Trustee of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. The Series maturities and principal amounts thereof to be redeemed at the election or direction of the Issuer shall be determined by the Institution in its direction to the Trustee, subject to any limitations with respect thereto contained in the Resolution or in the Series Resolution authorizing such Series or the applicable Certificate of Determination. Such notice shall be given to the Trustee at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by the Resolution provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given unless prior to the date such notice is given the Trustee then holds money for payment of the Redemption Price sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds to be so redeemed. For purposes of determining the amount required to be paid pursuant to the preceding sentence when Variable Interest Rate Bonds are to be redeemed, the amount shall be

determined in the manner established therefore by the Series Resolution authorizing such Bonds or the Certificate of Determination applicable thereto.

*(Section 5.2)*

### **Mandatory Sinking Fund Redemption**

Whenever by the terms of the Resolution or Certificate of Determination relating to the Series of Bonds, the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, unless otherwise provided in the applicable Series Resolution or Certificate of Determination, the Trustee shall select the Bonds of such Series and maturities to be redeemed in the manner summarized in the following paragraph, give the notice of redemption and pay out of money available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of the Resolution.

*(Section 5.3)*

### **Selection of Bonds to Be Redeemed**

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

*(Section 5.4)*

### **Notice of Redemption**

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Issuer which notice shall specify: (i) the Bonds to be redeemed which shall be identified in accordance with the Resolution, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) the principal amount of each Bond to be redeemed; (vi) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (vii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption; and (viii) if the Issuer's obligation to redeem the Bonds is subject to conditions, a statement that describes the condition to such redemption. Any such notice of redemption under the Resolution which states that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price of such Bonds or upon the satisfaction of any other condition, may be rescinded at any time before payment of such Redemption Price if any such condition so specified is not satisfied. Notice of such rescission shall be given by the Trustee to affected Bondholders as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Such notice shall be given not less than twenty (20) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Certificate of Determination relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be given to Bondholders in accordance with the Resolution and to EMMA. Upon giving such notice, the Trustee shall promptly certify to the Issuer that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond of a Series to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds.

*(Section 5.5)*

### **Payment of Redeemed Bonds**

Notice having been given in the manner provided in the Resolution, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be called for redemption less than all of the principal amount of a registered Bond, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, money for the redemption of all Bonds of a Series or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee so as to be available therefor on such date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding under the Resolution. If money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

*(Section 5.6)*

### **Purchase of Purchased Bonds**

Whenever Bonds are to be purchased at the election of the Institution, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by the Institution to the Issuer, the Trustee, and each applicable provider of a Credit Facility, the Trustee shall select the particular Bonds of such Series and maturity to be so purchased in the same manner as provided by the Resolution for the selection of Bonds to be redeemed in part. Promptly thereafter the Trustee shall give notice of the purchase of the Bonds at the times and in the manner provided in the Series Resolution authorizing such Bonds or the Certificate of Determination related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, the Institution has caused to be delivered to the Trustee the written consent to such purchase of the Issuer and each applicable provider of a Credit Facility. All such purchases may be subject to conditions of the Issuer, the Trustee and any provider of a Credit Facility to the Institution's obligation to purchase such Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required by the Series Resolution authorizing the Bonds to be so purchased or the Certificate of Determination relating thereto, then, if sufficient money to pay the purchase price of such Bonds is held by the Trustee, the purchase price of the Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase, upon presentation and surrender of such Bonds (other than Book Entry Bonds) to be purchased at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Payment of the purchase price of other than Book Entry Bonds shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be so purchased, by wire transfer to such registered owner at



the wire transfer address in the continental United States to which such registered owner has prior to the purchase date directed in writing the Trustee to wire such purchase price. Bonds so purchased shall be considered to be Outstanding and each such Bond so purchased that is not a Book Entry Bond shall be registered in the name or at the direction of the Institution.

*(Section 5.7)*

#### **Establishment of Funds and Accounts**

The following funds shall be established by the applicable Series Resolution in accordance with the Resolution, which funds shall be for the sole benefit of and solely secure the Series of Bonds authorized by such Series Resolution:

Construction Fund, if any;  
Debt Service Fund; and  
Debt Service Reserve Fund, if any.

The Issuer is authorized in connection with the issuance of a Series of Bonds to establish such other funds, together with accounts and subaccounts established within such funds, in connection with such Series of Bonds as the Issuer or the Trustee deems proper, necessary or desirable. In addition to the funds and accounts required to be established by or pursuant to each Series Resolution, the Resolution establishes an Arbitrage Rebate Fund to be held by the Trustee as custodian for the Issuer, which fund is not pledged to the payment of any Bonds.

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

*(Section 6.1)*

#### **Application of Moneys in the Construction Fund**

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

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

Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Issuer stating the names of the payees and the respective amounts of each such payment. Payments for the Costs of the Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Issuer, each substantiated by a certificate filed with the Issuer signed by an Authorized Officer of the Institution stating that amounts were incurred or expended on Costs of the Project, except that payments to pay interest on Bonds shall be made by the Trustee upon receipt of, and in accordance with, the direction of the Issuer directing the Trustee to transfer such amount from the Construction Fund to the applicable Debt Service Fund.

Upon receipt by the Trustee of a certificate of completion signed by an Authorized Officer of the Institution in the form set forth in the Loan Agreements (which certificate shall not be required if no money is remaining in the Construction Fund), the money then remaining in the Construction Fund, after making provision in accordance with the direction of the Issuer for the payment of any Costs of Issuance and Costs of the Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority: first: upon the direction of an Authorized Officer of the Issuer, to the Arbitrage Rebate Fund, the amount set forth in such direction; second: to restore the Debt Service Reserve Fund (if any) to the Debt Service Reserve Fund Requirement; and third: to the applicable Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

*(Section 6.3)*

### **Deposit and Allocation of Revenues**

All Revenues and any other money required by any of the provisions of a Loan Agreement to be paid to the Trustee shall, upon receipt thereof, be deposited or paid by the Trustee to the applicable Debt Service Fund except for the following: (i) amounts paid to the Trustee for any of the following purposes: (x) to pay the Costs of Issuance of the Bonds, and other costs in connection with the issuance of the Bonds; (y) to pay amounts required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds; and (z) to pay the fees and expenses of the Trustee in connection with performance of its duties under the Resolution; and (ii) amounts required to be paid by the Institution to the Trustee pursuant to any section of such Loan Agreement that specifically provides for the deposit of such payments into a fund, other than the Debt Service Fund, established under the Resolution or pursuant to the applicable Series Resolution or Certificate of Determination relating thereto.

*(Section 6.4)*

### **Debt Service Fund**

The Trustee shall pay out of the Debt Service Fund established in connection with Bonds of a Series, when due: the interest due and payable on the Outstanding Bonds of such Series; the principal due and payable on the Outstanding Bonds of such Series; the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on the Outstanding Bonds of such Series; and in connection with the optional redemption of Bonds of a Series pursuant to the Resolution and subject to the satisfaction of any conditions contained in the notice of redemption given pursuant to the Resolution, the Redemption Price, together with interest accrued and unpaid thereon, on the redemption date.

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

The Trustee, after making all payments from the Debt Service Fund as provided in the Resolution, shall promptly notify the Issuer and the Institution of any balance of Revenues remaining in the Debt Service Fund on the first day of the next succeeding Bond Year. The balance, if any, of the Revenues then remaining shall be applied in the following order of priority: first there shall be paid to the Issuer, unless otherwise paid, such amounts as are payable to the Issuer for: (i) all expenditures reasonably and necessarily incurred by the Issuer in connection with the financing of the Project, including expenses incurred by the Issuer to compel full and punctual performance of all the provisions of any Loan Agreement in accordance with the terms thereof, and (ii) any unpaid fees or other amounts payable to the Issuer under the Loan Agreement; but only upon receipt by the Trustee of a certificate signed by the Issuer, stating in reasonable detail the amounts payable to the Issuer pursuant to this paragraph; second, upon the direction of the Issuer,

be paid by the Trustee to the Institution, in the respective amounts set forth in such direction. Any amounts paid to the Institution shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Series Resolution or the applicable Loan Agreement; and third, be retained in the Debt Service Fund.

*(Section 6.5)*

#### **Arbitrage Rebate Fund**

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

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 Issuer to make payments to the Department of the Treasury of the United States of America at such times and in such amounts determined to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money in excess of the amount required to be so rebated shall be deposited to any fund or account established under the Resolution in accordance with the written direction of an Authorized Officer of the Issuer.

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

*(Section 6.6)*

#### **Application of Money in Certain Funds for Retirement of Bonds**

Notwithstanding any other provisions of the Resolution, if at any time the money held in the Debt Service Fund established in connection with a Series of Bonds for the payment of the principal and Sinking Fund Installments of the Bonds of such Series, together with the money held in the Debt Service Reserve Fund established for such Bonds, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of such Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Issuer and the Institution. Upon receipt of such notice, the Issuer may advise the Institution that no further payments on account of principal and interest are due under the Loan Agreement and further (upon the receipt of written instructions from an Authorized Officer of the Institution) may (i) direct the Trustee to redeem all such Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Bonds in the manner provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

*(Section 6.7)*

#### **Transfer of Investments**

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

*(Section 6.8)*

## Security for Deposits

The Trustee shall continuously and fully secure all money held under the Resolution by it for the benefit of the Issuer and the Holders of the Bonds with Permitted Collateral having a market value equal to the amount of money secured thereby; **provided, however**, (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee to give security for the deposit of any money with them pursuant to the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money. The Trustee shall include in its monthly report provided pursuant to the Resolution a statement showing the amount of money held by the Trustee pursuant to the Resolution on the date of such report, the Permitted Collateral pledged by the Trustee to secure such amount and market value of such Permitted Collateral on the date of such report.

*(Section 7.1)*

## Investment of Funds and Accounts Held by the Trustee

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

In lieu of the investments of money in obligations described above, the Trustee shall, to the extent permitted by law, upon direction of the Issuer given or confirmed in writing by the Issuer, invest money in a Construction Fund or Debt Service Reserve Fund in any Permitted Investment; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Issuer reasonably believes such money will be required for the purposes of the Resolution, **provided, further**, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Issuer, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of the Resolution, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Notwithstanding anything to the contrary in the Resolution, the Issuer, 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 therein. Except as provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Issuer and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

No part of the proceeds of any Series of Bonds or any other funds of the Issuer shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

*(Section 7.2)*

### **Liability for Investments**

Neither the Issuer nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of the Resolution, in the manner provided therein, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

*(Section 7.3)*

### **Payment of Principal and Interest**

Solely and exclusively from the property pledged pursuant to the Resolution, the Issuer shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the dates and in the manner provided in the Bonds according to the true intent and meaning thereof.

*(Section 8.1)*

### **Further Assurance**

The Issuer, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, pledges and assignments by the Resolution and by the applicable Series Resolution created or made or intended to be created or made, or which the Issuer may become bound to pledge or assign.

*(Section 8.4)*

### **Accounts and Reports**

The Trustee, on behalf of the Issuer, shall keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to each Series of Bonds. Such books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Trustee, shall be subject to inspection by the Institution, the Issuer or of any Holder of a Bond or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Issuer, any provider of a Credit Facility and the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by the Trustee pursuant to the provisions of the Resolution and of each Series Resolution; a statement of the Revenues collected in connection with the Resolution and with each Series Resolution; and complete and correct entries of the transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same.

*(Section 8.5)*

### **Creation of Liens**

Except as permitted by the Resolution or by or pursuant to the Loan Agreement or a Series Resolution with respect to the Shared Collateral or the Revenues, the Issuer shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that securing the Bonds or the proceeds from the sale of the Bonds, the Revenues, the Issuer's security interest in the Collateral Security and the funds and accounts established by the Resolution or pursuant to any Series Resolution; *provided, however*, that nothing contained in the Resolution shall prevent the Issuer from issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution or otherwise so long as the charge or lien created by such resolution, except as permitted by the Resolution with respect to Shared Collateral or the Revenues, is not prior or equal to the charge or lien created by the Resolution.

*(Section 8.6)*

### **Enforcement of Duties and Obligations of the Institution; Obligations of the Issuer**

The Issuer covenants that, at the written request of the Trustee, it shall take all legally available action to cause the Institution fully to perform all duties and acts and fully to comply with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement, provided that the Issuer shall be furnished with satisfactory security or indemnity for the reimbursement of all expenses and to protect it against all liability in connection with any such action. None of the provisions of the Resolution shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise

of any of its rights or powers thereunder, unless payable from the Revenues, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby.

The Loan Agreement sets forth covenants and obligations of the Issuer and the Institution, and reference is by the Resolution made to the same for a detailed statement of said covenants and obligations. Notwithstanding anything to the contrary in the Resolution or the Loan Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with the Resolution, shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under the Resolution and the Loan Agreement (other than the Issuer's Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Institution under the Loan Agreement.

*(Section 8.7)*

### **Offices for Payment and Registration of Bonds**

The Issuer shall at all times maintain an office or agency in the State where Bonds may be presented for payment, registration, transfer or exchange and the Trustee is appointed as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds.

*(Section 8.9)*

### **Amendment of Loan Agreement**

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

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

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

Bonds owned or held by or for the account of the Issuer or the Institution shall not be deemed Outstanding for the purpose of consent, and neither the Issuer nor the Institution shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Trustee shall be provided with certificates of the Issuer and the Institution in accordance with the Resolution.

The purchasers of Bonds, whether purchasing as underwriters, remarketing agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by the Resolution in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter, remarketing agent or otherwise for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto 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.

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

A Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of a Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any Credit Facility issued in connection with such Bonds. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the Institution, the Issuer and all Holders of Bonds.

The Trustee shall be entitled to rely upon an opinion of counsel or an opinion or report of engineers, accountants or other experts, in each case reasonably satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

*(Section 8.10)*

### **General**

The Issuer shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Resolution in accordance with the terms of such provisions.

Upon the date of issuance of Bonds, all conditions, acts and things required by the statutes of the State and by the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by the laws of the State.

*(Section 8.11)*

### **Responsibilities of Trustee**

The recitals of fact contained in the Resolution and in each Series Resolution and in the Bonds shall be taken as the statements of the Issuer and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the Resolution, of any Series Resolution or of any Bonds, or in respect of the security afforded by the Resolution or by each Series Resolution, and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any money paid to the Issuer or others in accordance with the Resolution and with each Series Resolution except as to the application of any money paid to it in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties under the Resolution and under each Series Resolution except for its own negligence or default.

The duties and obligations of the Trustee shall be determined by the express provisions of the Resolution and of each Series Resolution and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Resolution and in each Series Resolution. In case an Event of Default has occurred and has not been cured, the Trustee shall exercise such rights and powers vested in it in the Resolution and under each

applicable Series Resolution, and use the same degree of care and skill in its exercise as a reasonable and prudent person would use, under the circumstances, in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Resolution or by any Series Resolution.

*(Section 9.2)*

### **Property Held in Trust**

All money and securities conveyed to or held by the Trustee, except for amounts held in the Arbitrage Rebate Fund, at any time pursuant to the terms of the Resolution and of each Series Resolution shall be and are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of the Resolution and of the applicable Series Resolution.

The Trustee shall hold all money in the Arbitrage Rebate Fund as the agent of the Issuer and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Issuer.

*(Section 9.3)*

### **Evidence on which the Trustee May Act**

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be of counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution and under any Series Resolution, such matter (unless other evidence in respect thereof be specifically prescribed by the Resolution) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Issuer or, with the permission of the an Authorized Officer of Issuer, signed by an Authorized Officer of the Institution. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution and of the Series Resolution upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided in the Resolution and in each Series Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of the Resolution and of any Series Resolution by the Issuer to the Trustee shall be sufficiently executed if executed in the name of the Issuer by an Authorized Officer.

*(Section 9.4)*

### **Compensation**

Unless otherwise provided by contract with the Trustee, the Institution, as provided in the Loan Agreement, shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it under the Resolution and under the applicable Series Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution and under the applicable Series Resolution. The Trustee shall be entitled to receive and collect such compensation from the Institution as provided in such Loan Agreement and, upon the occurrence of an Event of Default and except as otherwise set forth in a Series Resolution or Certificate of Determination, shall have a lien therefor on any and all funds at any time held by it under the Resolution and under the applicable Series Resolution (other than the Arbitrage Rebate Fund and any fund or account established for the payment of the principal or Redemption Price of or interest on Option Bonds or the purchase price of Option Bonds tendered for purchase) prior to any of the Bonds for which such services have been rendered; **provided, however**, that the Trustee shall not be entitled to compensation for any expenses, charges, counsel fees or other disbursements incurred in connection with or incident to its resignation or removal as provided in the Resolution. The Institution shall, pursuant to its obligations under the Loan Agreement, indemnify and save the Trustee harmless against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties under the Resolution and under the Applicable Series Resolution and which are not due to the Trustee's negligence or default. None of the provisions contained in the Resolution or in any Series Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights



or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. The Trustee shall not be required to take any action pursuant to the Resolution unless and until it shall have been indemnified and saved harmless against any liabilities and all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with or as a result of taking such action.

*(Section 9.5)*

### **Permitted Acts**

The Trustee may become the owner of or may deal in Bonds as fully and with the same rights as if it were not such Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Issuer or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Resolution or of the Bonds or any Series Resolution whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

*(Section 9.6)*

### **Resignation of Trustee**

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations under the Resolution and under each Series Resolution by giving not less than sixty (60) days written notice to the Issuer, any provider of credit enhancement and the Institution, which notice shall specify the date when such resignation shall take effect, and, unless otherwise provided in the Resolution, mail to the registered owners of the Bonds a copy of such notice, by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Issuer. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in the Resolution, in which event such resignation shall take effect immediately on the appointment of such successor; *provided, however*, that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to the Resolution.

*(Section 9.7)*

### **Removal of Trustee**

The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds, excluding any Bonds held by or for the account of the Issuer or the Institution, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Issuer. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions of the Resolution or of any Series Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Issuer, or the Holders of not less than twenty per centum (20%) in aggregate principal amount of Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer or the Institution. The Trustee may also be removed at any time, other than during the continuance of an event of default under the Resolution, by the Issuer, by an instrument in writing signed and acknowledged by the Issuer. No removal of the Trustee under the Resolution shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Issuer to the Trustee, each provider of credit enhancement or such successor thereof and the Institution.

*(Section 9.8)*

### **Successor Trustee**

In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Issuer shall forthwith appoint a Trustee, with written notice to Rating Service(s) rating the Bonds then Outstanding, to act as Trustee. Copies of any resolution or other instrument of the Issuer providing for any such appointment shall be delivered by the Issuer to the Trustee so appointed, the predecessor Trustee, any provider of credit enhancement and the Institution. The successor Trustee shall: (a) give notice of any such appointment not later than thirty (30) days

after such appointment to the registered owner of the Bonds as provided in the Resolution; and (b) submit the notice of its appointment to EMMA.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with the Resolution or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of the Resolution shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association having trust powers located in the State having a capital and surplus aggregating at least \$100,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by the Resolution and by each Series Resolution.

*(Section 9.9)*

#### **Transfer of Rights and Property to Successor Trustee**

Any successor appointed under the provisions of the Resolution shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all money, estates, properties, rights, powers, duties and obligations of its predecessor under the Resolution and under each Series Resolution, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Issuer or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions set forth therein. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer.

*(Section 9.10)*

#### **Merger or Consolidation of the Trustee**

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer any portion of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of the Resolution, shall be the successor to such Trustee, without any further act, deed or conveyance, with respect to the corporate trust business so transferred.

*(Section 9.11)*

#### **Modification and Amendment without Consent**

The Issuer may, without the consent of Bondholders and, except in the case of subparagraph (h) below, without the consent of the Trustee, adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes:

- (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 Issuer 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 Issuer contained in the Resolution;
- (c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Issuer 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 Issuer 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 Issuer contained in the Resolution;

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

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

(g) To modify or amend a Project; or

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

Any Series Resolutions or Supplemental Resolution adopted pursuant to the provisions summarized above 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 Issuer and with respect to any Series Resolution or Supplemental Resolution relating to a Series of Bonds secured by a Credit Facility, providing a written copy thereof to the provider of such Credit Facility.

*(Section 10.1)*

#### **Supplemental Resolutions Effective With Consent of Bondholders**

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the applicable 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 Issuer. The Trustee shall, upon its becoming effective, transmit a copy of such Supplemental Resolution to the Institution and to each Rating Service rating the affected Bonds then Outstanding.

*(Section 10.2)*

#### **General Provisions Relating to Supplemental Resolutions**

The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of the Resolution. Nothing contained in the Resolution shall affect or limit the rights or obligations of the Issuer to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions thereof or the right or obligation of the Issuer to execute and deliver to the Trustee any instrument elsewhere in the Resolution provided or permitted to be delivered to the Trustee.

A copy of every Series Resolution and Supplemental Resolution adopted by the Issuer, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted thereby and is valid and binding upon the Issuer and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Series Resolution or Supplemental Resolution to the Institution and with respect to any Series Resolution or Supplemental Resolution relating to a Series of Bonds secured by a Credit Facility, providing a written copy thereof to the provider of such Credit Facility.

The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the Resolution and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee shall become effective without the written consent of the Trustee.

*(Section 10.3)*

### **Powers of Amendment**

Any modification or amendment of the Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds of a Series under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the Resolution, (i) of the Holders of at least a majority in principal amount of the Bonds of such Series Outstanding at the time such consent is given or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the Resolution section summarized herein, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect.

The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds; *provided, however*, that such determination shall be made without regard to the existence of any Credit Facility issued in connection with such Bonds.

The Trustee shall be entitled to rely upon an opinion of counsel or an opinion or report of engineers, accountants or other experts, in each case reasonably satisfactory to the Trustee, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

*(Section 11.1)*

### **Consent of Bondholders**

The Issuer may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution summarized in the preceding section to take effect when and as provided in the Resolution. A certified copy of such Supplemental Resolution shall be filed with the Trustee and a notice of such adoption, including the Supplemental Resolution and a statement that such Supplemental Resolution shall not take effect until the required percentages of Bondholders have consented thereto, shall be submitted to EMMA. A copy of such Supplemental Resolution shall, upon receipt of a written request therefor, be furnished to the registered owner of a Bond or any beneficial owner of a Book Entry Bond requesting the same. At the option of the Issuer, a copy of such Supplemental Resolution, together with a request to the Bondholders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, may, unless otherwise provided in the Resolution, be mailed by the Trustee to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Resolution when consented to as provided in the Resolution).

Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in the Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Issuer in accordance with the provisions thereof, is authorized or permitted thereby, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (ii) a notice shall have been given in accordance with the Resolution. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such

subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee 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 Issuer and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in the Resolution, shall be given to: (1) the Bondholders by the Trustee in accordance with the provisions of the Resolution; and (2) by filing a copy of such notice with EMMA. The Trustee shall prepare a certificate as proof of the giving of such notice as required by the Resolution. A transcript, consisting of the papers required or permitted by the Resolution to be filed with or prepared by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Issuer, the Trustee, and the Holders of all Bonds upon the Trustee's execution of the certificate of proof of the giving of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution is rendered in a legal action or equitable proceeding for such purpose commenced within the thirty (30) day period beginning on the date of the Trustee's execution of the proof of giving such notice; *provided, however*, that the Issuer and the Trustee during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of the Resolution, the purchasers of the Bonds of a Series, including those purchasing as underwriters, placement agent or remarketing agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by the Resolution in the manner provided therein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; *provided, however*, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale or as a placement agent, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document (or if there is no such offering document, the purchase or placement agreement, if any) prepared in connection with the primary offering, reoffering, resale or private placement of the Bonds of such Series by the Issuer.

*(Section 11.2)*

#### **Modifications by Unanimous Consent**

The terms and provisions of the Resolution and the rights and obligations of the Issuer and of the Holders of the Bonds may be modified or amended in any respect upon the adoption and filing with the Trustee by the Issuer of a copy of a Supplemental Resolution certified by an Authorized Officer of the Issuer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to the Bondholders shall be required.

*(Section 11.3)*

#### **Trustee to Exercise Powers of Statutory Trustee**

The Trustee is vested with all of the rights, powers and duties of a trustee appointed by Bondholders pursuant to Section 1686 of the Act which are not inconsistent with the provisions of the Resolution and the right of Bondholders to appoint a trustee pursuant to Section 1686 of the Act is by the Resolution abrogated in accordance with the provisions of subdivision 4(g) of Section 1682 of the Act.

*(Section 12.1)*

#### **Events of Default**

An event of default shall exist under the Resolution and under a Series Resolution (referred to in the Resolution as an "event of default") if with respect to the Bonds of a Series to which the Series Resolution relates:

- (a) Payment of the principal, Sinking Fund Installments or Redemption Price of any Bond of such Series shall not be made by the Issuer when the same shall otherwise become due and payable; or

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

(c) A Determination of Taxability shall have occurred and be continuing; or; or

(d) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds of such Series or in any Series Resolution on the part of the Issuer 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 Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or if such default is not capable of being cured within thirty (30) days, if the Issuer fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

(e) An "Event of Default" as defined in the Loan Agreement shall have occurred and be continuing and all sums payable by the Institution under such Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

*(Section 12.2)*

### **Acceleration of Maturity**

Upon the happening and continuance of any event of default specified in the Resolution, other than an event of default summarized in paragraph (c) of the preceding section, then and in every such case the Trustee may, and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series shall, by a notice in writing to the Issuer and each Rating Service then rating the Outstanding Bonds of such Series, declare the principal of and interest on all of the Outstanding Bonds of such Series to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest on all of the Outstanding Bonds of such Series shall become and be immediately due and payable, anything in the Resolution or in a Series Resolution or in the Bonds to the contrary notwithstanding. At any time after the principal of the Bonds of such Series shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds of such Series not then due by their terms and then Outstanding, by written notice to the Issuer, annul such declaration and its consequences if: (i) money shall have accumulated in the Debt Service Funds sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds of such Series (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Issuer under the Resolution and under each applicable Series Resolution (other than principal amounts payable only because of a declaration and acceleration under the Resolution) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution or in any applicable Series Resolution or in the Bonds of such Series (other than a default in the payment of the principal of such Bonds then due only because of a declaration under the Resolution) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

*(Section 12.3)*

### **Enforcement of Remedies**

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

*(Section 12.4)*

### **Priority of Payment After Default**

If at any time the money held by the Trustee under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds of the applicable Series as the same become due and payable (either by their terms or by acceleration of maturity), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies, 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 of the applicable Series 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; and

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 of the applicable Series 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.

Whenever money is to be so applied by the Trustee pursuant to the provisions summarized in this section “Priority of Payment After Default”, 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 the provisions summarized in the preceding paragraphs shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, to any Holder of Bonds 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 hereof 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.

Amounts held by the Trustee after payments to be made pursuant to the provisions summarized in preceding paragraph shall have been made and no Bonds of the applicable Series are Outstanding shall be paid and applied in accordance with the Resolution.

*(Section 12.5)*

#### **Bondholders' Direction of Proceeding**

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds of a Series 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 and the provisions of the Resolution and of each Series Resolution, and that 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 12.7)*

#### **Limitation of Rights of Individual Bondholders**

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of a 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 in the Resolution provided, 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 12.8)*

#### **Remedies Not Exclusive**

No remedy conferred in the Resolution upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity or by statute.

*(Section 12.10)*

#### **Waiver and Non-Waiver of Default**

No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by the Resolution to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee, upon written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall waive any default which in its opinion shall have been



remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the Resolution or before the completion of the enforcement of any other remedy under the Resolution.

*(Section 12.11)*

### **Notice of Event of Default**

The Trustee shall give notice of each event of default under the Resolution known to the Trustee to the Institution and to any provider of a Credit Facility, within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds within thirty (30) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice; *provided, however*, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of the Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds. Each such notice of event of default shall be given by the Trustee (i) to Bondholders in accordance with the provisions of the Resolution; (ii) by giving written notice thereof to any provider of a Credit Facility and to such other persons as is required by law; and (iii) by filing a copy of such notice with EMMA.

*(Section 12.12)*

### **Defeasance**

(a) If the Issuer shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Certificate of Determination, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Issuer, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Issuer, and all money or securities held by it pursuant hereto 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 Issuer; and second, to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such money and securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(b) Bonds for the payment or redemption of which 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 subdivision (a) above. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above if:

(1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer 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;

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

(3) the Issuer shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds in accordance with the provisions of the Resolution that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Resolution and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; and

(4) the Trustee shall have received a Verification Report or other documentation reasonably acceptable to each of the Trustee and the Issuer as to the sufficiency of the cash or Governmental Obligations on deposit in accordance with the provisions of this subparagraph (b).

The Trustee shall give written notice to each Rating Service then rating said Bonds of the Issuer's selection of the Series and maturity the payment of which is to be made in accordance with the Resolution. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to the defeasance provisions nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; **provided, however**, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date of the Resolution, as the case may be; **provided, further**, that money and Defeasance Securities may be withdrawn and used by the Issuer 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 Verification Report or other documentation reasonably acceptable to each of the Trustee and the Issuer as to the sufficiency of the cash or Governmental Obligations being substituted. 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 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 Issuer; and second to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such money and securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(c) For the purpose of determining whether an Option Bonds shall be deemed to have been paid in accordance with the defeasance provisions, there shall be 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 paragraph (b) above, 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 (c). 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 Issuer, 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 Issuer; second, to the Issuer the amount certified by an Authorized Officer of the Issuer to be then due or past due pursuant to a Loan Agreement for fees and expenses of the Issuer or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

(d) For the purpose of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with paragraph (b) above, such determination shall be made in accordance with the provisions of the Series Resolution or the Certificate of Determination relating to such Series of Bonds.

*(Section 13.1)*

FORM OF APPROVING OPINION OF CO-BOND COUNSEL

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**FORM OF APPROVING OPINION OF CO-BOND COUNSEL  
RELATING TO THE SERIES 2022 BONDS**

July 20, 2022

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

Ladies and Gentlemen:

We have served as Co-Bond Counsel to our client the Dormitory Authority of the State of New York (the "Authority") and not as counsel to any other person in connection with the issuance by the Authority of its Yeshiva University Revenue Bonds, Series 2022A (the "Series 2022 Bonds"), dated the date of this letter.

The Series 2022 Bonds are issued pursuant to the Dormitory Authority Act, being Title 4 of Article 8 of the Public Authorities Law of the State of New York, as amended to the date hereof (the "Act"), the Authority's Yeshiva University Revenue Bond Resolution, adopted on June 22, 2022 and the Authority's Series 2022A Resolution Authorizing Up To \$165,000,000 Yeshiva University Revenue Bonds, Series 2022A, adopted on June 22, 2022 (collectively, the "Resolution"). Capitalized terms not otherwise defined in this letter are used as defined in the Resolution or the Loan Agreement (as defined herein).

In our capacity as Co-Bond Counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2022 Bonds, a copy of the signed and authenticated Series 2022 Bond of the first maturity and the Loan Agreement, dated as of July 20, 2022 (the "Loan Agreement"), between the Authority and Yeshiva University (the "Institution"), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

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

1. The Resolution has been duly and lawfully adopted by the Authority.
2. The Resolution and the Loan Agreement are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
3. The Series 2022 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolution, are enforceable in accordance with their terms and the terms of the Resolution and are entitled to the equal benefits of the Resolution and the Act. The payment of debt service on the Series 2022 Bonds is not secured by an obligation or pledge of any money raised by taxation, and the Series 2022 Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of New York or any of its political subdivisions.
4. Interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2022 Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof,

including the City of New York and the City of Yonkers. We express no opinion as to any other tax consequences regarding the Series 2022 Bonds.

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

In rendering those opinions with respect to the treatment of the interest on the Series 2022 Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority, the Institution and Albert Einstein College of Medicine (f/k/a COM Affiliation, Inc.) (“AECOM”). Failure to comply with certain of those covenants subsequent to issuance of the Series 2022 Bonds may cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

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

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

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

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

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

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

Very truly yours,

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FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

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**FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**YESHIVA UNIVERSITY REVENUE BONDS,**  
**SERIES 2022A**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “Disclosure Agreement”), dated as of July 20, 2022, is executed and delivered by Yeshiva University (the “Obligated Person”), U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Dormitory Authority of the State of New York (the “Issuer” or “DASNY”) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute “advice” within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer, the Obligated Person or anyone on the Issuer’s or the Obligated Person’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) of this Disclosure Agreement, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

“Disclosure Representative” means the Chief Financial Officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

“Financial Obligation” means a (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Dormitory Authority of the State of New York, as conduit issuer of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

“Resolution” means DASNY’s bond resolution(s) pursuant to which the Bonds were issued.

“Trustee” means U.S. Bank Trust Company, National Association and its successors and assigns.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 210 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2022, such date and each anniversary thereof, the “Annual Filing Date.” Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access (“EMMA”) System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Obligated Person shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if Audited Financial Statements are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

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

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

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

information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

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

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

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

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

- (viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

### SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Official Statement for the Bonds as described in “PART 7 – THE UNIVERSITY” under the headings “OPERATING INFORMATION” and “FINANCIAL STATEMENT INFORMATION” relating to: (1) *student admissions and enrollment*, similar to that set forth under the heading “**Students**”; (2) *tuition and other student charges*, similar to that set forth under the heading “**Tuition and Fees**”; (3) *financial aid*, similar to that set forth under the subheading “**Financial Aid**”; (4) *faculty*, similar to that set forth under the heading “**Faculty**”; (5) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, post retirement benefits and pension plans; (6) *restricted and designated net assets and investments and cash equivalents*, unless such information is included in the Audited Financial Statements; (7) *investment in plant*, unless such information is included in the Audited Financial Statements; and (8) *outstanding long-term indebtedness*, unless such information is included in the Audited Financial Statements; together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. In such event, Audited Financial Statements (if any) shall be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or are available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.



SECTION 4. Reporting of Notice Events.

- (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:
1. Principal and interest payment delinquencies;
  2. Non-payment related defaults, if material;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;
  7. Modifications to rights of the security holders, if material;
  8. Bond calls, if material, and tender offers;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities, if material;
  11. Rating changes;
  12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

#### SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

#### SECTION 6. Additional Disclosure Obligations.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

#### SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written

authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

#### SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

#### SECTION 9. Disclosure Dissemination Agent.

The Obligated Person hereby appoints DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and it shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of external counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee has undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4 hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under Section 4 hereof.

DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person or the Trustee and the assumption by any such successor of the covenants of the Obligated Person or the Trustee hereunder;

(iv) to add to the covenants of the Obligated Person or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.,**  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**YESHIVA UNIVERSITY,**  
Obligated Person

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**NAME AND CUSIP NUMBERS OF BONDS**

Name of Issuer: Dormitory Authority of the State of New York  
Obligated Person(s): Yeshiva University  
Name of Bond Issue: Yeshiva University Revenue Bonds, Series 2022A  
Date of Issuance: July 20, 2022  
Date of Official Statement: June 29, 2022

**Series 2022A Bonds**

<u>Maturity</u>	<u>CUSIP No.</u>
2028	65000BRB6
2029	65000BRC4
2030	65000BRD2
2031	65000BRE0
2032	65000BRF7
2037	65000BRG5
2042	65000BRH3
2050	65000BRJ9

**EXHIBIT B**

**NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Dormitory Authority of the State of New York  
Obligated Person(s): Yeshiva University  
Name of Bond Issue: Yeshiva University Revenue Bonds, Series 2022A  
Date of Issuance: July 20, 2022

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of July 20, 2022, by and among the Obligated Person, U.S. Bank Trust Company, National Association, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

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

\_\_\_\_\_

cc: Obligated Person



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

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

Issuer's and Obligated Person's Names:

\_\_\_\_\_  
Six-Digit CUSIP Number:

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

\_\_\_\_\_  
Number of pages attached: \_\_\_\_\_

Description of Notice Events (Check One):

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

\_\_\_\_\_ Failure to provide annual financial information as required.

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

\_\_\_\_\_  
Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

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

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of July 20, 2022 by and among the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

\_\_\_\_\_

Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

Description of Voluntary Event Disclosure (Check One):

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

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

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

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

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Agreement to Provide Continuing Disclosure dated as of July 20, 2022 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

\_\_\_\_\_

Six-Digit CUSIP Number:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

Number of pages attached: \_\_\_\_\_

Description of Voluntary Financial Disclosure (Check One):

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

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

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 East Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

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