



DAC Bond

**\$144,630,000**  
**DORMITORY AUTHORITY**  
**OF THE STATE OF NEW YORK**  
**PACE UNIVERSITY REVENUE BONDS,**

**\$84,630,000**  
**Series 2024B**

**\$60,000,000**  
**Series 2024C**

**Dated: Date of Delivery**

**Due: May 1, as shown on the inside cover**

**Payment and Security:** The Pace University Revenue Bonds, Series 2024B (the "*Series 2024B Bonds*") and the Pace University Revenue Bonds, Series 2024C (the "*Series 2024C Bonds*") and, together with the Series 2024B Bonds, the "*Series 2024BC 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 the date of delivery of the Series 2024BC Bonds, between Pace University (the "*University*") and DASNY, and/or payments made under the applicable Series 2024 Obligation (as hereinafter defined), which Series 2024 Obligations secure the University's obligations under the Loan Agreement, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) established in connection with the applicable Series of the Series 2024BC Bonds. The Series 2024BC Bonds are to be issued under DASNY's Pace University Revenue Bond Resolution, adopted May 8, 2024 (the "*Resolution*"), DASNY's Series Resolution 2024 Authorizing Up to \$330,000,000 Pace University Revenue Bonds, adopted May 8, 2024 (the "*Series 2024BC Resolution*"), the Bond Series Certificate relating to the Series 2024B Bonds, dated as of August 7, 2024 (the "*Series 2024B Bond Series Certificate*") and the Bond Series Certificate relating to the Series 2024C Bonds, dated as of August 27, 2024 (the "*Series 2024C Bond Series Certificate*") and, together with the Series 2024B Bond Series Certificate, the "*Series 2024BC Bond Series Certificate*"). The Resolution, the Series 2024BC Resolution and the Series 2024BC Bond Series Certificate are collectively referred to herein as the "*Resolutions*."

Payment of the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on each Series of the Series 2024BC Bonds, when due, is secured by payments to be made pursuant to an obligation issued with respect to each Series of Series 2024BC Bonds (each a "*Series 2024BC Obligation*") and, collectively the "*Series 2024BC Obligations*") by the University pursuant to a Master Trust Indenture, dated as of January 1, 2013, as previously amended and supplemented, and as further supplemented by the Series 2024BC Supplemental Indentures (as more fully described herein, the "*Master Indenture*"), by and between the University and The Bank of New York Mellon, as master trustee (the "*Master Trustee*"). The University's obligations under the Master Indenture are a general obligation of the University, secured by a lien on Gross Revenues and a Mortgage, as described herein. **All purchasers of the Series 2024BC Bonds will be bound by the consent of BofA Securities, Inc. (the "Underwriter") to the Proposed Master Indenture Amendments described herein, and by their purchase of the Series 2024BC Bonds and acceptance of the delivery thereof, will be deemed to have consented to the Proposed Master Indenture Amendments.** See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture" herein.

The University's obligations under the Loan Agreement and the Series 2024BC Obligations are general obligations of the University. The Loan Agreement requires the University to pay, in addition to the fees and expenses of DASNY and The Bank of New York Mellon, as bond trustee (the "*Bond Trustee*"), amounts sufficient to pay the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on the Series 2024BC Bonds, as such payments shall become due, and to make payments due under each Series 2024BC Obligation. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS."

**The Series 2024BC Bonds will not be a debt of the State of New York (the "State") and the State will not be liable on the Series 2024BC Bonds. DASNY has no taxing power.**

**Description:** The Series 2024B Bonds will be issued as fully registered fixed rate bonds in denominations of \$5,000 or any integral multiple thereof and will mature on the dates and bear interest at the rates shown on the inside cover hereof. Interest on the Series 2024B Bonds will accrue from the date of delivery and will be payable semiannually on each May 1 and November 1, commencing November 1, 2024. The Series 2024C Bonds will be issued as fully registered variable rate bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof for so long as the Series 2024C Bonds are in the R-FLOATs Rate Mode (as described herein). The initial interest rate for the Series 2024C Bonds will be communicated by the Remarketing Agent (as defined herein) to the prospective purchasers of such Series 2024C Bonds, and thereafter will be determined as described herein for Series 2024C Bonds in the R-FLOATs Rate Mode. Interest on the Series 2024C Bonds will accrue from the date of delivery, and while in the R-FLOATs Rate Mode, will be payable on first Business Day of each month, commencing October 1, 2024. The Series 2024C Bonds will continue to bear interest at the weekly R-FLOATs Rate unless, at the option of the University, the Series 2024C Bonds are converted to bear interest at the Daily Rate, Commercial Paper Rate, Weekly Rate, Term Rate, Fixed Rate or R-FLOATs Rate with a different R-FLOATs Period, as described herein. **This Official Statement describes the Series 2024C Bonds only while in the R-FLOATs Rate Mode.**

The Series 2024BC 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 2024BC Bonds will be made in book-entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2024BC Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on such Series 2024BC 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 2024BC BONDS - Book-Entry Only System" herein.

**Redemption and Purchase:** *The Series 2024BC Bonds are subject to redemption and purchase in lieu of optional redemption prior to maturity as more fully described herein. The Series 2024C Bonds are subject to optional and mandatory tender as described herein while in the R-FLOATs Rate Mode. Payment for Series 2024C Bonds which are tendered for purchase will be made only from the proceeds of the remarketing of such Series 2024C Bonds. Neither DASNY nor the University is obligated to pay the purchase price of any Series 2024C Bonds tendered for purchase. For so long as the Series 2024C Bonds are in the R-FLOATs Rate Mode, the Series 2024C Bonds will not be supported by a letter of credit, line of credit, standby bond purchase agreement or any other liquidity facility.*

**Tax Matters:** In the opinion of Orrick, Herrington & Sutcliffe LLP, Co-Bond Counsel to DASNY, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024BC Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of bond counsel, interest on the Series 2024BC Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Co-Bond Counsel observes that interest on the Series 2024BC Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Co-Bond Counsel is also of the opinion that interest on the Series 2024BC Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Co-Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024BC Bonds. See "PART 10 – TAX MATTERS" herein regarding certain other tax considerations.

*The Series 2024BC Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2024BC 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 Orrick, Herrington & Sutcliffe LLP, New York, New York, and Marous Law Group, P.C., New York, New York, Co-Bond Counsel to DASNY, and to certain other conditions. Certain legal matters will be passed upon for the University by its General Counsel and by its special finance counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York. DASNY expects to deliver the Series 2024BC Bonds in definitive form in New York, New York, on or about August 29, 2024.*

**BofA Securities**

**\$84,630,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**PACE UNIVERSITY REVENUE BONDS,**  
**SERIES 2024B**

<b>Due May 1</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP Number<sup>†</sup></b>
2025	\$3,400,000	5.000%	3.390%	101.056	65000B5A2
2026	5,770,000	5.000	3.380	102.607	65000B5B0
2027	6,060,000	5.000	3.340	104.205	65000B5C8
2028	6,355,000	5.000	3.360	105.616	65000B5D6
2029	6,680,000	5.000	3.390	106.898	65000B5E4
2030	5,070,000	5.000	3.430	108.025	65000B5F1
2031	5,325,000	5.000	3.450	109.162	65000B5G9
2032	5,575,000	5.000	3.490	110.082	65000B5H7
2033	5,855,000	5.000	3.520	110.973	65000B5J3
2034	6,145,000	5.000	3.540	111.864	65000B5K0
2035	6,445,000	5.000	3.560	111.691 <sup>C</sup>	65000B5L8
2036	8,200,000	5.000	3.580	111.517 <sup>C</sup>	65000B5M6
2037	6,355,000	5.000	3.630	111.085 <sup>C</sup>	65000B5N4
2038	2,010,000	5.000	3.680	110.655 <sup>C</sup>	65000B5P9
2039	2,115,000	5.000	3.740	110.142 <sup>C</sup>	65000B5Q7
2040	1,945,000	5.000	3.810	109.546 <sup>C</sup>	65000B5R5
2041	645,000	5.000	3.890	108.871 <sup>C</sup>	65000B5S3
2042	680,000	5.000	3.930	108.535 <sup>C</sup>	65000B5T1

**\$60,000,000**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**PACE UNIVERSITY REVENUE BONDS,**  
**SERIES 2024C**

Price: 100%  
CUSIP Number<sup>†</sup>: 65000B5U8

Last Day of Initial Rate Period: Wednesday September 4, 2024  
First R-FLOATs Mode Rate Determination Date: Thursday, September 5, 2024  
First Interest Payment Date: October 1, 2024  
R-FLOATs Mode Rate Determination Dates: Generally, Thursday of each week  
Interest Payment Dates: Generally, the first Business Day of each month  
Maturity Date: May 1, 2044

<sup>†</sup> CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above have been assigned by an independent company not affiliated with DASNY and are being provided solely for the convenience of owners of the Series 2024BC Bonds only at the time of issuance of the Series 2024BC Bonds. Neither DASNY nor the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2024BC Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

<sup>C</sup> Priced to the first optional call date of May 1, 2034.

*No dealer, broker, salesperson or other person has been authorized by DASNY, the University or the Underwriter to give any information or to make any representations with respect to the Series 2024BC Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by DASNY, the University or the Underwriter.*

*This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be a sale of the Series 2024BC Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

*The information set forth herein relating to DASNY under the heading “PART 7 – DASNY” has been obtained from DASNY. The information herein regarding the University, including but not limited to Appendix A, was supplied by the University and the University has reviewed the University Information (as defined below). All information herein other than the University information has been obtained by the Underwriter from itself and from other sources deemed to be reliable by the Underwriter and is not to be construed as a representation by the Underwriter (except in the case of “PART 14 – UNDERWRITING” or “PART 19-REMARKETING OF THE SERIES 2024C BONDS”) or by DASNY. 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 2024BC Bonds or (3) the value or investment quality of the Series 2024BC Bonds.*

*The University has reviewed the parts of this Official Statement describing the University, the Sources of Payment and Security for the Series 2024BC Bonds, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds, Bondholders’ Risks, “APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY” and “APPENDIX B – FINANCIAL STATEMENTS OF PACE UNIVERSITY AND INDEPENDENT AUDITORS’ REPORT” (collectively, the “University Information”). As a condition to delivery of the Series 2024BC Bonds, the University will certify that as of the date of this Official Statement and of delivery of the Series 2024BC 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 Resolution, the Series 2024BC Resolution, the Series 2024BC Bond Series Certificate, the Loan Agreement, the Master Indenture, the Series 2024BC Supplemental Indentures and the Series 2024BC Obligations do not purport to be complete. Refer to the Act, the Resolution, the Series 2024BC Resolution, the Series 2024BC Bond Series Certificate, the Loan Agreement, the Master Indenture, the Series 2024BC Supplemental Indentures and the Series 2024BC Obligations for full and complete details of their provisions. Copies of such documents will be on file with DASNY and the Bond Trustee.*

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

*In making an investment decision, investors must rely upon their own examination of the terms of the offering, including the merits and risks involved.*

*References to website addresses 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 a part of, this Official Statement.*

*The CUSIP numbers are included on the inside front cover page of this Official Statement for the convenience of the holders and potential holders of the Series 2024BC Bonds. No assurance can be given that the CUSIP numbers for the Series 2024BC Bonds will remain the same after the date of issuance and delivery of the Series 2024BC Bonds.*

*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.*

*The Series 2024BC Bonds and the Series 2024BC Obligations have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state, nor have the Resolutions or the Master Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The Series 2024BC Bonds have not been registered or qualified under the securities laws of any state in reliance upon the state securities law preemption provisions under the Securities Act of 1933, as amended. In certain states, however, the filing of a notice with the state securities commission is required for the public sale of the Series 2024BC Bonds in such states. The fact that a notice may have been filed in certain states cannot be regarded as a recommendation.*

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE UNIVERSITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT AFFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE “FORWARD-LOOKING STATEMENTS.” IN THIS RESPECT, THE WORDS “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “EXPECT,” “INTEND,” “PRO-FORMA,” “MAY,” “WILL,” “PLAN,” “CONTINUE,” “BELIEVE” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE UNIVERSITY’S FINANCIAL RESULTS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD-LOOKING STATEMENTS.**

# TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
PART 1 - INTRODUCTION .....	1	No Title Insurance .....	29
Purpose of the Official Statement .....	1	Enforceability of Lien on Gross Revenues .....	29
Purpose of the Issue .....	1	Enforcement of Remedies .....	29
Authorization of Issuance .....	2	Amendment of the Resolution and Loan Agreement.....	30
DASNY .....	2	Other Factors.....	30
The University .....	2	PART 7 - DASNY.....	30
The Series 2024BC Bonds .....	2	Background, Purposes and Powers.....	30
Payment of the Series 2024BC Bonds .....	2	Governance .....	31
Security for the Series 2024BC Bonds.....	3	Claims and Litigation .....	35
Proposed Amendments to the Master Indenture .....	4	Other Matters .....	35
PART 2 - SOURCE OF PAYMENT AND SECURITY FOR		PART 8 - LEGALITY OF THE SERIES 2024BC BONDS	
THE SERIES 2024BC BONDS .....	4	FOR INVESTMENT AND DEPOSIT.....	36
Payment of the Series 2024BC Bonds .....	4	PART 9 - NEGOTIABLE INSTRUMENTS .....	36
Security for the Series 2024BC Bonds.....	5	PART 10 - TAX MATTERS .....	36
Events of Default and Acceleration under the Resolution....	5	PART 11 - STATE NOT LIABLE ON THE SERIES 2024BC	
Additional Bonds .....	6	BONDS.....	38
Obligations under the Master Indenture.....	6	PART 12 - COVENANT BY THE STATE.....	38
Proposed Amendments to the Master Indenture .....	9	PART 13 - LEGAL MATTERS .....	38
Other Indebtedness .....	9	PART 14 - UNDERWRITING .....	39
General .....	10	PART 15 - CONTINUING DISCLOSURE .....	39
PART 3 - THE SERIES 2024BC BONDS.....	10	PART 16 - RATINGS .....	40
Description of the Series 2024B Bonds .....	11	PART 17 - FINANCIAL ADVISOR.....	40
Redemption of the Series 2024B Bonds and Purchase in		PART 18 - VERIFICATION OF MATHEMATICAL	
Lieu of Optional Redemption .....	11	COMPUTATIONS .....	40
Description of the Series 2024C Bonds .....	13	PART 19 - REMARKETING OF THE SERIES 2024C	
Redemption and Purchase in Lieu of Redemption of the		BONDS.....	40
Series 2024C Bonds.....	16	General.....	40
Book-Entry Only System.....	19	Certain Considerations Concerning the Remarketing of the	
Principal and Interest Requirements .....	22	Series 2024C Bonds .....	41
PART 4 - THE REFUNDING PLAN .....	23	PART 20 - CERTAIN RELATIONSHIPS .....	42
PART 5 - ESTIMATED SOURCES AND USES OF FUNDS..	23	PART 21 - MISCELLANEOUS.....	42
PART 6 - BONDHOLDERS' RISKS .....	23	Appendix A Certain Information Regarding The University... A-1	
General .....	23	Appendix B Financial Statements of Pace University and	
Right to Tender .....	24	Independent Auditors' Report.....	B-1
Remarketing of the Series 2024C Bonds .....	24	Appendix C Summary of Certain Provisions of the Loan	
Financial Assistance .....	24	Agreement.....	C-1
Investment Income.....	24	Appendix D Summary of Certain Provisions of the	
Fundraising .....	25	Resolution .....	D-1
Tuition and Fees .....	25	Appendix E Summary of Certain Provisions of the Master	
Government Funding .....	25	Indenture .....	E-1
Risks as Employer .....	25	Appendix F Proposed Form Of Approving Opinions Of	
Risks Related to Variable Rate Indebtedness.....	25	Co-Bond Counsel.....	F-1
Changes in Law .....	25	Appendix G Form of Agreement to Provide Continuing	
Tax Related Risk.....	26	Disclosure .....	G-1
Environmental Laws and Regulations.....	26	Appendix H Summary of Refunded Bonds and Refunded	
Damage to Facilities .....	26	Debt .....	H-1
Bond Ratings .....	26		
Secondary Market for the Series 2024BC Bonds.....	27		
No Debt Service Reserve Fund for the Series 2024BC			
Bonds.....	27		
Public Health Emergencies .....	27		
Cybersecurity .....	27		
Bankruptcy .....	27		
Additional Indebtedness .....	28		
Realization of Value on the Mortgaged Property.....	28		

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**DORMITORY AUTHORITY – STATE OF NEW YORK**  
**ROBERT J. RODRIGUEZ – PRESIDENT**

**515 BROADWAY, ALBANY, NY 12207**  
**LISA A. GOMEZ – CHAIR**

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**OFFICIAL STATEMENT RELATING TO**

**\$ 144,630,000**

**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**PACE UNIVERSITY REVENUE BONDS,**

**\$84,630,000**  
**Series 2024B**

**\$60,000,000**  
**Series 2024C**

**PART 1 - INTRODUCTION**

**Purpose of the Official Statement**

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to provide information about the Dormitory Authority of the State of New York (“*DASNY*”) and Pace University (the “*University*”), in connection with the offering by DASNY of \$84,630,000 aggregate principal amount of its Pace University Revenue Bonds, Series 2024B (the “*Series 2024B Bonds*”) and \$60,000,000 principal amount of its Pace University Revenue Bonds, Series 2024C (the “*Series 2024C Bonds*” and, together with the Series 2024B Bonds, the “*Series 2024BC Bonds*”).

The following is a brief description of certain information concerning the Series 2024BC Bonds, DASNY and the University. A more complete description of such information and additional information that may affect decisions to invest in the Series 2024BC 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 C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT”, “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION”, and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE” attached hereto.

**Purpose of the Issue**

The Series 2024B Bonds are being issued for the purpose of providing funds which, together with other available money, will be used to (i) refund all of DASNY’s Pace University Revenue Bonds, Series 2013A (the “*Series 2013A Bonds*” or the “*Refunded Bonds*”), (ii) refund a portion of the Westchester County Local Development Corporation’s (the “*Westchester County LDC*”) Pace University Revenue Bonds, Series 2014A (the “*Series 2014A Bonds*”), and (iii) pay the Costs of Issuance of the Series 2024B Bonds. The Series 2024C Bonds are being issued for the purpose of providing funds which, together with other available money, will be used to (i) refund the remaining portion of the Series 2014A Bonds, (ii) refund all of the Westchester County LDC’s Pace University Revenue Bonds, Series 2014B (the “*Series 2014B Bonds*” and, together with Series 2014A Bonds, the “*Refunded Debt*”), and (iii) pay the Costs of Issuance of the Series 2024C Bonds. See “PART 4 – THE REFUNDING PLAN” and “PART 5 – ESTIMATED SOURCES AND USES OF FUNDS” herein. See also “APPENDIX H — SUMMARY OF REFUNDED BONDS AND REFUNDED DEBT” for a list of bonds to be refunded.

## **Authorization of Issuance**

The Series 2024BC Bonds are to be issued under DASNY's Pace University Revenue Bond Resolution, adopted May 8, 2024 (the "*Resolution*"), DASNY's Series Resolution 2024 Authorizing Up to \$330,000,000 Pace University Revenue Bonds, adopted May 8, 2024 (the "*Series 2024BC Resolution*"), the Bond Series Certificate relating to the Series 2024B Bonds, dated as of August 7, 2024 (the "*Series 2024B Bond Series Certificate*"), the Bond Series Certificate relating to the Series 2024C Bonds, dated as of August 27, 2024 (the "*Series 2024C Bond Series Certificate*") and, together with the Series 2024B Bond Series Certificate, the "*Series 2024BC Bond Series Certificate*") and the Dormitory Authority Act, being Chapter 524 of the Laws of New York of 1944, as amended (the "*Act*"). The Resolution, the Series 2024BC Resolution and the Series 2024BC Bond Series Certificate are collectively referred to herein as the "*Resolutions*." In addition to the Series 2024BC Bonds, the Resolution authorizes the issuance of other Series of Bonds (collectively, the "*Bonds*") to pay Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds, to refund all or a portion of Outstanding Bonds or other notes or bonds of DASNY that were issued on behalf of the University, and to refinance other indebtedness of the University. Each Series of Bonds will be separately secured under the Resolution from each other Series of Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution.

## **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 7 – DASNY" herein.

## **The University**

The University is an independent, coeducational, not-for-profit institution of higher education chartered by the Board of Regents of the State. The University has campuses located in Westchester County and the City of New York. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY" and "APPENDIX B – FINANCIAL STATEMENTS OF PACE UNIVERSITY AND INDEPENDENT AUDITORS' REPORT" attached hereto.

## **The Series 2024BC Bonds**

The Series 2024B Bonds are dated their date of delivery and bear interest from such date (payable November 1, 2024, and on each May 1 and November 1 thereafter) at the rates and mature at the times and in the amounts set forth on the inside cover page of this Official Statement.

The Series 2024C Bonds will initially be issued in the R-FLOATs Rate Mode with an R-FLOATs Weekly Rate and will be dated their date of delivery. For the period from and including the date of delivery of the Series 2024C Bonds to and including the last day of the Initial Rate Period listed on the inside cover page, the interest rate on the Series 2024C Bonds will be determined by BofA Securities, Inc. (the "*Remarketing Agent*") on or about two Business Days immediately preceding such date of delivery and thereafter will be determined as described herein for the Series 2024C Bonds in the R-FLOATs Rate Mode. The first R-FLOATs Rate Determination Date for the Series 2024C Bonds will be September 5, 2024, and thereafter R-FLOATs Rate Determination Dates for the Series 2024C Bonds while in an R-FLOATs Weekly Period will occur every Thursday subject to certain conditions and exceptions. The R-FLOATs Weekly Rate so determined shall remain in effect until (and including) the following Wednesday. While the Series 2024C Bonds are in an R-FLOATs Weekly Period, interest accrued through the day prior to the first Business Day of each month will be payable in arrears on the first Business Day of each month commencing on October 1, 2024. See "PART 3 – THE SERIES 2024BC BONDS" herein.

## **Payment of the Series 2024BC Bonds**

Each Series of Series 2024BC Bonds is a special limited obligation of DASNY payable solely from the applicable Revenues, which include certain payments to be made by the University under a Loan Agreement, dated the date of delivery of the Series 2024BC Bonds (the "*Loan Agreement*"), between the University and DASNY, and/or



any payments to be made by the University on the applicable Series 2024BC Obligation (as hereinafter defined), which payments are pledged and assigned to The Bank of New York Mellon, as bond trustee (the “*Bond Trustee*”). Each Series 2024BC Obligation secures the University’s payment obligations under the Loan Agreement with respect to the applicable Series of Series 2024BC Bonds. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS - Payment of the Series 2024BC Bonds” herein.

**The Series 2024BC Bonds will not be a debt of the State of New York (the “*State*”) nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2024BC Bonds except for DASNY’s responsibility to make payments from money received from the University pursuant to the Loan Agreement and from amounts held in the funds and accounts established by the Resolutions and pledged to the payment of or to secure payment of the Series 2024BC Bonds.**

### **Security for the Series 2024BC Bonds**

Each Series of the Bonds (including each Series of the Series 2024BC Bonds) is separately secured by the pledge and assignment made by DASNY to the Bond Trustee of the Revenues applicable to such Series and, except as otherwise provided in the Resolutions, of all funds and accounts authorized by the Resolution and established under the respective Series Resolution (other than the Arbitrage Rebate Fund). The University’s obligation to make the payments under the Loan Agreement that constitute the Revenues is a general obligation of the University and such payments are required to be made by the University out of any money legally available to it.

Payment when due of the University’s obligations to DASNY under the Loan Agreement with respect to each Series of the Series 2024BC Bonds is secured by an Obligation issued by the University for each such Series (respectively, the “*Series 2024B Obligation*” and the “*Series 2024C Obligation*” and each a “*Series 2024BC Obligation*” and, collectively the “*Series 2024BC Obligations*”) pursuant to a Master Trust Indenture, dated as of January 1, 2013 (as previously supplemented, and as supplemented as provided below, collectively the “*Master Indenture*”), by and between the University and The Bank of New York Mellon, as master trustee (the “*Master Trustee*”), as supplemented (i) with respect to the Series 2024B Obligation, by the Supplemental Indenture for Obligation No.6 (referred to herein as the “*Series 2024B Supplemental Indenture*”), and (ii) with respect to the Series 2024C Obligation, by the Supplemental Indenture for Obligation No.7 (referred to herein as the “*Series 2024C Supplemental Indenture*” and together with the Series 2024B Supplemental Indenture,” each a “*Series 2024BC Supplemental Indenture*” and, collectively the “*Series 2024BC Supplemental Indentures*”), each dated as of August 1, 2024, and each by and between the University and the Master Trustee. The Master Indenture constitutes a general obligation of the University to repay all obligations issued under the Master Indenture (each an “*Obligation*”), including the Series 2024BC Obligations. The obligation of the University to make the payments required by the Master Indenture with respect to the Series 2024BC Obligations and all other Obligations are secured by a security interest in Gross Revenues given by the University pursuant to the Master Indenture. The security interest in Gross Revenues given to secure the Series 2024BC Obligations will be subject to Permitted Liens, as described in the Master Indenture. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations Under the Master Indenture – *Security Interest in Gross Revenues*” herein.

The Series 2024BC Obligations issued pursuant to the Master Indenture will be additionally secured by a Mortgage (as hereinafter defined) on certain Mortgaged Property (as hereinafter defined) and security interests in certain fixtures, furnishings and equipment now or hereafter located therein or used in connection therewith. Any Obligations issued under the Master Indenture may be secured by mortgages on the Mortgaged Property and, pursuant to the terms of the Master Indenture, the lien of each of the mortgages securing such Obligations shall be on parity. Pursuant to the Master Indenture, the Prior Obligations (as hereinafter defined) issued thereunder are secured by a mortgage or mortgages on the Mortgaged Property and any future Obligations issued thereunder may be secured by a mortgage or mortgages on the Mortgaged Property, with all proceeds realized from such mortgages, including the Mortgage, to be applied proportionally and ratably to all such Obligations secured by such mortgages issued under the Master Indenture, as more particularly described in the Master Indenture. In addition, the Master Trustee is permitted to release or subordinate certain portions of the Mortgaged Property from the lien of the Mortgage under certain conditions set forth in the Master Indenture. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations under the Master Indenture – *Mortgage*” herein and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Master Trust Indenture –

Security; Restrictions on Encumbering Property; Payment of Principal and Interest – Grant of Mortgages” attached hereto.

The University has previously issued the Prior Obligations under the Master Indenture to secure outstanding indebtedness of the University, which Prior Obligations are secured on a parity basis with the Series 2024BC Obligations with respect to the security interest in Gross Revenues and the lien on the Mortgaged Property. See “APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY – FINANCIAL INFORMATION – Outstanding Indebtedness” and “APPENDIX B – FINANCIAL STATEMENTS OF PACE UNIVERSITY AND INDEPENDENT AUDITORS’ REPORT” attached hereto.

### **Proposed Amendments to the Master Indenture**

The Master Indenture is proposed to be amended and supplemented in order to effect certain proposed amendments (the “*Proposed Master Indenture Amendments*”). The Proposed Master Indenture Amendments include (i) adding as a Permitted Lien, the recordation of a declaration of restrictive covenant against the Mortgaged Property as a senior lien in favor of the City of New York, New York (the “*City*”) or another governmental lender (each a “*Governmental Lender*”) in connection with a capital project located on the Mortgaged Property (each, a “*Grant Project*”) funded from the proceeds of a grant from a Governmental Lender (each, a “*Permitted Covenant*”) and (ii) adding as a Permitted Modification, a modification or amendment to the Mortgage and the execution and recording of any related documentation to provide for the subordination of the Mortgage to any Permitted Covenant. For a discussion of the Proposed Master Indenture Amendments and the conditions to their becoming effective, see “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE.”

**Simultaneously with the issuance of the Series 2024BC Bonds, BofA Securities, Inc., as underwriter (the “Underwriter”) of the Series 2024BC Bonds will consent to the Proposed Master Indenture Amendments, as permitted under the Resolution. All purchasers of the Series 2024BC Bonds will be bound by the consent of the Underwriter, and by their purchase of the Series 2024BC Bonds and acceptance of the delivery thereof, will be deemed to have consented to the Proposed Master Indenture Amendments.** The Proposed Master Indenture Amendments will become effective only upon satisfaction of each of the conditions described in “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE.”

### **PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS**

*Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2024BC Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution, the Series 2024BC Resolution, the Series 2024BC Bond Series Certificate, the Master Indenture, the Series 2024BC Supplemental Indentures, the Series 2024BC Obligations and the Mortgage. Copies of the Loan Agreement, the Resolution, the Series 2024BC Resolution, the Series 2024BC Bond Series Certificate, the Master Indenture, the 2024BC Supplemental Indentures, the Series 2024BC Obligations and the Mortgage will be on file with DASNY and the Trustee. See also “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX D– SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE” attached hereto for a more complete statement of the rights, duties and obligations of the parties thereto.*

### **Payment of the Series 2024BC Bonds**

The Series 2024BC Bonds will be special limited obligations of DASNY. The principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on each Series of the Series 2024BC Bonds are payable solely from the applicable Revenues. The Revenues include the payments required to be made by the University under the Loan Agreement with respect to a Series of the Series 2024BC Bonds, and/or any payments made under the applicable Series 2024BC Obligation to be issued by the University with respect to such Series, which Series 2024BC Obligation secures the University’s obligations under the Loan Agreement with respect to the applicable

Series of Series 2024BC Bonds. The applicable Revenues and the right to receive them have been pledged to the Bond Trustee for the benefit of the Holders of the respective Series of Series 2024BC Bonds.

The University's obligations under the Loan Agreement and under each Series 2024BC Obligation are general obligations of the University and obligate the University to make payments to satisfy the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on the applicable Series of Series 2024BC Bonds. Payments made by the University to satisfy principal and Sinking Fund Installments of, if any, and interest on the Series 2024BC Bonds are to be made on the fifth Business Day immediately preceding each date on which such principal, Sinking Fund Installments, if any, or interest is payable, in each case in an amount equal to the principal, Sinking Fund Installments, if any, or interest coming due on such date. The Loan Agreement also obligates the University to pay, except in the case of an optional redemption or a purchase in lieu of optional redemption which is subject to the condition that sufficient money is available on the redemption date or the purchase date, on or prior to the date any applicable notice of optional redemption or purchase in lieu of optional redemption is given, the amount, if any, required to pay the Redemption Price or Purchase Price of such Series 2024BC Bonds. DASNY has directed the University, and the University has agreed, to make the payments under the Loan Agreement directly to the Bond Trustee. Such payments are to be applied by the Bond Trustee to the payment of the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on the Series 2024BC Bonds.

### **Security for the Series 2024BC Bonds**

Each Series of the Series 2024BC Bonds will be secured by the pledge and assignment by DASNY of (i) the applicable Revenues, which include payments made by the University with respect to such Series pursuant to the Loan Agreement, and/or any payments made under the applicable Series 2024BC Obligation issued by the University under the Master Indenture, and (ii) all of the funds and accounts authorized pursuant to the Resolution and established with respect to such Series of Series 2024BC Bonds by the Series 2024BC Resolution (other than the Arbitrage Rebate Fund). Pursuant to the Resolution, the funds and accounts established and pledged by the Series 2024BC Resolution secure only the applicable Series of Series 2024BC Bonds and do not secure or any other series of Bonds that may have been or may hereafter be issued under the Resolution. While the Resolution authorizes and permits a Debt Service Reserve Fund to be established for a Series of Bonds issued thereunder, no Debt Service Reserve Fund will be established for either Series of the Series 2024BC Bonds.

#### *The Series 2024BC Obligations*

Payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on each Series of the Series 2024BC Bonds when due, and payment when due of the other obligations of the University to DASNY under the Loan Agreement, will be secured by payments made by the University pursuant to the applicable Series 2024BC Obligation. Each Series 2024BC Obligation will be issued to DASNY, which will assign all payments under such Series 2024BC Obligation to the Bond Trustee for the benefit of the Bondholders of the applicable Series. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations under the Master Indenture" herein.

### **Events of Default and Acceleration under the Resolution**

An event of default under the Resolution with respect to each Series of the Series 2024BC Bonds will exist if: (i) payment of the principal, Sinking Fund Installments, if any, or Redemption Price of any such Series 2024BC 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 such Series 2024BC 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, such Series of the Series 2024BC Bonds, or the Series 2024BC Resolution with respect to such Series of the Series 2024BC Bonds 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 Bond 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 2024BC Bonds of such Series, 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. Failure of the University to make payment under the Loan Agreement shall not constitute an “event of default” under the Loan Agreement if timely payment of the applicable Series 2024BC Obligation is made by the University in place of the payment due under the Loan Agreement. If the University defaults under the Master Indenture or under any Obligation issued thereunder, such default shall constitute an Event of Default under the Loan Agreement. Unless all sums payable by the University under the Loan Agreement are declared immediately due and payable (and such declaration shall have not been annulled), 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 Bond Trustee, upon the written request of Holders of not less than 25% in principal amount of such Series of the Series 2024BC Bonds will, by notice in writing to DASNY and each Rating Service then rating such Series of the Series 2024BC Bonds, (i) declare the principal of and interest on all such Series 2024BC Bonds to be immediately due and payable and (ii) request the Master Trustee to declare all applicable Obligations 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 will become immediately due and payable. At any time after the principal of such Series of Series 2024BC 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 Bond Trustee will, with the written consent of the Holders of not less than 25% in principal amount of such Series of the Series 2024BC 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. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

The Resolution provides that the Bond Trustee is to give notice in accordance with the Resolution of each event of default known to the Bond Trustee to the University within five (5) days, and to the Holders within thirty (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, if any, or Redemption Price of or interest on any of the applicable Series of the Series 2024BC Bonds, the Bond Trustee will be protected in withholding such notice thereof to the Holders if and so long as the Bond Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the applicable Series of the Series 2024BC Bonds.

### **Additional Bonds**

In addition to the Series 2024BC Bonds, the Resolution authorizes the issuance by DASNY of other Series of Bonds to finance Projects and for other specified purposes including refunding Outstanding Bonds or other notes or bonds issued on behalf of the University. Each such Series of Bonds shall be separately secured by (i) the applicable Revenues, including payments made by the University with respect to such Series pursuant to a loan agreement, and/or payments under the applicable Obligation to be issued by the University under the Master Indenture, and (ii) the funds and accounts established for such Series of Bonds pursuant to the applicable Series Resolution.

### **Obligations under the Master Indenture**

#### *General*

In addition to other sources of payment described herein, principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on each Series of the Series 2024BC Bonds will be payable from moneys paid by the University pursuant to the applicable Series 2024BC Obligation. Concurrently with the issuance of the Series 2024BC Bonds, the University will issue its Series 2024BC Obligations pursuant to the Master Indenture and the related Series 2024BC Supplemental Indenture. The Series 2024BC Obligations will be issued to DASNY, which will assign all payments under each Series 2024BC Obligation to the Bond Trustee as security for the payment of the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on the applicable Series of the Series 2024 Bonds.

Pursuant to the Master Indenture, the University is subject to covenants under the Master Indenture relating to maintenance of a Debt Service Coverage Ratio and restricting, among other things, the incurrence of Indebtedness, the existence of liens on Property (as such terms are defined in the Master Indenture), consolidation and merger, and the disposition of assets.

THE MASTER INDENTURE PERMITS THE UNIVERSITY TO ISSUE OR INCUR ADDITIONAL INDEBTEDNESS EVIDENCED BY OBLIGATIONS (I) THAT ARE SECURED ON PARITY WITH THE SERIES 2024BC OBLIGATIONS BOTH WITH RESPECT TO THE MORTGAGE ON THE MORTGAGED PROPERTY AND THE LIEN ON GROSS REVENUES OR (II) THAT ARE SECURED ON PARITY WITH THE SERIES 2024BC OBLIGATIONS WITH RESPECT TO THE LIEN ON GROSS REVENUES BUT NOT THE MORTGAGE ON THE MORTGAGED PROPERTY. IN ADDITION, IN CERTAIN CIRCUMSTANCES THE LIEN ON GROSS REVENUES MAY BE SUBORDINATE TO CERTAIN OTHER INDEBTEDNESS OF THE UNIVERSITY INCURRED OUTSIDE OF THE MASTER INDENTURE, OR RELEASED, IN PART, TO SECURE SHORT-TERM INDEBTEDNESS. ADDITIONALLY, THE LIEN OF THE MORTGAGE (BUT NOT THE LIEN SECURING THE LAND, BUILDINGS AND IMPROVEMENTS CONSTITUTING ONE PACE PLAZA) MAY BE RELEASED UPON SATISFACTION OF CERTAIN TESTS AND WITH THE CONSENT OF DASNY. SUCH ADDITIONAL OBLIGATIONS WILL NOT BE SECURED BY THE MONEY OR INVESTMENTS IN ANY FUND OR ACCOUNT HELD BY THE BOND TRUSTEE FOR THE SECURITY OF THE SERIES 2024BC BONDS. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Master Indenture – Permitted Releases and Permitted Modifications with Respect to the Mortgages,” “– Supplemental Indenture for Obligation No. 6 – Supplements to Master Indenture relating to Series 2024B Bonds – Limitations on Indebtedness” and “– Supplemental Indenture for Obligation No. 7 – Supplements to Master Indenture relating to Series 2024C Bonds – Limitations on Indebtedness” attached hereto.

#### *Security for the Series 2024BC Obligations*

Pursuant to the Master Indenture, the Series 2024BC Obligations will be a general obligation of the University and will be secured by a lien on Gross Revenues and by the Mortgage. Additional Obligations issued from time to time under the Master Indenture also are (in the case of previously issued Obligations) and will be (in the case of Obligations to be issued in the future) secured by a lien on Gross Revenues, on parity with the lien securing the Series 2024BC Obligations and are (in the case of previously issued Obligations) and may be (in the case of Obligations to be issued in the future) secured by mortgages on the Mortgaged Property, on a parity basis with the Series 2024BC Obligations. The enforcement of the Obligations may be limited by (i) statutory liens, (ii) rights arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any federal or State statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction, and (v) federal bankruptcy laws, State of New York receivership or fraudulent conveyance laws or similar laws affecting creditors’ rights that may affect the enforceability of the Master Indenture.

#### *Security Interest in Gross Revenues*

As security for its obligations under the Master Indenture, the University has pledged and granted to the Master Trustee a security interest in Gross Revenues. Gross Revenues are defined to include tuition, fees, receipts, revenues, income, gains and other moneys received or receivable by or on behalf of the University, including without limitation contributions, donations, and pledges whether in the form of cash, securities or other personal property and the rights to receive the same whether in the form of accounts, payment on tangibles, contract rights, general intangibles, chattel paper, deposit accounts, instruments, promissory notes and the proceeds thereof, and any insurance or condemnation proceeds thereon, whether now existing or hereafter coming into existence and whether now owned or hereafter acquired, provided that Gross Revenues does not include (i) gifts, grants, bequests, donations, and contributions heretofore or hereafter made, designated at the time of the making thereof by the donor or maker as being for a specific purpose contrary to (A) paying debt service on an Obligation, or (B) meeting any commitment of the University under a Loan Agreement, and (ii) amounts required to be paid to third parties pursuant to revenue-sharing arrangements between the University and such third parties. The security interest in Gross Revenues given to secure the Series 2024BC Obligations will be subject to Permitted Liens, as described below, which could include a lien on Gross Revenues, senior to the lien securing the Series 2024BC Obligations, securing Indebtedness in an amount not to exceed 10% of the Total Operating Revenues (as such term is defined in the Master Indenture) as set forth in

the University's then most recent audited financial statements. If granted by the University, such senior lien on Gross Revenues would secure indebtedness incurred by the University outside of the Master Indenture without complying with the additional debt incurrence test described below under the caption "Other Indebtedness."

### *Mortgage*

To secure payments required to be made by the University under the Series 2024BC Obligations the University will grant DASNY a mortgage (the "*Mortgage*") on the portion of the University's New York City Campus comprising One Pace Plaza, and on the University's Pleasantville Campus (collectively, the "*Mortgaged Property*"), which Mortgage shall be assigned by DASNY to the Master Trustee. See "APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY – GENERAL INFORMATION – Campus Facilities" attached hereto. The Mortgage also includes a security interest in certain fixtures, furnishings and equipment located on or at the Mortgaged Property. Pursuant to the Master Indenture, the Prior Obligations issued thereunder are secured by a mortgage or mortgages on the Mortgaged Property and any future Obligations issued thereunder may be secured by a mortgage or mortgages on the Mortgaged Property, with the liens of all such mortgages having an equal priority, and all proceeds realized from all such mortgages, including the Mortgage, to be applied proportionally and ratably to all Obligations secured by such mortgages issued under the Master Indenture, as more particularly described in the Master Indenture. In addition, the Master Trustee is permitted to release certain portions of the Mortgaged Property under certain conditions set forth in the Master Indenture and with the consent of DASNY, and to enter into a sale and leaseback arrangement with respect to machinery, equipment, fixtures or other personal property located at the Pleasantville Campus; provided, that such sale and leaseback will not have a Material Adverse Effect (as such term is defined in the Master Indenture). However, the Master Trustee is not permitted to release, nor is the University permitted to sell and leaseback, any of the land, buildings and improvements comprising One Pace Plaza. Additional Obligations issued under the Master Indenture may, at the option of the University, be secured by a mortgage or mortgages on the Mortgaged Property on a parity basis with the Mortgage securing the Series 2024BC Obligations and any mortgage securing any previously issued Obligations, including the Prior Obligations. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Master Trust Indenture – Security; Restrictions on Encumbering Property; Payment of Principal and Interest – Grant of Mortgages," "– Transfers of Property," and "– Permitted Releases and Permitted Modifications with Respect to the Mortgages" attached hereto. The parity of liens of such mortgages (including the Mortgage and mortgages securing previously issued Obligations and Obligations issued in the future) is established in the Master Indenture.

### *Permitted Liens*

Under the Master Indenture, the University may not create or suffer to be created any Lien on Property, including the Mortgaged Property, other than Permitted Liens. Such restrictions do not apply to the Excluded Property. Permitted Liens under the Master Indenture include: (i) certain existing liens, (ii) existing liens on Property acquired by the University after the issuance of the Series 2013 Obligations under the Master Indenture, (iii) liens on accounts receivable, and (iv) a senior lien on Gross Revenues securing Indebtedness in an amount not to exceed 10% of the Total Operating Revenues (as such term is defined in the Master Indenture) as set forth in the University's then most recent audited financial statements (which senior lien on Gross Revenues would be incurred by the University outside of the Master Indenture without complying with the debt incurrence test described below under the caption "*Other Indebtedness*"). The Liens created by the mortgages and security interest in Gross Revenues for the Prior Obligations and by the Mortgage and the security interest in Gross Revenues for the Series 2024BC Obligation are also Permitted Liens. The liens created by the Mortgage include security interests in the Mortgaged Property. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Master Trust Indenture – Limitations on Creation of Liens" attached hereto.

For a description of proposed amendments to the definition of Permitted Liens and Permitted Modifications, see "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture."

## **Proposed Amendments to the Master Indenture**

The Proposed Master Indenture Amendments include (i) adding as a Permitted Lien, the recordation of a Permitted Covenant against the Mortgaged Property as a senior lien in favor of a Governmental Lender in connection with a Grant Project funded from the proceeds of a grant from a Governmental Lender and (ii) adding as a Permitted Modification, a modification or amendment to the Mortgage and the execution and recording of any related documentation to provide for the subordination of the Mortgage to any Permitted Covenant. For a discussion of the Proposed Master Indenture Amendments and the conditions to their becoming effective, see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE.”

There are certain conditions that need be satisfied in order for the Proposed Amendments to the Master Indenture to become effective including (i) the consent of the holders of more than 50% in aggregate principal amount of the Obligations outstanding under the Master Indenture and (ii) the consent of the holders of more than 50% in aggregate principal amount of the outstanding Series 2013 Bonds (as hereinafter defined). For a description of the Obligations outstanding under the Master Indenture and the Series 2013 Bonds, see “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Other Indebtedness.

**Simultaneously with the issuance of the Series 2024BC Bonds, the Underwriter of the Series 2024BC Bonds will consent to the Proposed Master Indenture Amendments, as permitted under the Resolution. All purchasers of the Series 2024BC Bonds will be bound by the consent of the Underwriter, and by their purchase of the Series 2024BC Bonds and acceptance of the delivery thereof, will be deemed to have consented to the Proposed Amendments to the Master Indenture.** The consent of the holders of the Series 2024A Bonds (as hereinafter defined) has been obtained. After giving effect to the issuance of the Series 2024BC Bonds (and thereby obtaining the consent of the Underwriter of the Series 2024BC Bonds as described above) and after giving effect to the refunding of the Refunded Bonds and the Refunded Debt, the consent of the holders of more than 50% in aggregate principal amount of the Obligations outstanding under the Master Indenture will have been obtained. In order for the Proposed Amendments to become effective, the consent of the holders of more than 50% in aggregate principal amount outstanding of the Series 2013 Bonds is still required to be obtained. The University intends to seek the consent of the holders of the outstanding Series 2013 Bonds to the Proposed Amendments after the issuance of the Series 2024BC Bonds.

Once the Proposed Master Indenture Amendments become effective, the University may seek one or more grants from a Governmental Lender to pay all or a portion of the costs of construction of a capital project located on the Mortgaged Property. As a condition to the receipt of grant funds from a Governmental Lender, the University will be required to record a declaration of restrictive covenant against the Mortgaged Property as a senior lien in favor of the Governmental Lender in connection with the project to be funded and the Mortgage would be subordinated to such restrictive covenant. The restricted covenant would require that such project will be used for the purpose of the applicable grant for the useful life of the project. The University is considering seeking such a grant from the City for the construction of a new theater to be located on the One Pace Plaza campus. There can be no assurance that the University will seek such a grant for such project. Nor can there be any assurance that the City or any other Governmental Lender would provide a grant to fund the construction of that project.

## **Other Indebtedness**

The University has previously issued (i) Obligations under the Master Indenture (the “*Series 2013 Obligations*”), which secure the repayment of loans made by DASNY from the proceeds of the Series 2013A Bonds and DASNY’s Pace University Revenue Bonds, Series 2013B (the “*Series 2013B Bonds*” and, together with the Series 2013A Bonds, the “*Series 2013 Bonds*”); (ii) Obligations under the Master Indenture (the “*Series 2014 Obligations*”), which secure the repayment of loans made by the Westchester County LDC from the proceeds of the Series 2014A Bonds and the Series 2014B Bonds; and (iii) an Obligation under the Master Indenture (the “*Series 2024A Obligation*” and, collectively with the Series 2013 Obligations and the Series 2014 Obligations, the “*Prior Obligations*”), which secures the repayment of the loan made by DASNY from the proceeds of DASNY’s Pace University Revenue Bonds, Series 2024A (the “*Series 2024A Bonds*”). The Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, the Series 2014B Bonds and the Series 2024A Bonds are collectively referred to as the “*Outstanding Bonds*.” It is anticipated that a portion of the proceeds of the Series 2024BC Bonds will be used to refund the Refunded Bonds and the Refunded Debt.

The University may in the future issue additional Obligations under the Master Indenture that are secured on a parity with the Series 2024BC Obligations with respect to the security interest in Gross Revenues and, at the option of the University, the Mortgaged Property to evidence and secure Indebtedness or other financial obligations entered into by the University in connection with the issuance of Related Bonds (as such term is defined in the Master Indenture). In addition, for so long as the Series 2024BC Bonds remain outstanding, the University may incur additional Long-Term Indebtedness if prior to incurring such Long-Term Indebtedness there is delivered to the Master Trustee and DASNY: (i) an Officer's Certificate certifying that the Debt Service Coverage Ratio for the most recent Fiscal Year for which there are Audited Financial Statements available, taking into account all Long-Term Indebtedness incurred since the date of the Audited Financial Statements and the proposed Long-Term Indebtedness, is not less than 1.10; or (ii) (A) an Officer's Certificate certifying that the Debt Service Coverage Ratio for the most recent Fiscal Year for which there are Audited Financial Statements available, excluding the proposed Long-Term Indebtedness, is at least equal to 1.10, and (B) a written report of a Consultant demonstrating that the forecasted Debt Service Coverage Ratio is not less than 1.20 for (x) in the case of Long-Term Indebtedness (other than a Guaranty) to finance capital improvements, each of the two full Fiscal Years succeeding the date on which such capital improvements are forecasted to be in operation or (y) in the case of Long-Term Indebtedness not financing capital improvements or in the case of a Guaranty, each of the two full Fiscal Years succeeding the date on which the Indebtedness is incurred, as shown by pro forma financial statements for the University for each such period; or (iii) evidence that the existing Long-Term Indebtedness then outstanding (excluding Non-Recourse Debt or Subordinate Debt), including the proposed Long-Term Indebtedness is rated at least BBB-/Baa3 from at least one Rating Agency. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Supplemental Indenture for Obligation No. 6 – Supplements to Master Indenture relating to Series 2024B Bonds – Limitations on Indebtedness" and "– Supplemental Indenture for Obligation No. 7 – Supplements to Master Indenture relating to Series 2024C Bonds – Limitations on Indebtedness" attached hereto for a complete description of the conditions under which the University may issue additional Obligations and Indebtedness under the Master Indenture.

Under certain conditions set forth in the Master Indenture, in addition to incurring Indebtedness represented by an Obligation, the University may incur debt in the form of Indebtedness incurred by the University that is not evidenced or secured by an Obligation issued under the Master Indenture. Such borrowings may be secured by senior liens on the Gross Revenues, other Permitted Liens on Property as permitted under the Master Indenture, and liens on Excluded Property, without limit. The senior liens on Gross Revenues are limited to securing Indebtedness in an amount not to exceed 10% of the Total Operating Revenues (as such term is defined in the Master Indenture) as set forth on the University's then most recent audited financial statements. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE" attached hereto for a description of various financial covenants applicable to the University.

## **General**

**The Series 2024BC Bonds will not be a debt of the State nor will the State be liable on them. DASNY has no taxing power. Neither the State nor DASNY has any responsibility to make payments with respect to the Series 2024BC 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 Resolutions and pledged therefor.**

## **PART 3 - THE SERIES 2024BC BONDS**

*Set forth below is a narrative description of certain provisions relating to the Series 2024BC Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution, the Series 2024BC Resolution, the 2024BC Bond Series Certificate and the Loan Agreement, copies of which will be on file with DASNY and the Bond 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 2024BC Bonds.*

The Series 2024BC Bonds will be issued pursuant to the Resolutions. The Series 2024BC Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2024BC 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 2024BC Bonds, payments of the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of and interest on the Series 2024 Bonds will be made by the Bond 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 2024BC 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 2024BC Bonds, the Series 2024BC Bonds will be exchangeable for fully registered Series 2024BC Bonds in any authorized denominations of the same maturity without charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “Book-Entry Only System” below and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

### **Description of the Series 2024B Bonds**

The Series 2024B Bonds are dated their date of delivery and bear interest from such date (payable November 1, 2024, and on each May 1 and November 1 thereafter) at the rates set forth on the inside cover page of this Official Statement. The Series 2024B Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2024B Bonds will be payable by check or draft mailed to the registered owners thereof or, if such Series 2024B Bonds are held by a depository or, at the option of the registered owner of at least \$1,000,000 of such Series 2024B Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Bond Trustee to make such payment at least five (5) business days prior to an interest payment date. If the Series 2024B Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal, Sinking Fund Installments, if any, Redemption Price or Purchase Price of the Series 2024B Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon, New York, New York, the Bond Trustee and Paying Agent. See “Book-Entry Only System” herein. For a more complete description of the Series 2024B Bonds, see “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” attached hereto.

### **Redemption of the Series 2024B Bonds and Purchase in Lieu of Optional Redemption**

The Series 2024B Bonds are subject to optional redemption and purchase in lieu of optional redemption as described below.

#### *Optional Redemption of Series 2024B Bonds*

The Series 2024B Bonds maturing on or before May 1, 2034 are not subject to optional redemption prior to maturity. The Series 2024B Bonds maturing after May 1, 2034 are subject to redemption prior to maturity at the option of DASNY, in consultation with the University, on or after May 1, 2034, in any order, as a whole or in part at any time, at a Redemption Price equal to 100% of the principal amount of the Series 2024B Bonds to be redeemed, plus accrued interest to the redemption date.

#### *Purchase in Lieu of Optional Redemption of Series 2024B Bonds*

The Series 2024B Bonds maturing after May 1, 2034 also are subject to purchase in lieu of optional redemption prior to maturity at the election of the University, with the consent of DASNY, on or after May 1, 2034, in any order, as a whole or in part at any time, at a price equal to 100% of the principal amount of Series 2024B Bonds to be purchased (the “Purchase Price”), plus accrued interest to the date set for purchase (the “Purchase Date”).

#### *Selection of Series 2024B Bonds to be Redeemed*

In the case of redemption of the Series 2024B Bonds, DASNY, at the direction of the University, will select the maturities of such Series 2024B Bonds to be redeemed. If less than all Series 2024B Bonds within a maturity are to be redeemed, as long as the Series 2024B 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 2024B Bonds are no longer in book-entry form registered in the name of Cede & Co., as nominee of DTC, the Series 2024B Bonds or portions thereof to be redeemed shall be selected for redemption by the Bond Trustee, by lot, using such method of selection as the Bond Trustee shall consider proper in its discretion.

#### *Notice of Redemption of Series 2024B Bonds*

The Bond Trustee is to give notice of the redemption of the Series 2024B Bonds in the name of DASNY, by mail, postage prepaid, not less than twenty (20) days nor more than forty-five (45) days prior to the redemption date to each registered owner of any Series 2024B Bonds that are to be redeemed, at such person's address, if any, appearing upon the registry books of DASNY or if the Series 2024B 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 Bond Trustee of money sufficient to pay the Redemption Price of such Series 2024B 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 Bond Trustee shall promptly certify to DASNY that it has mailed or caused to be mailed such notice to the owners of the Series 2024B 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 2024B Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2024B Bond.

If on the redemption date, moneys for the redemption of the Series 2024B Bonds to be redeemed, together with interest thereon to the redemption date, are held by the Bond 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 2024B Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2024B Bonds will no longer be considered to be Outstanding.

#### *Notice of Purchase in Lieu of Optional Redemption of the Series 2024B Bonds and its Effect*

Notice of purchase of the Series 2024B Bonds will be given in the name of the University to the registered owners of the Series 2024B Bonds to be purchased by first-class mail, postage prepaid, not less than twenty (20) days nor more than forty-five (45) days prior to the Purchase Date specified in such notice. The Series 2024B Bonds to be purchased are required to be tendered on the Purchase Date to the Bond Trustee. Series 2024B Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2024B 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 2024B Bonds. Such Series 2024B 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 2024B 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 2024B 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 2024B Bonds to be purchased, the former registered owners of such Series 2024B 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 2024B 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 2024B Bonds in accordance with their respective terms.

If not all of the Outstanding Series 2024B Bonds of a maturity are to be purchased, the Series 2024B Bonds of such maturity to be purchased will be selected in the same manner as Series 2024B 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 2024B Bonds, see "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See also "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2024B Bonds when the Book-Entry Only System is in effect.

## Description of the Series 2024C Bonds

Under the terms of the Resolution, the Series 2024BC Resolution and the Series 2024C Bond Series Certificate, the Series 2024C Bonds can be issued in various interest rate modes (“*Interest Rate Modes*”), including the R-FLOATs Rate Mode. All Series 2024C Bonds will be issued initially in the R-FLOATs Rate Mode in an R-FLOATs Weekly Period.

This Official Statement does not describe the terms of the Series 2024C Bonds in any Interest Rate Mode other than the R-FLOATs Rate Mode. If Series 2024C Bonds are converted to another Interest Rate Mode, the affected Series 2024C Bonds must be purchased from the Holders pursuant to the mandatory tender provisions of the Resolution, the Series 2024 Resolution and the Series 2024C Bond Series Certificate and then remarketed to investors in the new Interest Rate Mode. If Series 2024C Bonds are converted to another Interest Rate Mode, DASNY will prepare a supplement to this Official Statement describing the new Interest Rate Mode.

### *Date, Form and Denominations of Series 2024C Bonds*

The Series 2024C Bonds will be dated as of the date of initial delivery. The Series 2024C Bonds will be issuable only as fully registered Series 2024C Bonds in denominations of \$100,000 or multiples of \$5,000 in excess thereof.

### *Interest Rate and R-FLOATs Periods*

Series 2024C Bonds in the R-FLOATs Rate Mode may be in an R-FLOATs Weekly Period, an R-FLOATs Monthly Period, or an R-FLOATs Term Period. All Series 2024C Bonds in the R-FLOATs Rate Mode shall be in the same R-FLOATs Period, and all Series 2024C Bonds with an R-FLOATs Term Period shall have the same R-FLOATs Term Period.

During the R-FLOATs Rate Mode, the University may elect to establish the applicable R-FLOATs Period. All Series 2024C Bonds will initially be issued in an R-FLOATs Rate Mode with an R-FLOATs Weekly Rate. The University may from time to time elect to change the R-FLOATs Period for any Series 2024C Bonds in the R-FLOATs Rate Mode. Any change in the R-FLOATs Period may be effective only on an R-FLOATs Reset Date.

The University’s election to change the R-FLOATs Period to an R-FLOATs Weekly Period or to an R-FLOATs Monthly Period must be given to the Trustee and the Remarketing Agent not less than five Business Days prior to the R-FLOATs Reset Date when the change is to be effective (unless a shorter period is acceptable to the Trustee and Remarketing Agent). The University’s election to establish an R-FLOATs Term Period must be given to the Trustee and the Remarketing Agent not less than 20 days prior to the first day of the proposed R-FLOATs Term Period (unless a shorter period is acceptable to the Trustee and the Remarketing Agent). Series 2024C Bonds in an R-FLOATs Weekly Period or an R-FLOATs Monthly Period shall remain in such period unless the University elects to change the period.

The Trustee will notify holders of the Series 2024C Bonds of each change to an R-FLOATs Weekly Period or an R-FLOATs Monthly Period not later than three Business Days prior to the effective date of such change. Bondholders shall be notified of each change to an R-FLOATs Term Period as part of the mandatory tender process set forth in the Series 2024C Bond Series Certificate.

*R-FLOATs Weekly Rate.* When Series 2024C Bonds are in an R-FLOATs Weekly Period, the R-FLOATs Weekly Rate shall change on each Thursday (each Thursday being an “*R-FLOATs Reset Date*” with respect to Series 2024C Bonds in an R-FLOATs Weekly Period). The R-FLOATs Weekly Rate shall be determined on each R-FLOATs Reset Date or, if any R-FLOATs Reset Date is not a Business Day, on the last Business Day prior to such R-FLOATs Reset Date (each such date being an “*R-FLOATs Rate Determination Date*” with respect to Series 2024C Bonds in an R-FLOATs Weekly Period). The R-FLOATs Weekly Rate so determined shall be effective on the R-FLOATs Reset Date and shall remain in effect until (and including) the following Wednesday.

*R-FLOATs Monthly Rate.* When Series 2024C Bonds are in an R-FLOATs Monthly Period, the R-FLOATs Monthly Rate shall be determined on the last Business Day of each month during the R-FLOATs Monthly Period (each such date being an “*R-FLOATs Rate Determination Date*” with respect to Series 2024C Bonds in an R-FLOATs Monthly Period). The R-FLOATs Monthly Rate so determined shall be effective on the first Business Day following the R-FLOATs Rate Determination Date (each such date being an “*R-FLOATs Reset Date*” with respect to Series 2024C Bonds in an R-FLOATs Monthly Period) and shall remain in effect until (and including) the day immediately prior to the first Business Day of the following month.

*R-FLOATs Term Periods and R-FLOATs Term Rate.* The University may elect an R-FLOATs Term Period, which must be more than 35 days and must end on the last day of a calendar month prior to the Maturity Date for the Series 2024C Bonds. If the University elects an R-FLOATs Term Period that ends on a day that is not in fact immediately prior to a Business Day, then such R-FLOATs Term Period shall automatically extend to the next day that is immediately prior to a Business Day. An election by the University to establish an R-FLOATs Term Period may provide that successive R-FLOATs Term Periods of specified length shall be established with respect to Series 2024C Bonds in the R-FLOATs Rate Mode, and if such notice is delivered no additional notice shall be required from the University with respect to the subsequent R-FLOATs Term Periods so specified.

An R-FLOATs Term Rate shall be set on the last Business Day immediately prior to the first day of an R-FLOATs Term Period (each such date being an “*R-FLOATs Rate Determination Date*” with respect to Series 2024C Bonds in an R-FLOATs Term Period). The R-FLOATs Term Rate so determined shall be effective on the first day of the R-FLOATs Term Period (each such date being an “*R-FLOATs Reset Date*” with respect to Series 2024C Bonds in an R-FLOATs Term Period) and shall remain in effect until (and including) the last day of such R-FLOATs Term Period. Upon the expiration of any R-FLOATs Term Period, the R-FLOATs Period shall automatically revert to an R-FLOATs Weekly Period unless the University makes a timely election to change the R-FLOATs Period to the R-FLOATs Monthly Period or another R-FLOATs Term Period.

#### *Remarketing Agent Sets R-FLOATs Rates*

R-FLOATs Rates shall be set by the Remarketing Agent. The R-FLOATs Rate shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2024C Bond being 100% of the principal amount thereof at 10:00 a.m. New York City time on the R-FLOATs Rate Determination Date, taking into account relevant market conditions and credit rating factors as they exist on such date. If the Remarketing Agent fails to determine the R-FLOATs Rate on any R-FLOATs Rate Determination Date, the R-FLOATs Rate on the following R-FLOATs Reset Date shall be the lesser of 15% per annum and the maximum rate permitted by law (the “*Maximum Rate*”).

#### *Interest on Non-Remarketed Bonds*

A Series 2024C Bond that is not successfully remarketed on an R-FLOATs Tender Date is referred to in the Series 2024C Bond Series Certificate as an “*R-FLOATs Non-Remarketed Bond*”. During the period from when a Series 2024C Bond is not purchased from a Holder after such Holder tenders such Series 2024C Bond for purchase pursuant to an R-FLOATs Tender and ending on the date that all R-FLOATs Non-Remarketed Bonds are successfully remarketed (defined in the Series 2024C Bond Series Certificate as an “*R-FLOATs Special Non-Remarketing Period*”), if the Series 2024C Bonds are not already in an R-FLOATs Weekly Period, the R-FLOATs Period for the Series 2024C Bonds shall automatically change to an R-FLOATs Weekly Period, and all Series 2024C Bonds in the R-FLOATs Rate Mode (including any Series 2024C Bonds in the R-FLOATs Rate Mode that are not R-FLOATs Non-Remarketed Bonds) shall bear interest at the Maximum Rate.

#### *Calculation of Interest Payments for Series 2024C Bonds*

Interest at the R-FLOATs Rate shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed.

#### *Interest Payment Dates for Series 2024C Bonds*

Interest on Series 2024C Bonds in the R-FLOATs Rate Mode with an R-FLOATs Weekly Period or an R-FLOATs Monthly Period shall be payable in arrears (i) on the first Business Day of each month, beginning October 1, 2024, (ii) on the Conversion Date if such Bond is converted to another Interest Rate Mode, and (iii) on the Maturity Date.

Interest on Series 2024C Bonds in the R-FLOATs Rate Mode with an R-FLOATs Term Period of 180 days or less shall be payable on the day immediately following the end of the R-FLOATs Term Period (which must be a Business Day).

Interest on Series 2024C Bonds in the R-FLOATs Rate Mode with an R-FLOATs Term Period of more than 180 days shall be payable on (i) each May 1 and November 1 during such R-FLOATs Term Period, and (ii) the day immediately following the end of the R-FLOATs Term Period (which must be a Business Day).

#### *Optional Tender of Series 2024C Bonds in R-FLOATs Rate Mode*

The holder of any Series 2024C Bond in the R-FLOATs Rate Mode at the R-FLOATs Weekly Rate or the R-FLOATs Monthly Rate shall have the right to tender such Bond to the Trustee for purchase in whole or in part on the following dates (each, an “*R-FLOATs Optional Tender Date*”):

- (a) If such Series 2024C Bond is in an R-FLOATs Weekly Period, on any Business Day. In order to exercise such option with respect to a Series 2024C Bond in an R-FLOATs Weekly Period, the holder must deliver notice to the Trustee not less than five Business Days prior to the related R-FLOATs Optional Tender Date.
- (b) If such Series 2024C Bond is in an R-FLOATs Monthly Period, on any Interest Payment Date. In order to exercise such option with respect to a Series 2024C Bond in an R-FLOATs Monthly Period, the holder must deliver notice to the Trustee not less than five Business Days prior to the related R-FLOATs Optional Tender Date.

Holders of Series 2024C Bonds in the R-FLOATs Rate Mode with an R-FLOATs Term Period shall not have the right to tender such Series 2024C Bonds for purchase during such R-FLOATs Term Period, but shall be required to tender such Series 2024C Bonds for purchase on the day immediately following the end of the R-FLOATs Term Period. Any notice of Optional Tender must be substantially in the form provided in the Resolution, the Series 2024 Resolution and the Series 2024C Bond Series Certificate.

#### *Mandatory Tender of Series 2024C Bonds in the R-FLOATs Rate Mode*

The holder of any Series 2024C Bond in the R-FLOATs Rate Mode shall be required to tender such Series 2024C Bond to the Trustee for purchase on (i) the first day of each new R-FLOATs Rate Period with respect to such Series 2024C Bond and (ii) the date of conversion of such Series 2024C Bond to another Interest Rate Mode (each, an “*R-FLOATs Mandatory Tender Date*”). If any R-FLOATs Mandatory Tender Date is not a Business Day, the R-FLOATs Mandatory Tender Date shall be the next succeeding Business Day. Notice of any such mandatory tender shall be given by the Trustee to the affected holders not less than 15 days prior to the R-FLOATs Mandatory Tender Date.

#### *R-FLOATs Non-Remarketed Bonds*

Funds for the purchase of Series 2024C Bonds pursuant to an R-FLOATs Tender shall be derived solely from (i) Remarketing Proceeds or (ii) funds that the University elects to provide for such purchase, if any; provided, however, that the University shall not be required to provide funds for the purchase of Series 2024C Bonds tendered pursuant to an R-FLOATs Tender. **If the Remarketing Agent cannot successfully remarket the Series 2024C Bonds which are the subject of an optional tender or mandatory purchase (each a “*R-FLOATs Non-Remarketed Bond*”), a Bondholder does not have the right to have such R-FLOATs Non-Remarketed Bond purchased upon**

**tender from any source, including DASNY or the University. THE SERIES 2024C BONDS WILL NOT INITIALLY BE SUPPORTED BY A LETTER OF CREDIT, LINE OF CREDIT, STANDBY BOND PURCHASE AGREEMENT OR OTHER LIQUIDITY FACILITY.**

*If adequate funds are not available in the Bond Purchase Fund on any R-FLOATs Tender Date to pay the Purchase Price of all Series 2024C Bonds tendered for purchase pursuant to the R-FLOATs Tender provisions of the Series 2024C Bond Series Certificate, no Series 2024C Bonds shall be purchased on such R-FLOATs Tender Date pursuant to the R-FLOATs Tender provisions of the Series 2024C Bond Series Certificate. The Trustee shall return all R-FLOATs Non-Remarketed Bonds to the holders thereof, and the Trustee shall return any Remarketing Proceeds deposited in the Bond Purchase Fund with respect to such R-FLOATs Non-Remarketed Bonds to the Remarketing Agent for return to the Persons providing such Remarketing Proceeds.*

The date on which a Series 2024C Bond is returned to the Holder shall be the first day of an R-FLOATs Special Non-Remarketing Period with respect to such Bond. During the R-FLOATs Special Non-Remarketing Period, if such Series 2024C Bonds are not already in an R-FLOATs Weekly Period, the R-FLOATs Period for the Series 2024C Bonds shall automatically change to an R-FLOATs Weekly Period. During any R-FLOATs Special Non-Remarketing Period, all Series 2024C Bonds in the R-FLOATs Rate Mode (including Series 2024C Bonds in the R-FLOATs Rate Mode that are not R-FLOATs Non-Remarketed Bonds) shall bear interest at the Maximum Rate. During any R-FLOATs Special Non-Remarketing Period, the Remarketing Agent shall continue to use its best efforts to remarket R-FLOATs Non-Remarketed Bonds. If an R-FLOATs Term-Out Event occurs during the R-FLOATs Special Non-Remarketing Period, all Series 2024C Bonds in the R-FLOATs Rate Mode are subject to mandatory redemption as described below under “Special Mandatory Redemption of R-FLOATs Non-Remarketed Bonds (the “R-FLOATs Mandatory Redemption Provisions”). If all R-FLOATs Non-Remarketed Bonds are successfully remarketed or are successfully converted to another Interest Rate Mode before an R-FLOATs Term-Out Event occurs, redemption of Series 2024C Bonds in the R-FLOATs Rate Mode shall not be required under the Series 2024C Bond Series Certificate.

## **Redemption and Purchase in Lieu of Redemption of the Series 2024C Bonds**

### *Optional Redemption of Series 2024C Bonds*

Series 2024C Bonds in the R-FLOATs Rate Mode are subject to optional redemption, in whole or in part, at the option of DASNY, in consultation with the University, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption on the following dates:

- (a) Series 2024C Bonds in an R-FLOATs Weekly Period or an R-FLOATs Monthly Period are subject to optional redemption on the first Business Day of each month.
- (b) Series 2024C Bonds in an R-FLOATs Term Period are subject to optional redemption on the day following such R-FLOATs Term Period (which must be a Business Day).
- (c) During any R-FLOATs Special Non-Remarketing Period, all Series 2024C Bonds in the R-FLOATs Rate Mode are subject to optional redemption on any Business Day.

### *Purchase in Lieu of Optional Redemption of Series 2024C Bonds*

The Series 2024C Bonds, while in an R-FLOATs Rate Mode, are subject to purchase in lieu of optional redemption prior to maturity at the election of the University, with the consent of DASNY, on any Interest Payment Date, in any order, as a whole or in part, at a Purchase Price equal to 100% of the Series 2024C Bonds to be purchased, plus accrued interest to the Purchase Date.

### *Mandatory Redemption of Series 2024C Bonds*

The Series 2024C Bonds shall be subject to redemption, in part, on each May 1 of the years and in the respective principal amounts set forth below, at Redemption Price equal to 100% of the principal amount of the Series 2024C Bonds to be redeemed, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem on May 1 of each year shown below in the principal amount of Series 2024C Bonds specified for each of the years shown in the following table:

<b><u>Series 2024C Bonds</u></b>	
<u>Year</u>	<u>Principal Amount</u>
2037	\$2,355,000
2038	7,850,000
2039	8,190,000
2040	8,540,000
2041	8,915,000
2042	9,310,000
2043	7,310,000
2044 <sup>†</sup>	7,530,000

<sup>†</sup>Final maturity.

Notwithstanding the foregoing, the date on which a Sinking Fund Installment shall be due when the Series 2024C Bond entitled to such Sinking Fund Installment is in the Daily Rate Mode, the Commercial Paper Rate Mode, the Weekly Rate Mode, or R FLOATs Rate Mode (other than during a Special R FLOATs Period) shall be either the date set forth above or, if any such date is not a Business Day, the first Business Day next succeeding such date.

There will be credited against and in satisfaction of the Sinking Fund Installment payable on any date, the principal amount of Series 2024BC 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 or DASNY and delivered to the Bond Trustee for cancellation or (D) deemed to have been paid in accordance with the Resolutions. Series 2024C Bonds purchased with moneys in the Debt Service Fund will be applied against and in fulfillment of the Sinking Fund Installment of the Series 2024C Bonds so purchased payable on the next succeeding May 1. Series 2024C Bonds redeemed at the option of DASNY, purchased by the University or DASNY (other than from amounts on deposit in the Debt Service Fund) and delivered to the Bond 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 and the Sinking Fund Installment payable on each date specified in such direction shall be reduced by the principal amount of the Series 2024C Bonds so purchased, redeemed or deemed to have been paid.

### *Special Mandatory Redemption of R-FLOATs Non-Remarketed Bonds*

If an R-FLOATs Term-Out Event occurs while any R-FLOATs Non-Remarketed Bond is in an R-FLOATs Special Non-Remarketing Period, all Series 2024C Bonds in the R-FLOATs Rate Mode (including Series 2024C Bonds in the R-FLOATs Rate Mode that are not R-FLOATs Non-Remarketed Bonds) shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date on the first May 1 or November 1 that is at least 24 months after the R-FLOATs Term-Out Event occurs.

For purposes of the preceding paragraph, "R-FLOATs Term-Out Event", when used with respect to any R-FLOATs Non-Remarketed Bond, is defined in the Series 2024C Bond series Certificate as an R-FLOATs Special Non-Remarketing Period with respect to such Series 2024C Bond which lasts more than 180 consecutive days.

### *Selection of Series 2024C Bonds for Redemption*

If less than all of the Series 2024C Bonds of a maturity of are to be redeemed, the Series 2024C Bonds to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee considers proper in its discretion.

### *Notice of Redemption of Series 2024C Bonds*

The Trustee is to give notice of the redemption of the Series 2024C Bonds in the name of DASNY, by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the redemption date, to the registered owners of any Series 2024C Bonds which are to be redeemed. Each notice of redemption may state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient money to pay the Redemption Price of the Series 2024C Bonds to be redeemed.

DASNY's obligation to optionally redeem a Series 2024C Bond called for redemption may be conditioned upon the availability of sufficient money to pay the Redemption Price for all of the Series 2024C Bonds to be redeemed on the Redemption Date. If sufficient money is available on the Redemption Date to pay the Redemption Price of the Series 2024C Bonds to be redeemed, the former registered owners of such Series 2024C Bonds will have no claim thereunder or under the Resolution or otherwise for payment of any amount other than the Redemption Price. If redemption has been conditioned upon the availability of sufficient money and sufficient money is not available on the Redemption Date for payment of the Redemption Price, the Series 2024C Bonds called for redemption will continue to be registered in the name of the registered owners on the Redemption Date, who will be entitled to the payment of the principal of and interest on such Series 2024C Bonds in accordance with their respective terms.

### *Notice of Purchase in Lieu of Optional Redemption of Series 2024C Bonds and its Effect*

Notice of purchase of the Series 2024C Bonds will be given in the name of the University to the registered owners of the Series 2024C Bonds to be purchased by first-class mail, postage prepaid, not less than 15 days nor more than 30 days prior to the Purchase Date specified in such notice. The Series 2024C Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. Series 2024C Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the Series 2024C 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 2024C Bonds. Such Series 2024C Bonds need not be cancelled, and will remain Outstanding under the Resolutions and continue to bear interest.

The University's obligation to purchase a Series 2024C Bond or cause it to be purchased may be conditioned upon the availability of sufficient money to pay the Purchase Price for all of the Series 2024C 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 2024C Bonds to be purchased, the former registered owners of such Series 2024C Bonds will have no claim thereunder or under the Resolutions or otherwise for payment of any amount other than the Purchase Price. If purchase has been conditioned upon the availability of sufficient money and sufficient money is not available on the Purchase Date for payment of the Purchase Price, the Series 2024C 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 2024C Bonds in accordance with their terms.

If not all of the Outstanding Series 2024C Bonds of a maturity are to be purchased, the Series 2024C Bonds of such maturity to be purchased will be selected by lot in the same manner as Series 2024C Bonds of a maturity to be redeemed in part are to be selected.

For a more complete description of the redemption and other provisions relating to the Series 2024C Bonds, see "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" attached hereto. See also "Book-Entry Only System" below for a description of the notices of redemption to be given to Beneficial Owners of the Series 2024C Bonds when the Book-Entry Only System is in effect.



## Book-Entry Only System

The Depository Trust Company, New York, New York, will act as securities depository for the Series 2024BC Bonds. The Series 2024BC 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 2024BC Bond certificate will be issued for each maturity of each Series of the Series 2024BC Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2024BC Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024BC Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024BC 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 2024BC 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 2024BC Bonds, except in the event that use of the book-entry system for the Series 2024BC Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024BC Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024BC Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024BC Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024BC Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices will be sent to DTC. If less than all of the Series 2024BC 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 2024BC 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 2024BC 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 2024BC 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 Bond Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Underwriter, the Bond 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 Bond 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.

A Beneficial Owner of the Series 2024C Bonds shall give notice to elect to have its Series 2024C Bonds purchased or tendered through its DTC Participant, to the Remarketing Agent, and shall effect delivery of such Series 2024C Bonds by causing the Direct Participant to transfer the DTC Participant's interest in the Series 2024C Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Series 2024C Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2024C Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2024C Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2024BC Bonds at any time by giving reasonable notice to DASNY or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, the Series 2024BC 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 2024BC Bond certificates will be printed and delivered to DTC.

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

Each person for whom a Direct or Indirect Participant acquires an interest in the Series 2024BC Bonds, as nominee, may desire to make arrangements with such Direct or Indirect Participant to receive a credit balance in the records of such Direct or Indirect Participant, and may desire to make arrangements with such Direct or Indirect Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Direct or Indirect Participant and to have notification made of all interest payments. **NONE OF DASNY, THE UNIVERSITY, THE UNDERWRITER OR THE BOND TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2024BC BONDS.**

So long as Cede & Co. is the registered owner of the Series 2024BC Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the Series 2024BC Bonds (other than under the caption "PART 10 – TAX MATTERS" herein) means Cede & Co., as aforesaid, and do not mean the Beneficial Owners of the Series 2024BC Bonds.

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

For every transfer and exchange of Series 2024BC Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

NONE OF DASNY, THE BOND TRUSTEE, THE UNIVERSITY OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2024BC 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 2024BC 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 2024BC BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2024BC BONDS; OR (VI) ANY OTHER MATTER.

*[remainder of the page intentionally left blank]*

## Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the University during each 12-month period ending April 30 of the Bond Years shown for the principal of and interest on the University's outstanding long-term indebtedness, following the issuance the Series 2024BC Bonds and the application of the proceeds thereof (rounded to the nearest dollar).

12 Month Period Ending April 30	Series 2024B Bonds		Series 2024C Bonds		Total Debt Service on the Series 2024BC Bonds	Debt Service on Other Outstanding Indebtedness <sup>(2)</sup>	Total Debt Service <sup>(1)(2)</sup>
	Principal Payments	Interest Payments	Principal Payments	Interest Payments <sup>(1)</sup>			
2025	\$3,400,000	\$2,844,508	--	\$1,753,792	\$7,998,300	\$7,503,238	\$15,501,538
2026	5,770,000	4,061,500	--	2,612,792	12,444,292	9,253,006	21,697,297
2027	6,060,000	3,773,000	--	2,612,792	12,445,792	11,236,713	23,682,505
2028	6,355,000	3,470,000	--	2,619,950	12,444,950	11,224,216	23,669,166
2029	6,680,000	3,152,250	--	2,612,792	12,445,042	11,199,499	23,644,541
2030	5,070,000	2,818,250	--	2,612,792	10,501,042	11,177,733	21,678,775
2031	5,325,000	2,564,750	--	2,612,792	10,502,542	11,156,598	21,659,140
2032	5,575,000	2,298,500	--	2,619,950	10,493,450	11,131,507	21,624,957
2033	5,855,000	2,019,750	--	2,612,792	10,487,542	11,104,385	21,591,927
2034	6,145,000	1,727,000	--	2,612,792	10,484,792	11,072,449	21,557,240
2035	6,445,000	1,419,750	--	2,612,792	10,477,542	11,049,498	21,527,040
2036	8,200,000	1,097,500	--	2,619,950	11,917,450	9,584,413	21,501,863
2037	6,355,000	687,500	\$2,355,000	2,612,792	12,010,292	9,587,463	21,597,754
2038	2,010,000	369,750	7,850,000	2,510,240	12,739,990	9,586,588	22,326,577
2039	2,115,000	269,250	8,190,000	2,168,399	12,742,649	9,586,525	22,329,174
2040	1,945,000	163,500	8,540,000	1,816,717	12,465,217	9,586,750	22,051,967
2041	645,000	66,250	8,915,000	1,439,866	11,066,116	9,586,738	20,652,853
2042	680,000	34,000	9,310,000	1,051,649	11,075,649	9,585,963	20,661,611
2043	--	--	7,310,000	646,230	7,956,230	9,583,900	17,540,130
2044	--	--	7,530,000	328,804	7,858,804	9,585,025	17,443,829
2045	--	--	--	--	--	9,583,550	9,583,550
2046	--	--	--	--	--	9,586,350	9,586,350
2047	--	--	--	--	--	9,583,750	9,583,750
2048	--	--	--	--	--	9,585,200	9,585,200
2049	--	--	--	--	--	9,584,600	9,584,600
2050	--	--	--	--	--	9,586,125	9,586,125
2051	--	--	--	--	--	9,583,675	9,583,675
2052	--	--	--	--	--	9,586,425	9,586,425
2053	--	--	--	--	--	9,588,000	9,588,000
2054	--	--	--	--	--	9,587,300	9,587,300
2055	--	--	--	--	--	9,583,225	9,583,225
2056	--	--	--	--	--	9,584,675	9,584,675

(1) Interest on the Series 2024C Bonds is assumed to accrue at the rate of 4.295% per annum, which reflects the recent average reset rate on the Series 2014B Bonds.

(2) Excludes debt service on the Refunded Bonds and the Refunded Debt. Interest on the Series 2013B Bonds is assumed to accrue at the recent average reset rate of 6.571% per annum.

## PART 4 - THE REFUNDING PLAN

A portion of the proceeds of the Series 2024BC Bonds, together with other available moneys, will be used to refund the (i) Refunded Bonds and (ii) Refunded Debt, a portion of which was issued as variable rate demand bonds. See “APPENDIX H — SUMMARY OF REFUNDED BONDS AND REFUNDED DEBT” for a list of bonds to be refunded.

Upon issuance of the Series 2024BC Bonds, a portion of the proceeds of the Series 2024BC Bonds will be deposited in an escrow with the respective trustee for the Refunded Bonds and the Refunded Debt in amounts which, together with other funds available therefor, will be sufficient to pay the redemption price of and interest on the Refunded Bonds and Refunded Debt to the dates fixed for redemption, and the purchase price of the Refunded Debt upon any intervening optional tender thereof, if applicable. See “PART 18 – VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

## PART 5 - ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are as follows:

	<u>Series 2024B Bonds</u>	<u>Series 2024C Bonds</u>	<u>Total<sup>1</sup></u>
<b>Sources of Funds</b>			
Principal Amount .....	\$84,630,000	\$60,000,000	\$144,630,000
Plus: Bond Premium .....	7,219,087	--	7,219,087
Other Available Money .....	4,106,137	2,324,000	6,430,137
Total Sources of Funds <sup>1</sup> .....	<u>\$95,955,224</u>	<u>\$62,324,000</u>	<u>\$158,279,224</u>
<b>Uses of Funds</b>			
Deposit to Refunding Escrow .....	\$95,074,645	\$61,764,187	\$156,838,832
Costs of Issuance <sup>2</sup> .....	457,428	334,013	791,442
Underwriter’s Discount .....	423,150	225,800	648,950
Total Uses of Funds <sup>1</sup> .....	<u>\$95,955,224</u>	<u>\$62,324,000</u>	<u>\$158,279,224</u>

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

<sup>2</sup> Includes legal fees and associated costs relating to the issuance of the Series 2024BC Bonds and refunding of the Refunded Bonds and the Refunded Debt.

## PART 6 - BONDHOLDERS’ RISKS

*The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2024BC 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 2024BC Bonds should analyze carefully the information contained in this Official Statement, including the appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.*

### General

The Series 2024BC Bonds are payable from payments to be made by the University under the Loan Agreement, which payments are secured by the applicable Series 2024BC Obligation to be issued by the University with respect to each Series of the Series 2024BC Bonds. The ability of the University to comply with its obligations under the Loan Agreement or under the applicable Series 2024BC Obligation 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 under the applicable Series 2024BC Obligation 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 and under the applicable Series 2024BC Obligation. Purchasers of the Series 2024BC Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the University to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the University to provide the services required by students, economic developments in the New York area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the University to provide for payments. The future financial condition of the University could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions that are unpredictable.

### **Right to Tender**

The University does not expect to maintain a liquidity facility with respect to the Series 2024C Bonds. Payment for Series 2024C Bonds which are tendered for purchase will be made only from the proceeds of the remarketing of such Series 2024C Bonds. Neither DASNY nor the University are obligated to pay the purchase price of any Series 2024C Bond tendered for purchase.

### **Remarketing of the Series 2024C Bonds**

For a discussion of certain of the risks relating to the remarketing of the Series 2024C Bonds, see “PART 19 – REMARKETING OF THE SERIES 2024C BONDS – Certain Considerations Concerning the Remarketing of the Series 2024C Bonds” herein.

### **Financial Assistance**

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2022-2023 academic year, approximately 94% of the University’s enrolled undergraduate students received some form of financial assistance through the University. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

For the 2024-2025 academic year, the federal government experienced Free Application for Federal Student Aid (“FAFSA”) processing issues, impacting all United States-based applicants. The new FAFSA process presented challenges not only for institutions in terms of processing, but also for students and their families in terms of completion. Processing issues may have an impact on the award of financial aid and enrollment of students due to the late arrival of notices and federal government errors.

### **Investment Income**

The University’s investment program for endowment and similar funds operates under an investment policy statement and guidelines established by the Board, which delegates direct oversight for the investment program to the Investment/Pension Committee of the Board. The consolidated endowment pool is managed by external investment advisors appointed for the purpose by the Investment Committee. Although the portion of the University’s endowment funds without donor restrictions and the payout therefrom are available for debt service payments on the Series 2024BC Bonds and on the Series 2024BC Obligations, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

## **Fundraising**

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

## **Tuition and Fees**

The University derives substantial revenue from tuition and fees. Because tuition and fee revenue depend on a variety of factors, including the effect of the COVID-19 pandemic or the effect of a new pandemic or epidemic on in-person learning, economic and demographic factors and public and private funding of financial aid, many of which are outside the control of the University, it is possible that such revenues will not continue at expected levels in the future. Although the University has consistently demonstrated a high level of student demand for its programs at current fee levels, there is no assurance that it will be able to do so in the future. A sizable reduction in the enrollment of students at the University would have a materially adverse impact on the financial condition of the University.

## **Government Funding**

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

## **Risks as Employer**

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

## **Risks Related to Variable Rate Indebtedness**

Certain existing debt, bear interest at variable rates, which may vary from time to time. While the University may have the ability to convert this debt to bear interest at fixed rates, this protection against rising interest rates is limited, however, because the University would be required to continue to pay interest at the applicable variable rate until it is permitted to convert the obligation to a fixed rate pursuant to the terms of the applicable transaction documents.

## **Changes in Law**

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

## **Tax Related Risk**

### *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 2024BC Bonds and defaults in covenants regarding the Series 2024BC 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 2024BC Bonds nor would it cause a change in the interest rates on the Series 2024BCB 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 Internal Revenue Service (“IRS”) has indicated that it is giving greater scrutiny to certain tax-exempt organizations, including colleges and universities.

### *Risk of Audit*

The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the IRS will not commence an audit of the Series 2024BC Bonds. Bondholders of the Series 2024BC Bonds are advised that, if an audit of the Series 2024BC 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 2024BC 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 2024BC Bonds during the pendency of the audit, regardless of the ultimate outcome.

## **Environmental Laws and Regulations**

The University is subject to a wide variety of federal and state environmental, health and safety laws and regulations. In the role of an operator of properties or facilities, the University may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its property, including any such substances that may have migrated off of its property. As such, educational operations are particularly susceptible to the practical, financial and legal risks associated with compliance with such laws and regulations.

At the present time, the University is not aware of any pending or threatened claim, investigation or enforcement action regarding environmental, health or safety issues which, if determined adversely to the University, would have material adverse consequences to the operations or financial condition of the University.

## **Damage to Facilities**

The University is highly dependent on the condition and functionality of their physical facilities. Damage from natural causes, fire, deliberate acts of destruction, terrorism or various facility system failures may have a material adverse impact on operations, financial conditions and results of operations, especially if insurance is inadequate to cover resulting property and business losses. No assurance is given as to the continuation of existing insurance coverage, which, among other things, may not be available at a reasonable cost in the future. Climate change may increase the frequency or severity of natural disasters.

The occurrences of natural disasters, including floods, blizzards, tornadoes and earthquakes, as well as other casualty events, including epidemics, pandemics or other public health crises, may damage University facilities, interrupt utility service to facilities or otherwise impair the operation of some University facilities or the generation of revenues beyond existing insurance coverage. Although the facilities are covered by insurance, a significant fire affecting one or more of the University’s facilities could have a material adverse effect on the University and could result in material damage and temporary or permanent cessation of operations at one or more of the facilities of the University.

## **Bond Ratings**

There is no assurance that any rating assigned to the Series 2024BC 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 2024BC Bonds in secondary market trading. In addition, a



downgrade of any of the ratings assigned to the Series 2024BC 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 2024BC Bonds**

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2024BC Bonds. From time to time there may be no market for the Series 2024BC Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the University's capabilities and the financial condition and results of operations of the University.

### **No Debt Service Reserve Fund for the Series 2024BC Bonds**

The Series 2024BC Bonds are secured as provided in "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS" herein. 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 2024BC Bonds. In the event that a debt service reserve fund is hereafter established for a Series of Bonds hereafter issued under the Resolution, such debt service reserve fund will secure only such Series of Bonds and will not secure the Series 2024BC Bonds.

### **Public Health Emergencies**

Since early calendar year 2020, the emergence of COVID-19 has had a notable impact on the University and the world. With the conclusion of public health emergency statuses by the US Government and the World Health Organization in early May 2023, it is expected that the pandemic's most notable impacts are in the past. However, a resurgence of COVID-19 or the emergence of a new pandemic or epidemic could have adverse impacts on the University's operations, including revenues and expenses, and, more broadly, on global financial markets. Such impacts are not known or estimable.

### **Cybersecurity**

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

### **Bankruptcy**

The ability of the Bond Trustee to exercise rights under the Loan Agreement and the Resolutions and of the Master Trustee to exercise rights under the Master Indenture and the 2024BC Supplemental Indentures may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights generally. In the event the University becomes a debtor under the United States Bankruptcy Code, 11 U.S.C. §§10 *et seq.* (the "*Bankruptcy Code*"), payments under the Loan Agreement or on the Series 2024BC Obligations may be stayed or under certain circumstances subject to avoidance and the interests of the Bond Trustee with respect to payments on the Series 2024BC Bonds may not extend to payments acquired after the commencement of such a bankruptcy case. Furthermore, if the bankruptcy court concludes that the Bond Trustee has "adequate protection," it may enter orders affecting the security of the Bond Trustee, including orders providing for the substitution, subordination and sale of the security of the Bond Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Bond Trustee if the Bond Trustee is provided with the benefit of

its original lien or the “indubitable equivalent.” Thus, in the event of the bankruptcy of the University, the amount realized by the Bond Trustee may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement and the Master Indenture that make bankruptcy and related proceedings by the University an event of default thereunder.

### **Additional Indebtedness**

Additional Indebtedness may be issued by the University from time to time even while the Series 2024BC Bonds remain outstanding. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Additional Bonds” and “– Other Indebtedness” herein and APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT,” “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION” and “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE” attached hereto.

### **Realization of Value on the Mortgaged Property**

The University’s obligations under the Master Indenture and the Series 2024BC Obligations are secured by the Mortgage. The Mortgaged Property does not comprise general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it may be difficult to find a buyer or lessee for such property if it were necessary to foreclose on the Mortgage. In addition, the value of the lien on the Mortgaged Property could be diluted by the issuance of additional Obligations under the Master Indenture, which are secured equally and ratably with the Series 2024BC Obligations, and certain portions of the Mortgaged Property may be transferred or released from the lien of the Mortgage. See “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations under the Master Indenture – *Mortgage*” herein. Thus, upon any default, it may not be possible to realize the amount of the outstanding Series 2024BC Bonds from a sale or lease of the Mortgaged Property.

The University has proposed certain amendments to the Master Indenture to (i) add as a Permitted Lien, the recordation of a Permitted Covenant against the Mortgaged Property as a senior lien in favor of a Governmental Lender in connection with a Grant Project funded from the proceeds of a grant from a Governmental Lender and (ii) add as a Permitted Modification, a modification or amendment to the Mortgage and the execution and recording of any related documentation to provide for the subordination of the Mortgage to any Permitted Covenant. For a discussion of the Proposed Master Indenture Amendments and the conditions to their becoming effective, see “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture” and “APPENDIX E- SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE.”

There are certain conditions that need be satisfied in order for the Proposed Amendments to the Master Indenture to become effective including (i) the consent of the holders of more than 50% in aggregate principal amount of the Obligations outstanding under the Master Indenture and (ii) the consent of the holders of more than 50% in aggregate principal amount of the outstanding Series 2013 Bonds. For a description of the Obligations outstanding under the Master Indenture and the Series 2013 Bonds, see “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Other Indebtedness.

Once the Proposed Master Indenture Amendments become effective, the University may seek one or more grants from a Governmental Lender to pay all or a portion of the costs of construction of a capital project located on the Mortgaged Property. As a condition to the receipt of grant funds from a Governmental Lender, the University will be required to record a declaration of restrictive covenant against the Mortgaged Property as a senior lien in favor of the Governmental Lender in connection with the project to be funded and the Mortgage would be subordinated to such restrictive covenant. The restricted covenant would require that such project will be used for the purpose of the applicable grant for the useful life of the project. The University is considering seeking such a grant from the City for the construction of a new theater to be located on the One Pace Plaza campus. There can be no assurance that the University will seek such a grant for such project. Nor can there be any assurance that the City or any other Governmental Lender would provide a grant to fund the construction of that project.

## **No Title Insurance**

While the University has obtained a title search for the Mortgaged Property, it will not be obtaining title insurance to cover the Mortgage that secures the Series 2024BC Obligations. The Mortgage securing the Series 2024BC Obligations is secured on a parity basis with the mortgages securing the Prior Obligations. The University obtained title insurance in connection with the issuance of each Series of the Prior Obligations and that insurance will remain in effect for so long as the Prior Obligations of the applicable Series remain outstanding. Once the Prior Obligations are no longer outstanding, and unless the University decides to have title insurance on any mortgage given to secure a future Obligation, any title defect not disclosed by the title search or any defect in the lien of the Mortgage will not be covered by title insurance. As of April 2024, the University is not aware of any reported or alleged defects in the title to the Mortgaged Property since the title insurance policy was delivered in connection with the issuance of the Series 2014 Bonds.

## **Enforceability of Lien on Gross Revenues**

The University's obligations under the Master Indenture also are secured by a lien on Gross Revenues granted to the Master Trustee. The security interest in Gross Revenues will be on parity with certain Permitted Liens under the Master Indenture and subordinate to Permitted Liens securing certain Indebtedness of the University. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations under the Master Indenture – *Security Interest in Gross Revenues*" herein.

In the event of bankruptcy of the University, transfers of property by the University, including the payment of debt or the transfer of any collateral, including receivables and Gross Revenues, on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court, may be subject to avoidance or recovery as preferential transfers. Under certain circumstances a court may have the power to direct the use of Gross Revenues to meet expenses of the University before paying the Obligations then Outstanding, including if then Outstanding, the Series 2024BC Obligations and, in turn, the debt service on the Series 2024BC Bonds.

Pursuant to the Uniform Commercial Code of the State, the perfection of a security interest in Gross Revenues may cease if such proceeds are not paid over to the Master Trustee (or an agent for the Master Trustee) by the University under certain circumstances. In addition, the lien on Gross Revenues may not extend to revenues coming into existence after commencement of a bankruptcy. Upon the occurrence of an Event of Default under the Master Indenture, the University is required to take all action necessary to insure that all Gross Revenues are deposited into the Revenue Fund created under the Master Indenture, including but not limited to, depositing directly all payments received and directing all debtors and payors of the University to make all payments due to the University to the Revenue Fund.

The value of the security interest in the Gross Revenues could be diluted by the issuance of additional Obligations under the Master Indenture, which are secured equally and ratably with the Series 2024BC Obligations, and in certain circumstances by Permitted Liens that are senior to the lien on Gross Revenues securing the Series 2024BC Obligations. See "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Obligations under the Master Indenture – *Security Interest in Gross Revenues*" herein. In the event of the liquidation or bankruptcy of the University, there can be no assurance that the proceeds of the Gross Revenues will be adequate to make the payments due on the Series 2024BC Obligations and, in turn, to pay debt service on the Series 2024BC Bonds.

## **Enforcement of Remedies**

Enforcement of the remedies under the Resolutions, the Loan Agreement and the Master Indenture may be limited or restricted by state laws concerning the use of assets of charitable corporations and by federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity applicable to the availability of specific performance and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Series 2024BC Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by

state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

### **Amendment of the Resolution and Loan Agreement**

Certain amendments to the Resolution, and the Loan Agreement may be made with the consent of the owners of a two-thirds in aggregate principal amount of the outstanding Series 2024BC Bonds of an affected Series. Such amendments may adversely affect the security of the Bondholders, and such percentage, if additional Bonds are issued, may be composed wholly or partially of the holders of Bonds other than the Series 2024BC Bonds.

### **Other Factors**

Additional factors, including international, national and local trends or events outside the University's control, may affect the finances or future operations of the University to an extent that cannot be determined at this time.

## **PART 7 - 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 June 30, 2024, DASNY had approximately \$57.1 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 and/or State Sales 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 limited 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

limited obligations were issued. DASNY has no obligation to pay its special limited obligations other than from such payments.

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 40 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:

LISA A. GOMEZ, *Chair*, 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.

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.

ALFONSO L. CARNEY, JR., 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. 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.

WELLINGTON Z. CHEN, Queens.

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

JOAN M. SULLIVAN, Slingerlands.

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

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.

KENT D. SYVERUD, Syracuse.

Kent D. Syverud was appointed as a Member of DASNY by the Governor on June 4, 2024. Chancellor Kent Syverud is the 12th Chancellor and President of Syracuse University. Before joining Syracuse University in 2014, he served as dean and the Ethan A.H. Shepley Distinguished University Professor at the School of Law at Washington University in St. Louis. Prior to that, he served as dean at Vanderbilt University Law School and as associate dean for

academic affairs and professor at University of Michigan Law School. An elected member of the American Law Institute, Chancellor Syverud's scholarship has addressed negotiation, civil litigation, dispute resolution, and higher education. Chancellor Syverud has a Bachelor of Arts degree from Georgetown University School of Foreign Service and a Juris Doctor degree and Master's degree in Economics from University of Michigan.

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 and 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.

BLAKE G. WASHINGTON, *Budget Director of the State of New York, Albany; ex-officio.*

Blake G. Washington is the Budget Director for the State of New York, appointed by Governor Kathy Hochul. Mr. Washington is responsible for the development and management of the New York State budget and leads a team of public servants to administer the fiscal duties of the State, including economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Mr. Washington was previously employed by the New York State Assembly Ways and Means Committee for over 20 years, culminating with his service as Secretary to the Committee from 2015 through 2023. In that role, Mr. Washington advised the Assembly Speaker and the Assembly Majority on all budget and fiscal matters and served as the Assembly's lead negotiator on the New York State budget. He began his career in public service as a probation officer in Sullivan County, New York. Mr. Washington earned both his master's and bachelor's degrees from the State University of New York at Albany.

JAMES MCDONALD, M.D., *Commissioner of Health of the State of New York, Albany; ex-officio.*

James McDonald, M.D., was named Acting Commissioner starting January 1, 2023 and confirmed as Commissioner by the State Senate on June 10, 2023. Prior to that, Dr. McDonald served as the Medical Director of the State Department of Health's Office of Public Health and Interim Director of the Center for Community Health, part of the Office of Public Health. Before joining the State Department of Health, Dr. McDonald worked for 10 years at the Rhode Island Department of Health, most recently as Interim Director/Commissioner. Dr. McDonald earned his medical degree from Loyola Stritch School of Medicine in Chicago. He earned his MPH from the University of North Carolina in Chapel Hill. Dr. McDonald is board certified in pediatrics as well as preventive medicine.

The principal staff of DASNY are as follows:

ROBERT J. RODRIGUEZ is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Prior to his appointment to DASNY, Mr. Rodriguez served as New York's Secretary of State. He previously served as a member of the New York State Assembly for 11 years representing Assembly District 68. He was Co-Chair of the Legislative Task Force on Demographic Research and Reapportionment, founding Chair of the Assembly Sub-committee on Infrastructure and Member of Committees on Ways and Means, Housing, Labor, Banking, Corporations and Authorities, and Mental Health. Mr. Rodriguez also held positions at Public Financial Management, A.C. Advisory, Inc., and Bloomberg L.P. Mr. Rodriguez has a

Bachelor of Arts in History and Political Science from Yale University and received his MBA in Finance from New York University Stern Business School.

CHARLIE WILLIAMS is the Vice President of DASNY and assists the President in the administration and operation of DASNY. Mr. Williams coordinates policy and operations across all DASNY business lines and serves as chief advisor on all DASNY operational matters. Mr. Williams most recently served as Managing Director for Executive Direction at DASNY. Prior to that, he served as Deputy Budget Director for the NYS Division of Budget where he oversaw the budgets of approximately 125 state agencies and authorities in the areas of economic development, human services, housing, energy, environment, education, arts, agriculture, parks, mental hygiene, developmental disabilities, addiction services and public protection. He holds a Bachelor of Arts degree from State University of New York at Plattsburgh and a Master's degree in Public Administration from the Rockefeller College of the 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. Prior to that, 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.



SARA POTTER RICHARDS, is the Managing Director for Executive Direction. Ms. Richards works with all Members of the Executive Management team to coordinate policy and operations across DASNY business lines. She is responsible for coordinating the work of the DASNY Board of Directors and overseeing the Grants Administration Unit and the Office of Environmental Affairs. Ms. Richards began her DASNY career in the Office of General Counsel and has held a variety of positions of increasing responsibility, most recently serving as Chief of Staff. She holds a Bachelor of Science degree from Ithaca College and a Juris Doctor degree from Albany Law School.

### **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 2024BC Bonds nor (ii) challenging the validity of the Series 2024BC Bonds or the proceedings and authority under which DASNY will issue the Series 2024BC 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, 2024. Copies of the most recent audited financial statements are available upon request at the offices of DASNY.

## **PART 8 - LEGALITY OF THE SERIES 2024BC BONDS FOR INVESTMENT AND DEPOSIT**

Under State law, the Series 2024BC 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 2024BC Bonds may be deposited with the State Comptroller to secure deposits of State money in banks, trust companies and industrial banks.

## **PART 9 - NEGOTIABLE INSTRUMENTS**

The Series 2024BC Bonds shall be negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2024BC Bonds.

## **PART 10 - TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to DASNY (“*Bond Counsel*”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2024BC Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Series 2024BC Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series 2024BC Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2024 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024BC Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX F – PROPOSED FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL” attached hereto.

To the extent the issue price of any maturity of the Series 2024BC Bonds is less than the amount to be paid at maturity of such Series 2024BC Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2024BC Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2024BC Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2024BC Bonds is the first price at which a substantial amount of such maturity of the Series 2024BC Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2024BC Bonds accrues daily over the term to maturity of such Series 2024BC Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2024BC Bonds to determine taxable gain or loss upon trade or business disposition (including sale, redemption, or payment on maturity) of such Series 2024BC Bonds. Beneficial Owners of the Series 2024BC Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2024BC Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2024BC Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2024BC Bonds is sold to the public.

Series 2024BC Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“*Premium Bonds*”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2024BC Bonds. DASNY and the University have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2024BC Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2024BC Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2024BC Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2024BC Bonds may adversely affect the value of, or the tax status of interest on, the Series 2024BC Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied, among other things, on the opinion of Nixon Peabody LLP, special counsel to the University, regarding the current qualification of the University as an organization described in Section 501(c)(3) of the Code and the intended operation of the facilities to be financed by the Series 2024BC Bonds as substantially related to the University's charitable purpose under Section 513(a) of the Code. Such opinion is subject to a number of qualifications and limitations. Furthermore, special counsel to the University cannot give and has not given any opinion or assurance about the future activities of the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or changes in enforcement thereof by the Internal Revenue Service. Failure of the University to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2024BC Bonds in a manner that is substantially related to the University's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series 2024BC Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2024BC Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2024BC Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2024BC Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2024BC Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2024BC Bonds. Prospective purchasers of the Series 2024BC Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2024BC Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of DASNY or the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. DASNY and the University have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2024BC Bonds ends with the issuance of the Series 2024BC Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend DASNY, the University or the Beneficial Owners regarding the tax-exempt status of the Series 2024BC Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in

the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which DASNY or the University legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2024BC Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2024BC Bonds, and may cause DASNY, the University or the Beneficial Owners to incur significant expense.

Payments on the Series 2024BC Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series 2024BC Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Series 2024 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2024BC Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

#### **PART 11 - STATE NOT LIABLE ON THE SERIES 2024BC BONDS**

The Act provides that notes and bonds of DASNY are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of DASNY. The Resolution specifically provides that the Series 2024BC Bonds are not a debt of the State and that the State is not liable on them.

#### **PART 12 - 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 13 - LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Series 2024BC Bonds by DASNY are subject to the approval of Orrick, Herrington & Sutcliffe LLP, New York, New York, and Marous Law Group, P.C, New York, New York, Co-Bond Counsel to DASNY, whose approving opinions will be delivered with the Series 2024BC Bonds. The proposed form of Co-Bond Counsel’s opinions is set forth in “APPENDIX F – PROPOSED FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL” attached hereto.

Certain legal matters will be passed upon for the University by its General Counsel and by its special finance counsel, Nixon Peabody LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Katten Muchin Rosenman LLP, New York, New York.

## **PART 14 - UNDERWRITING**

BofA Securities, Inc., as Underwriter, has agreed, subject to certain conditions, to purchase the Series 2024B Bonds at a purchase price of \$91,425,936.70 (which is equal to the par amount of the Series 2024B Bonds, plus bond premium of \$7,219,086.70, less an underwriter's discount of \$423,150.00), and to make a public offering of the Series 2024B Bonds at a price that is not in excess of the public offering price stated on the inside cover page of this Official Statement. The Underwriter is obligated to purchase all of the Series 2024B Bonds if any are purchased.

The Underwriter has agreed, subject to certain conditions, to purchase the Series 2024C Bonds at a purchase price of \$59,774,200.00 (which is equal to the par amount of the Series 2024C Bonds, less an underwriter's discount of \$225,800.00) and to make a public offering of the Series 2024C Bonds at a price that is not in excess of the public offering price stated on the inside cover page of this Official Statement. The Underwriter is obligated to purchase all of the Series 2024C Bonds if any are purchased.

The Series 2024BC Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2024BC Bonds.

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

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

## **PART 15 - CONTINUING DISCLOSURE**

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the University will enter into a written agreement (the "*Continuing Disclosure Agreement*") for the benefit of the Holders of the Series 2024BC Bonds with Digital Assurance Certification LLC, as disclosure dissemination agent and the Bond Trustee. The proposed form of Continuing Disclosure Agreement is set forth in "APPENDIX G – FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE" attached hereto.

In the past five years, the University has not failed to comply, in any material respects, with any previous continuing disclosure undertaking entered into in connection with any offerings.

## **PART 16 - RATINGS**

Moody's Ratings ("*Moody's*") has assigned a rating of "Baa3" (stable outlook) to the Series 2024BC Bonds and S&P Global Ratings ("*S&P*") has assigned a rating of "BBB-" (stable outlook) to the Series 2024BC Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and S&P, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2024BC Bonds.

## **PART 17 - FINANCIAL ADVISOR**

PFM Financial Advisors, LLC ("*PFM*") has served as financial advisor to the University in connection with the issuance of the Series 2024BC Bonds. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities.

## **PART 18 - VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Causey Demgen & Moore P.C., independent public accountants (the "*Verification Agent*") will deliver to DASNY, the Westchester County LDC, the University and the Underwriter on or before the delivery date of the Series 2024BC Bonds its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the University and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the funds deposited with the respective trustee to pay, when due, the maturing principal of, interest on and any redemption premium of the Refunded Bonds and the Refunded Debt, all as described in "PART 4 – THE PLAN OF REFUNDING." The Verification Agent will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Series 2024BC Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2024BC Bonds from gross income for federal income tax purposes.

## **PART 19 - REMARKETING OF THE SERIES 2024C BONDS**

### **General**

The initial Remarketing Agent for the Series 2024C Bonds shall be BofA Securities, Inc. The Remarketing Agent has agreed to remarket the Series 2024C Bonds on a best efforts basis, subject to the provisions of a remarketing agreement by and among the University and the Remarketing Agent. The University has agreed to indemnify the Remarketing Agent against certain liabilities, including certain liabilities arising under federal and state securities laws.

The Remarketing Agent will set the interest rates on the Series 2024C Bonds during the R-FLOATs Rate Mode or for other interest rate modes and perform the other duties and remarket the Series 2024C Bonds as provided for in the Resolutions, subject to the provisions of the remarketing agreement. The Remarketing Agent may deal in Series 2024C Bonds for its own account or as broker or agent for others and may do anything any other Bondholder may do to the same extent as if the Remarketing Agent were not serving as such.

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

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

### **Certain Considerations Concerning the Remarketing of the Series 2024C Bonds**

#### *The Remarketing Agent is Paid by the University*

The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Series 2024C Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the remarketing agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the University and is paid by the University for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2024C Bonds.

#### *The Remarketing Agent May Purchase Series 2024C Bonds for its Own Account*

The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2024C Bonds for its own account. The Remarketing Agent, in its sole discretion, may acquire tendered bonds for its own inventory in order to achieve a successful remarketing of such bonds (i.e., because there are otherwise not enough buyers to purchase the bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase tendered Series 2024C Bonds and may cease doing so at any time without notice. The Remarketing Agent also may make a market in the Series 2024C Bonds by routinely purchasing and selling Series 2024C Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2024C Bonds. The Remarketing Agent also may sell any Series 2024C Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2024C Bonds. The purchase of Series 2024C Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2024C Bonds in the market than is actually the case. The practices described above also may reduce the supply of Series 2024C Bonds that may be tendered in a remarketing.

#### *Series 2024C Bonds May be Offered at Different Prices on Any Date Including an R-FLOATs Mode Rate Determination Date*

Pursuant to the remarketing agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2024C Bonds at par plus accrued interest, if any, on and as of the applicable R-FLOATs Mode Rate Determination Date. The interest rate will reflect, among other factors, the level of market demand for the Series 2024C Bonds (including whether the Remarketing Agent is willing to purchase Series 2024C Bonds for its own account). There may or may not be Series 2024C Bonds tendered and remarketed on an R-FLOATs Mode Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series 2024C Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2024C Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2024C Bonds at the remarketing price. In the event a Remarketing Agent owns any Series 2024C Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2024C Bonds on any date, including the R-FLOATs Mode Rate Determination Date, at a discount to par to some investors.

#### *The Ability to Sell the Series 2024C Bonds May Be Limited*

While the Remarketing Agent may buy and sell Series 2024C Bonds, it is not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase the Series 2024C Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2024C Bonds.

*Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2024C Bonds, Without a Successor Being Named*

Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the remarketing agreement.

**PART 20 - CERTAIN RELATIONSHIPS**

The University has established an unsecured one-year line of credit with Bank of America, N.A., an affiliate of the Underwriter of the Series 2024BC Bonds, that has a commitment amount of up to \$40,000,000. The line of credit is unsecured unless the University's long-term, senior, unsecured, unenhanced debt rating falls below investment grade and in such event the line of credit will be secured either through the issuance of an Obligation that is secured on parity with the Series 2024BC Obligations or through a mortgage lien on real property of the University that will not include the Mortgaged Property. The University, subject to satisfying the conditions provided in the credit agreement, has the ability to convert the one-year line of credit into a four-year term loan that would be secured as described in the previous sentence.

**PART 21 - MISCELLANEOUS**

References in this Official Statement to the Act, the Resolutions, the Loan Agreement, the Master Indenture, the Series 2024BC Supplemental Indentures, the Series 2024BC Obligations and the Mortgage do not purport to be complete. Refer to the Act, the Resolutions, the Loan Agreement, the Master Indenture, the Series 2024BC Supplemental Indentures, the Series 2024BC Obligations and the Mortgage for full and complete details of their provisions. Copies of such documents will be on file with DASNY and the Bond Trustee.

The agreements of DASNY with Holders of the Series 2024BC Bonds are fully set forth in the Resolutions. Neither any advertisement of the Series 2024BC Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2024BC 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 7 – DASNY" has been obtained from DASNY. The information herein regarding the University, including but not limited to Appendix A, was supplied by the University and the University has reviewed the University Information (as defined below). All information herein other than the University information has been obtained by the Underwriter from itself and from other sources deemed to be reliable by the Underwriter and is not to be construed as a representation by the Underwriter (except in the case of "PART 14 – UNDERWRITING" or "PART 19-REMARKETING OF THE SERIES 2024C BONDS") or by DASNY. 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 2024BC Bonds or (3) the value or investment quality of the Series 2024BC Bonds.

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

"APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY" has been prepared by the University.

"APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT," "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION," and "APPENDIX F – PROPOSED FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL" have been prepared by Orrick, Herrington & Sutcliffe LLP, New York, New York, and Marous Law Group, P.C, New York, New York, Co-Bond Counsel to DASNY.



“APPENDIX B – FINANCIAL STATEMENTS OF PACE UNIVERSITY AND INDEPENDENT AUDITORS’ REPORT” contains the financial statements of the University as of and for the years ended June 30, 2023 and 2022 which have been audited by KPMG LLP, independent auditors as stated in their report appearing therein.

“APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE” has been prepared by Nixon Peabody LLP, New York, New York, counsel to the University.

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

“APPENDIX H – SUMMARY OF REFUNDED BONDS AND REFUNDED DEBT” has been prepared by the Underwriter.

The University has reviewed the parts of this Official Statement describing the University, the Sources of Payment and Security for the Series 2024BC Bonds, the Estimated Sources and Uses of Funds, Principal and Interest Requirements, the Refunding Plan, Bondholders’ Risks, “APPENDIX A – CERTAIN INFORMATION REGARDING THE UNIVERSITY” and “APPENDIX B – FINANCIAL STATEMENTS OF PACE UNIVERSITY AND INDEPENDENT AUDITORS’ REPORT” (collectively, the “University Information”). The University, as a condition to issuance of the Series 2024BC Bonds, is required to certify that as of the date of this Official Statement, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

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

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

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

By: /s/Robert J. Rodriguez  
Authorized Officer

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**APPENDIX A**  
**CERTAIN INFORMATION REGARDING THE UNIVERSITY**

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## APPENDIX A

### CERTAIN INFORMATION REGARDING THE UNIVERSITY

#### GENERAL INFORMATION

##### Introduction

The University is an independent, non-sectarian, not-for-profit institution with campuses in New York City and Westchester County. The University was founded in 1906 by Homer and Charles Pace as a school for accounting. In 1948, the school was granted college status by the New York State Board of Regents. Pace received accreditation by the Middle States Association of Colleges and Schools in 1957 and gained full university status in 1973.

The University enrolls approximately 14,000 students in bachelors, masters, and doctoral programs in the Dyson College of Arts and Sciences, Lubin School of Business, Seidenberg School of Computer Science and Information Systems, College of Health Professions, Sands College of Performing Arts, School of Education and Elisabeth Haub School of Law. The University offers over 100 undergraduate majors and dual degree programs, approximately 50 master's programs, 8 doctoral programs, and nearly 50 certificate programs. The University's campuses are located in New York City, Pleasantville, New York, and White Plains, New York.

The University's mission is to prepare students to succeed in a wide range of professions. The Pace curriculum combines a strong liberal arts foundation with a professional education that emphasizes career readiness and experiential learning, including one of the largest internship programs in the nation. Becoming the region's leader in experiential learning is the top goal of Pace's strategic plan, and each school has a variety of hands-on programs designed to facilitate students' transition from college to career. See "Strategic Priorities" in this Appendix A.

##### *Dyson College of Arts and Sciences*

The Dyson College of Arts and Sciences ("Dyson") enrolled 3,320 undergraduate students and 677 graduate students as of the Fall 2023 semester, and offers the following degrees: AA, BA, BFA, BS, MA, MPA, MPH, MS, PhD and PsyD. Dyson offers combined Bachelor's/Master's degrees internally as well as Bachelor's/JD degrees and Bachelor's/MST degrees, jointly with the Haub School of Law and the School of Education, respectively. Dyson provides most of the core liberal arts curriculum taken by all undergraduates enrolled in bachelor's degree programs at Pace.

Growing programs on the New York City Campus include Psychology, Film and Screen Studies, and Political Science. The Economics Department is home to the Federal Reserve Challenge team, whose fifth victory in the 2021 national competition set a record that it now shares with the team from Harvard College. The Political Science Department houses the New York Model United Nations team, which consistently receives top team awards in that competition.

Popular Dyson programs in Pleasantville include Criminal Justice, Biology and Digital Cinema & Filmmaking, which has state-of-the-art video facilities. The Media, Communications and Visual Arts Department is home to the award-winning documentary classes that provide undergraduate and graduate majors with hands-on experiences in creating documentaries in international venues. *For the Love of Food: Pour l'amour de la cuisine* and *Tide to Table: the Remarkable Journey of Oysters* are the latest additions to a series of prize-winning short documentaries on sustainable use of the world's living resources shot by Pace University students and faculty; both won best student documentary at the Williamsburg International Film and Music Competition, in consecutive years.

##### *Lubin School of Business*

The Lubin School of Business ("Lubin") enrolled 2,350 undergraduate students and 875 graduate students as of the Fall 2023 semester, and offers majors/concentrations in accounting, finance, management, marketing, and taxation. Degrees offered include: BBA, BBA/MBA, BBA/MS, MBA, BBA/JD, MS, EMBA, MFP, and DPS. Lubin is dual accredited in business and accounting by the Association to Advance Collegiate Schools of Business International.

Lubin's focus is the application of theory to practice and experience-based learning through competitions, consultancies, simulations and internships. Pace University has one of the largest internship programs in the New York Metropolitan Area.

Lubin supports student entrepreneurship in several significant ways, including through an undergraduate concentration and minor. Students on the path to starting up their own businesses have the opportunity to participate in the Pace Entrepreneurship Studio, where they can turn their ideas into viable companies seeking financing. The

companies currently in the Pace Entrepreneurship Studio are actively seeking funding, and recently had the opportunity to pitch to a group of actual investors at a Lubin-sponsored event.

#### *Seidenberg School of Computer Science and Information Systems*

The Seidenberg School of Computer Science and Information Systems (“Seidenberg”) enrolled 542 undergraduate students and 1,861 graduate students as of the Fall 2023 semester, and offers the following degrees: AS, BA, BS, MS, and PhD. Seidenberg is one of the first comprehensive schools of computing in the country and the first Center of Academic Excellence in Cyber Defense Education in the New York Metropolitan Area, as designated by the National Security Agency and the Department of Homeland Security. Seidenberg faculty regularly receive substantial grants from the National Science Foundation for work on cybersecurity and other technology topics.

Seidenberg continually seeks to offer degree programs that meet the demands of students and employers in a rapidly changing environment. The school’s newest offering is a BS in Game Development program, which will prepare graduates for careers in the video game industry. This market has grown dramatically in recent years, with gaming now eclipsing the movie and music industries combined. The new degree program will benefit from connections to the University’s award-winning varsity Esports team.

#### *College of Health Professions/Lienhard School of Nursing*

The College of Health Professions (“CHP”) includes the Lienhard School of Nursing (“Lienhard”) and the Physician Assistant Studies Program, which is one of the most competitive programs at Pace. CHP enrolled 770 undergraduate students and 1,024 graduate students as of the Fall 2023 semester, and offers the following certificates and degrees: BS and BSN, MS, MPH, Certificate of Advanced Graduate Study, DNP, PhD, Masters in Physician Assistant Studies, and the Family Nurse Practitioner (“FNP”) MS and certificate.

CHP’s facilities have received considerable investment in recent years and include state-of-the-art clinical simulation labs, which include high technology mannequins that can be programmed to simulate patient conditions, a control room, debriefing rooms, classrooms, primary care encounter rooms, videoconference rooms, and offices. A major focus of the “sim” labs is improving patient outcomes, and all simulations are captured on digital video, enabling instructors to review and debrief with students. In addition, students work with “standardized patients,” professional actors who are specially trained in various diseases or health care situations. CHP’s graduates are in high demand as the healthcare industry deals with widespread labor shortages.

#### *School of Education*

The School of Education enrolled 253 undergraduate students and 553 graduate students as of the Fall 2023 semester, and offers the following certificates and degrees: BA, BS, MA, MS, MST, and MsEd. Pace places School of Education students in internship and student teaching positions in K-12 settings throughout New York City as well as Westchester, Rockland, Putnam, and Orange Counties in New York. In addition, the School of Education provides ongoing professional development to teachers and educational leaders throughout the New York Metropolitan Area. The School of Education is one of the only education colleges in the region to offer virtual reality simulation technology, an innovation that has attracted attention from school districts and led to opportunities for Pace faculty to create educational materials now used at numerous schools across the country.

#### *Elisabeth Haub School of Law*

The Haub School enrolled 870 students as of the Fall 2023 semester. The School’s areas of specialty include environmental law, international law, criminal justice and public interest, offering the following degrees: JD, JD/LLM, JD/MS, JD/MBA, JD/MA and JD/BS.

The Haub School curriculum introduces foundational lawyering skills early in the first year through its First Year Legal Skills Program. In the upper level, the legal skills program offers an array of clinics, externships and simulation courses in varied practice areas.

The environmental law program is currently ranked #1 by *U.S. News and World Report* and has been among the top in the nation for the past 30 years. The School’s Global Center for Environmental Legal Studies offers law students an opportunity to work with Pace law professors in advanced environmental law research and law reform. The Environmental Litigation Clinic immerses students in the representation of public interest groups, primarily the Riverkeeper, Inc., which works to safeguard the Hudson River and its environment. The Land Use Law Center seeks to facilitate sustainable development and helps local and regional officials resolve land use conflicts by encouraging more balanced patterns of land development. Since 1989, the Law School has sponsored the Pace National Environmental Moot Court Competition, drawing as many as 350 students from 70 different law schools in the United States and Canada.

## *Sands College of Performing Arts*

Pace's newest college is the Sands College of Performing Arts, which commenced with the 2023–2024 academic year. Previously established as a school within the Dyson College of Arts and Sciences, the Sands College was named in recognition of a \$25 million gift from Pamela and Rob Sands '84.

Sands College builds on the global reputation of one of the University's flagship programs, which includes undergraduate and graduate degrees in acting, directing, musical theater, commercial dance, production and design for stage and screen, and stage management. The college draws upon the vast creative resources of New York City to cultivate the talent of a new generation of diverse performing artists. Graduates of the Sands College's programs are highly in demand in the film, television, and theater industries. The school consistently makes Playbill's "Big 10" list of schools with the most representation on Broadway, and nearly 35 Sands College students and alumni performed on a Broadway stage during the 2022–2023 season.

The Sands College enrolled 610 undergraduate students and 56 graduate students as of the Fall 2023 semester, and offers BA, BFA, and MFA degree programs in a variety of performing arts disciplines.

### **Strategic Priorities**

Pace is currently operating under a strategic plan adopted in 2021 and entitled "*Pace Forward: Embracing and Accelerating Opportunities*." This plan is intended to further the University's mission and engender its future success. The plan is closely monitored with an annual process of setting specific short-term goals for the upcoming year and evaluating achievement of the prior year's goals. The five key components of the plan are listed below.

- *Be the leader in our region in experiential education*
- *Invest in scholarly and creative work to enhance our reputation and teaching*
- *Commit to student-centric culture to drive student success*
- *Commit to being an anti-racist institution*
- *Operate in an agile and financially sustainable manner that supports our mission and vision*

### **Governance**

The University is governed by a Board of Trustees (the "Board") consisting of an authorized minimum of 5 members and a maximum of 45 members, including the University's President. Trustees are elected by the Board for a three-year renewable term. The Board meets a minimum of four times each year. In addition, an Executive Committee of the Board is empowered to act on behalf of the Board on specific matters. The current members of the Board are as follows:

<b><u>Name</u></b>	<b><u>Affiliation</u></b>
*Photeine Anagnostopoulos	Former Deputy Chancellor New York City Department of Education
Lana Bailey-Tamaro '06	Chief Executive Officer CASO Document Management
*Mark M. Besca '81	Chairman Emeritus Partner (Retired) Ernst & Young, LLP
Peta-Gay Clarke '15	Diversity Manager and Program Lead Code Next, Google
Michael A. Clinton '83	Senior Media Advisor to the CEO Hearst Corporation
Michael A. DiSimone '92	President and CEO Payflex

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\* Executive Committee Member

*Christopher A. Edwards '95	Superior Court Judge Criminal Division, Somerset County, New Jersey
Joseph R. Ficalora, '78, '79	President and CEO (Retired) New York Community Bancorp, Inc.
Marki Flannery	President and CEO (Retired) Visiting Nurse Service of New York
*John A. Gerson '69	President KII Telecommunications, LLC
Thomas P. Gibbons '86	Chief Executive Officer BNY Mellon
Cynthia Greer Goldstein, '77, '81	Tax Attorney, CPA Law Offices of Cynthia Greer Goldstein
Barry M. Gosin	Chief Executive Officer Newmark Knight Frank
Liliane A. Haub	
David Z. Hirsh '84	Managing Director (Retired) Blackstone Real Estate Asset Management Group
Dov Horowitz '05	Chief Operating Officer ATS/WWTS
Joseph R. Ianniello '90	Chief Executive Officer INLO Ventures LLC
Hemant Khemka	Managing Director Stesalit
*Marvin Krislov	President Pace University
Charles Mak '77, '80	Senior Advisor (Retired) Morgan Stanley Asia Limited
*Martin McElroy '88	Partner Deloitte LLP
Audrey Murphy '82	Executive VP and Chief Legal Officer, Operations Hackensack Meridian Health, Inc.
Donna Murphy '82	Global Chief Executive Officer Havas Health & You
*John T. O'Connor, Esq., '86	Partner (Retired) Hunton Andrews Kurth LLP

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\* Executive Committee Member



Thomas J. Quinlan III '85	Former Chairman and Chief Executive Officer LSC Communications
*Robert Robotti '78	President and Chief Investment Officer Robotti & Company
Christopher Roker '07	Chief Executive Officer, NYC Health + Hospitals/Lincoln Chief Growth Officer, NYC Health + Hospitals
*Robert S. Sands, JD '84	Chairman, Pace University Board of Trustees Executive Chair Constellation Brands, Inc.
*Ivan G. Seidenberg '81	Chairman and Chief Executive Officer (Retired) Verizon Communications, Inc. Advisory Partner, Perella Weinberg Partners
*Shaun E. Smith '96, '02	Vice Chairman, Pace University Board of Trustees Senior Vice President and Chief Human Resources Officer New York-Presbyterian
Sonia Suchday, PhD	Professor and Chair, Psychology Department Pace University
Eugene M. Tobin	Senior Program Officer (Retired) The Andrew W. Mellon Foundation; Former President, Hamilton College
Marie J. Toulantis '81	
Robert S. Tucker '96	Chairman and Chief Executive Officer T&M USA, LLC
*Susan S. Wallach	Special Counsel (Retired) Schulte Roth & Zabel LLP
*Richard F. Zannino '84	Vice Chairman, Pace University Board of Trustees Managing Director CCMP Capital Advisors, LLC

The committees of the Board include: Executive; Academic/Faculty Affairs; Development & Alumni Relations/Public Affairs; Finance and Audit; Investment & Pension; Marketing, University Relations & Enrollment Strategy; Staff Affairs; Student Affairs; and University Operations.

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\* Executive Committee Member

## Administration

The President of the University, who is a member of the Board, is elected by the Board and serves as the officer responsible for the administration of the University. The President is elected by at least a two-thirds vote of the Board and serves for a five-year renewable term. The term of the current President expires June 30, 2026. All other senior executive officers are nominated by the President and elected by the Board.

**Marvin Krislov, President.** Marvin Krislov has served as the eighth President of Pace University since August 1, 2017. Before coming to Pace, Krislov spent ten years as the president of Oberlin College, where he led collaborative, consensus-driven efforts to make the college more rigorous, diverse, inclusive, and accessible. Earlier, he was vice president and general counsel at the University of Michigan, where he led the legal defense of the University's admission policies that resulted in the 2003 Supreme Court decision recognizing the importance of student body diversity. Prior to entering academic life, he served as associate counsel in the Office of Counsel to the President under President Bill Clinton and later as acting solicitor and then deputy solicitor of national operations in the US Department of Labor. In 2009, President Barack Obama nominated, and the Senate confirmed, Krislov to serve on the National Council on the Humanities, where he served until the summer of 2019.

Krislov earned a bachelor's degree, summa cum laude, at Yale University in 1982, and he was named a Rhodes Scholar. He earned master's degrees at Oxford University and Yale and a juris doctor degree at Yale Law School in 1988.

**Robert Almon, Executive Vice President, Chief Financial Officer.** Mr. Almon assumed the office in September 2013. He previously held the positions of Senior Adviser to the President for Enterprise Finance and Long-range Financial Planning as well as interim EVP & CFO. Mr. Almon is responsible for all internal and external accounting and financial reporting, cash, debt and investment management, the annual budget, internal audit, purchasing, and Campus Planning and Facilities. Mr. Almon is a retired principal of Ernst & Young, LLP and was previously Managing Director in Investment Banking at Salomon Brothers (now Citigroup). Mr. Almon earned an MBA from Harvard Business School and Bachelor's degree from Brown University.

**Robina Schepp, Vice President for Enrollment Management and Placement.** Ms. Schepp became the chief enrollment officer for the University in 2007. She is responsible for leading strategic enrollment as well as the financial aid and career services programs. Ms. Schepp holds a Bachelor's degree from Providence College and an MPA from Seton Hall University.

**Gary Laermer, Vice President for Development and Alumni Relations.** Mr. Laermer assumed his position of Vice President for Development and Alumni Relations in April 2018 and is responsible for all philanthropic and charitable giving programs at Pace as well as the University's outreach and engagement with its 160,000 alumni. Mr. Laermer joined Pace after a successful career with the YMCA. During his tenure at the YMCA, Gary served as Senior Vice President & Chief Development Officer at the YMCA of Greater New York, and as President & Chief Executive Officer of the Community YMCA in Monmouth County, New Jersey. Mr. Laermer is also an alumnus of Pace University and earned a graduate degree from Southeastern University.

**Thomas Brady, Treasurer.** Mr. Brady was appointed to serve in this capacity in September 2012 and previously served four years as Associate Treasurer and Associate Controller. He is responsible for the management of the University's cash and debt. Prior to joining Pace, he was a consultant with Goldin Associates LLC, specializing in cash management, debt restructuring, financial reporting, and asset valuation. Mr. Brady holds a B.S. from Villanova University and an MBA from Pace University.

## Employment

As of Fall 2023, the University employs 3,371 people in the following capacities:

	<u>Part-time</u>	<u>Full-time</u>
Faculty	885	487
Administrative, clerical and technical	957	977
Graduate assistants	65	—

The University's adjunct faculty and part-time instructors are represented by the Union of Adjunct Faculty at Pace ("UAFP"). The current collective bargaining agreement with the UAFP is for the period July 1, 2021 to June 30, 2024. The University is currently negotiating an updated agreement with the UAFP and anticipates no disruption to University operations. The University's Schimmel Theatre Stagehands are represented by the International Alliance of Theatrical Stage Employees, Local One, IATSE, AFL-CIO ("Local One"). The collective bargaining agreement with Local One covers the period from December 2019 through the one year anniversary of the reopening of the

Schimmel theater following completion of the renovations to One Pace Plaza. In general, the University enjoys amicable relations with both unions.

### Campus Facilities

The University's facilities include owned and leased buildings for academic, administrative, athletic, and residential and dining hall purposes in New York City and Westchester County. The Birnbaum Library and Mortola Library in New York and Westchester, respectively, contain over one million volumes in support of undergraduate and graduate academic programs while a separate Law library on the North Broadway campus in White Plains supports the Law School. All library facilities are computerized and readily share information and resources on an intra- and inter- library loan basis.

The following table sets forth the carrying values of the University's plant facilities at June 30th of each of the past five years:

<b>Year</b>	<b>Land &amp; Buildings</b>	<b>Equipment</b>	<b>Library Books</b>	<b>Accumulated Depreciation</b>	<b>Plant Assets Net of Depreciation</b>
2019	\$511,848,943	\$103,101,349	\$769,614	\$194,202,865	\$421,517,041
2020	531,950,516	105,860,305	769,614	211,934,156	426,646,279
2021	561,785,719	110,077,809	769,614	228,993,490	443,639,652
2022	590,262,406	114,957,072	769,614	246,177,662	459,811,430
2023	642,242,600	121,637,838	769,612	264,964,127	499,685,923

The New York City Campus in lower Manhattan comprises both owned and leased buildings, which house classrooms, science and computer laboratories, administrative offices, academic facilities, performing arts spaces, a gymnasium and student recreation facilities, as well as dining facilities and residence halls. The table below sets forth relevant information for the two New York City buildings that Pace owns.

<b>Building</b>	<b>Year Built</b>	<b>Floors</b>	<b>Gross Square Footage</b>	<b>Zoning Floor Area ("ZFA")</b>	<b>Allowable ZFA as of right (Floor Area Ratio of 10)</b>	<b>Allowable ZFA w/ max bonus (Floor Area Ratio of 12)</b>
One Pace Plaza	1970	18, plus basement & cellar	556,205 sq. ft.	462,419 sq. ft.	1,080,270 sq. ft.	1,296,424 sq. ft.
41 Park Row	1889	16, plus basement & cellar	147,319 sq. ft.	147,319 sq. ft.	—	—

Pace is the sole tenant in several NYC buildings: 161 William Street (administrative offices and academic facilities), 140 William Street (academic facilities), 15 Beekman (academic facilities, dining areas, library, and dormitory), 33 Beekman Street (dormitory) and 182 Broadway (dormitory). The University also leases one floor in 52 Broadway (academic facilities), rehearsal spaces at 87 Nassau Street, and a small theater at 80 Greenwich Street. During the period that a portion of One Pace Plaza is offline for renovation, Pace has leased a 900-seat theater at the Borough of Manhattan Community College ("BMCC"). The theaters at BMCC and 80 Greenwich are planned to be exited when the renovation of One Pace Plaza is complete.

Pace maintains residence halls in lower Manhattan with capacity sufficient for approximately 2,300 students—about 40% of the New York City campus' undergraduate population—through a combination of owned facilities and long-term leases. Pace's newest residence hall is a roughly 500-bed facility located within 15 Beekman Street; it opened in Fall 2023 and is leased through FY2053. Since the ongoing renovation of One Pace Plaza has temporarily halted the use of the residence hall Pace owns there, Pace extended the lease of a similarly-sized facility at 55 John Street through the end of FY2026, when such renovation is expected to be complete. Pace's other Manhattan residence halls are at 33 Beekman (approx. 750 beds, leased through FY2046) and 182 Broadway (approx. 600 beds, leased through FY2043). Student demand for housing on the Manhattan campus typically exceeds supply. In some years, Pace is able to accommodate students on the housing waiting list by securing additional beds through leases of less than one year. The University only does this when it can be assured that the additional rooms will be sufficiently filled. Due to the robust real estate market in the New York City area, students who cannot be accommodated in a Pace residence hall or who choose to live off-campus have a wide variety of options.

Pace operates two campuses in Westchester County, New York, just north of New York City. Pace owns the land and all facilities on both campuses, with the exception of minor equipment leases. The Pleasantville Campus is located on approximately 200 acres at 861 Bedford Road and houses all of the University's Westchester undergraduate programs and a limited number of graduate programs, residence halls, dining facilities, athletic facilities, an environmental center, and a state-of-the-art health and fitness center. The Elisabeth Haub School of Law is located on approximately 15 acres that the University owns in downtown White Plains.

The University has developed master plans for both the Pleasantville Campus in Westchester, completed in 2016, and the New York City Campus, expected to be complete in 2026.

#### *Westchester Master Plan*

Work on the Westchester Master Plan took place from 2013 to 2016 and was primarily funded by the Series 2014 Bonds. The Westchester Master Plan project consisted of the following primary elements:

1. Construction of two new residence halls comprising 221,000 square feet and accommodating over 800 students
2. Construction of a new Environmental Center Complex made up of four new buildings consisting of approximately 10,000 square feet and the relocation of an historic farmhouse from the existing site
3. Expansion and renovation of the student center
4. Construction of a 16,600 square foot athletic field house and related playing fields
5. Creation of a central campus green

Many of the new facilities replaced aging structures on a nearby campus, which the University was able to sell following completion of the Westchester Master Plan.

#### *New York City Master Plan*

The University has thus far completed three out of four phases on the New York City Master Plan:

1. Complete renovation and modernization of the lower levels of 41 Park Row and the western portion of One Pace Plaza ("One Pace Plaza West"); this work addressed the campus' most visible and thoroughly-used elements and dramatically improved the visual appeal and utility of the spaces
2. Complete renovation and modernization of the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> floors of One Pace Plaza West to create a distinct home for the Lubin School
3. Creation of a new, 26-story Pace building at 15 Beekman Street which houses a 500-bed residence hall, dining facilities, library, tech-enabled classrooms and various administrative spaces. Many elements, such as the new library and dining hall, effectively replaced similar facilities in the eastern portion of One Pace Plaza ("One Pace Plaza East"), thus allowing the University to take One Pace Plaza East offline in preparation for Phase 4; Pace has leased 15 Beekman for 30 years and is the sole tenant.

Construction costs for the first three phases totaled approximately \$170 million and were completely funded through the University's operating cash, private gifts, government grants, landlord and vendor allowances, and the sale of underutilized properties.

Phase 4 of the New York City Master Plan involves the renovation and transformation of One Pace Plaza East. The total cost of Phase 4 is presently estimated at \$276 million, which will be funded with proceeds of the Series 2024A Bonds, issued in July 2024; private gifts; public grants; and the University's cash from operations. As of May 2024, Pace has received gift and grant commitments totaling over \$55 million and forecasts contributing at least \$65 million in cash from operations to the project, of which nearly \$40 million has already been generated. The University anticipates executing a guaranteed maximum price contract by the end of August 2024. That contract, along with funds already expended by the University to date, form the basis of the project cost estimate. As of May, 2024 Pace is pursuing or anticipates pursuing various grants totaling approximately \$20 million. None of these grants have been awarded and there can be no assurance that these applications will be successful. One Pace Plaza East has already been vacated and preliminary site work began in fall 2023. The fully-renovated building is currently anticipated to reopen prior to the fall 2026 semester.

The primary elements of Phase 4 are as follows:

1. Reconstruction of the lower floors of One Pace Plaza East, creating an inviting and modern building with classroom and creative arts spaces, including
  - a. A flexible 400-seat proscenium theater with a full-size stage and fly, to showcase the full range of Pace's theatrical productions, including those with large casts such as musical theater and dance
  - b. A double-height, flexible, flat-floored, 230-seat black box theater, with technical gallery, catwalks, and re-arrangeable platforms and chairs to enable ongoing experimentation in performances and theatrical design
  - c. A double-height, flexible, flat-floored, 99-seat black box theater with a pipe grid and re-arrangeable platforms and chairs; one wall will open up completely to extend the theater into the One Pace Plaza courtyard, encouraging new innovations in theatrical presentations
  - d. Production shops, including a scene/prop/paint shop dedicated to constructing and painting all sets and props for the project's three theater venues, with shop equipment, built-in strong points in the ceiling, and direct access to a new robust service elevator
  - e. A costume Shop dedicated to the design and fabrication of all costumes for the theaters' productions, with support spaces for laundry, dye/vat, spraying, distressing, and crafts
  - f. Various performing arts spaces, including rehearsal studios, a drafting studio, a digital design lab, a screening room, a sound stage, an entertainment production design/light lab, and vocal/self-tape rooms
  - g. Various creative and educational spaces, including an animation studio, a sound stage for the Film and Screen Studies academic program, automated dialogue replacement (ADR) studios, and podcast studios
2. Renovations and upgrades to Maria's Tower, the multi-story residence hall atop One Pace Plaza East: the project will upgrade the facilities to modern students' standards and add capacity by converting a full floor of offices into additional student rooms. This added capacity, when combined with the addition of 15 Beekman's residence hall component, is expected to allow Pace to exit its leased residence hall at 55 John Street.
3. Replacement of the central mechanical plant supporting the entire One Pace Plaza building
4. Environmental improvements and sprinkler installation
5. Upgrades to the building's façade
6. Construction, equipping and furnishing of classrooms in One Pace Plaza East

Each phase of the New York City Master Plan also involves infrastructure improvements designed to bring the buildings into compliance with all current and anticipated future requirements of the City's building codes and energy regulations.

Completion of Phase 4 will allow Pace to avoid approximately \$10 million in annual costs currently being incurred for spaces that will no longer be needed, including 55 John Street, the theaters at BMCC and 80 Greenwich Street, and other related smaller performing arts facilities. Additionally, annual energy savings of up to \$800,000 are expected from the modernization of the mechanical plant.

#### *Energy Efficiency and Sustainability*

Pace has a long history of supporting programs to further sustainability throughout its campus facilities. In 2007, Pace became a charter member of the NYC Carbon Challenge, which supports urban-based climate resiliency programs and corporations. In addition, Pace was the first University to sign the US Department of Energy's Better Climate Challenge, a commitment to reduce greenhouse gas emissions by 50% within 10 years. Pace has already cut energy use by 20% and reduced greenhouse gas emissions by 26%. The University received a 2023 Better Practice Award for its energy management strategy.

The renovation of One Pace Plaza East provides Pace an opportunity to improve its energy efficiency even further. The project involves the complete modernization of the aging mechanical plant serving both the east and west portions of One Pace Plaza. The project has been awarded a \$1.5 million grant from New York State as part of the Commercial and Industrial (C&I) Carbon Challenge, a competitive program that provides funding to large energy users in New York State to implement clean energy projects that reduce carbon emissions. The improved efficiency at One Pace Plaza is expected to result in a significant reduction in operating costs upon completion of the project.

Pace's Residence Hall at 33 Beekman has received a Building Energy Efficiency Rating of 91, an A rating. The University anticipates that other Pace buildings will receive similarly high ratings once the EPA develops a model for buildings like One Pace Plaza, 15 Beekman and 41 Park Row (33 Beekman is solely used as a residence hall/dormitory, one of the property types currently modeled by the EPA).

### *Mortgaged Property*

To secure payment required to be made by the University under each Series 2024BC Obligation, Obligations previously issued and outstanding and Obligations that may be issued in the future from time to time under the Master Indenture, the University has granted and may grant a mortgage on the Mortgaged Property. The Mortgaged Property consists of the University's facility at One Pace Plaza on the New York City Campus and the entire Pleasantville Campus. As of April 2024, the Mortgaged Property had an appraised value of \$659 million. There is no guarantee that such appraised value remain the same as of the date of this Official Statement or will be maintained in the future, or that upon a foreclosure of the mortgages securing all Outstanding Obligations, including the Series 2024BC Obligations, there will be sufficient proceeds realized from the sale of the Mortgaged Property to pay the outstanding principal and interest on the then Outstanding Obligations under the Master Indenture. See "BONDHOLDERS' RISKS - Realization Value on the Mortgaged Property" in the forepart of the Official Statement.

## **OPERATING INFORMATION**

### **Admissions and Student Enrollment**

The University's enrollment goals are based on a flexible enrollment management plan which builds on existing successes as well as new programs and services to meet the needs of a changing marketplace. The University uses financial aid leveraging models to strategically deliver financial aid in order to meet its enrollment, academic quality and revenue goals.

Much of the University's strategic enrollment planning over the past several years has been designed to address the changing demographics in the northeastern U.S., where the population of high school students is anticipated to decline. The University has worked to increase undergraduate enrollment from the south and southwestern states, where college-bound populations are growing. For the past several years, approximately 50% of full-time undergraduate students have come from outside the New York City metropolitan area.

Pace has also made increasing graduate enrollment a key priority—even including it as a pillar of the University's current strategic plan. That plan, adopted in June 2021, calls for the University to generate 40% of total net tuition from graduate programs. The University met that goal in FY2024, in part due to a sizeable increase in interest from international students over the past several years.

The University has also been successful in enhancing its veteran enrollment. Pace participates in the federal government's Yellow Ribbon (tuition assistance) program, has a campus committee that addresses the needs of veterans, and employs an enrollment counselor focused on the veteran population. Pace has consistently been named to *Military Times'* list of the best schools for military service members and veterans, and most recently ranked #3 in New York state. Currently, about 250 Pace students receive veteran's benefits.

Enrollment within the Haub School of Law has grown substantially over the past several years. Like most law schools, Pace's experienced significant growth following the 2007-2008 global financial crisis and then suffered several years of declining enrollment and increased tuition discounting. The Haub school's enrollment has fully recovered, growing by approximately 40% in just the past five years. During that period, discount rates have remained flat. During this period of growth, the University has also been able to maintain academic quality, with both average LSAT scores and undergraduate GPAs increasing slightly.

Total enrollment growth goes beyond the admissions process and depends in part upon the systems and services in place to support students once they are enrolled in the University. Pace has developed, expanded, and continues to improve programs and services which are focused on improving retention. The University has also incorporated retention into the current strategic plan, setting retention goals as a part of the commitment to a student-centric culture.

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The tables which follow illustrate the admissions activity for the past five academic years:

### ADMISSION STATISTICS

#### Undergraduate

Academic Year	Applications	Acceptance	Acceptances	Matriculation	
			Ratio	Enrolled	Ratio
2019-20	25,225	19,411	77.0%	2,462	12.7%
2020-21	27,371	22,124	80.8%	2,222	10.0%
2021-22	27,073	23,465	86.7%	2,720	11.6%
2022-23	28,970	23,815	82.2%	2,628	11.0%
2023-24	31,219	23,936	76.7%	2,360	9.9%

#### Graduate (including Law)

Academic Year	Applications	Acceptance	Acceptances	Matriculation	
			Ratio	Enrolled	Ratio
2019-20	5,328	3,608	67.7%	1,469	40.7%
2020-21	5,585	4,317	77.3%	1,358	31.5%
2021-22	6,240	4,715	75.6%	1,503	31.9%
2022-23	10,058	8,220	81.7%	1,829	22.3%
2023-24	17,212	12,530	72.8%	2,070	16.5%

The following table presents the mean Scholastic Aptitude Test scores (including critical reading and math) for first year students receiving standard admission for the last five academic years:

#### Mean SAT Scores

	2019-20	2020-21	2021-22	2022-23	2023-24
Total	1149	1147	1194	1198	1219

The University's enrollment during the past five academic years, based on Fall registration figures, is detailed below together with total headcount enrollment and full-time equivalent ("FTE") totals.

### ENROLLMENT SUMMARY<sup>1</sup>

Academic Year	Full-time Students			Part-time Students			Headcount	Total FTE
	Undergrad	Graduate	Law	Undergrad	Graduate	Law		
2019-20	7,837	1,867	672	908	2,302	26	13,612	11,610
2020-21	7,336	1,806	723	658	2,292	20	12,835	10,995
2021-22	7,483	1,866	783	777	2,550	20	13,479	11,370
2022-23	7,480	2,554	839	743	1,972	21	13,609	11,971
2023-24	7,473	3,142	850	703	1,904	20	14,092	12,500

<sup>1</sup> The enrollment figures below include a small number of non-traditional, non-degree seeking students not assigned to any of the schools

The following table lists the number of degrees conferred for the last five academic years as of June 30th of each year:

Academic Year	Degrees Granted			Total
	Undergraduate	Graduate/Law	Doctoral	
2018-19	1,914	1,593	55	3,562
2019-20	1,933	1,668	79	3,680
2020-21	2,036	1,797	47	3,880
2021-22	1,846	1,778	57	3,681
2022-23	1,674	1,983	43	3,700

### Tuition and Fees

The University's tuition pricing plan is designed to advance the University's mission, maintain or improve the University's market position relative to competing colleges and universities, and bolster the University's overall growth. Under this plan, the University considers a number of factors, such as economic conditions, demographic changes, availability of financial aid, and internal University needs, but none of these factors alone is determinative of tuition set by the Board. Under the plan, the University generates funds to finance costs of improving University facilities and technological support through tuition increases, gifts and other new operating revenues.

The following table shows the tuition charges per semester for the past five academic years:

Academic Year	STUDENT TUITION CHARGES			
	Undergraduate		Graduate Per Credit	Law Full-time
	Full-time Flat Rate	Part-time Per Credit		
2019-20	\$22,357	\$ 1,282	\$ 1,305	\$24,500
2020-21	22,916	1,314	1,344	24,868
2021-22	23,489	1,347	1,375	25,241
2022-23	24,076	1,381	1,420	25,620
2023-24	24,775	1,420	1,460	26,389

The full-time flat rate listed above reflects the incoming freshman rate for the applicable Fall semester. The graduate per credit rates presented above relate to MBA and other business program courses. Different rates are applicable to other graduate programs.

### Financial Aid

On an institution-wide basis, approximately 97% of the full-time undergraduate population receives some form of financial assistance and approximately 95% of these students receive institutional scholarships and need-based grants.

The University participates in all the major federal and state aid programs including Pell Grants, Supplemental Education Opportunity Grants ("SEOG"), the Federal Perkins Loan Program, Federal Nursing Loans, the William D. Ford Federal Direct Loan Program (Stafford and PLUS), Federal Work Study ("FWS"), and the New York State Tuition Assistance Program ("TAP").



The following table presents the sources of student financial assistance for University students for each of the last five academic years.

	<b>SOURCES OF FINANCIAL AID</b>				
	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
NY State TAP, other state	\$5,413,510	\$4,706,710	\$3,286,994	\$3,612,742	\$3,767,548
SEOG, PELL, other federal	13,221,352	12,633,928	12,539,727	13,370,875	14,072,921
College Work Study	1,705,868	1,367,811	1,059,455	1,169,591	1,544,569
Loans	151,695,306	155,183,775	138,397,810	150,757,581	159,070,564
University*	205,634,877	211,107,255	206,917,390	216,715,729	226,715,430
Total	\$377,670,913	\$384,999,479	\$362,201,376	\$385,626,518	\$405,171,032

## Faculty

As of Fall 2023, the total number of faculty members employed by the University is 1,372, of whom 487 serve full-time, and 272 of the full-time faculty members hold tenure. The majority of the University's full-time faculty is appointed within one of the four principal academic ranks: Professor, Associate Professor, Assistant Professor, and Instructor.

The following table sets forth the faculty profile for the past five academic years.

	<b>FACULTY PROFILE</b>				
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Full-time	506	487	483	483	487
Adjunct	834	914	810	825	885
Total	1,340	1,401	1,293	1,308	1,372
Tenured	305	288	278	280	272

## FINANCIAL INFORMATION

### Budgeting and Planning

The Board approves the overall budget of the University, including salary and tuition rate increases. Financial aid targets are set for each cohort, campus, and semester. Operating budgets are prepared by each division. The budgets include the number of authorized positions as well as amounts authorized for supplies, equipment, and other departmental charges. The Budget Committee, with faculty and administration members serving on the Tuition and Pricing, Compensation and Benefits, and Auxiliaries subcommittees, meet regularly with the goal of providing recommendations to the President on the alignment of budgets and resources consistent with the University's Strategic Plan.

The University's Budget Management and Planning Office maintains a five-year consolidated projection model to inform senior management and the Board on long-range strategic planning. Interim performance reports are sent both to senior management and the Board. On-line budget data are readily available to all budget managers. The University has invested significant resources in developing a central data warehouse and a series of dashboards built on key metrics.

### Management's Discussion of Recent Financial Performance

Over the past five fiscal years, Pace's operating revenue has grown faster than its operating expenses (see Summary of Changes in Net Assets, below). The University has posted operating surpluses in each of the past five consecutive years—including FY2021, when the University operated on a fully-remote basis due to the COVID-19 pandemic. These surpluses are largely the result of strong enrollment coupled with successful cost containment efforts.

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\* University sources of financial aid exclude tuition discounts for special programs and tuition remission for employees and their dependents

Over the five year period ending with FY2023\*, unrestricted operating revenue has increased by 14.5%, largely driven by net tuition growth of 14.7%. While some of this growth results from a 5.1% overall increase in FTE enrollment, net tuition revenue per FTE also increased by 9.1%. The University's overall tuition discount rate, which had been increasing for several years, has essentially been flat over this period: it was 41.2% in FY2018 and 41.6% in FY2023. Operating expenses grew by 8.7% over the past five years, well below the growth in revenue.

Since the University's last debt issuance in 2014, Pace's net assets without donor restrictions have increased steadily, rising from less than \$10MM in FY2013 to nearly \$200MM at the end of FY2023. Approximately \$120MM of that growth occurred in the past five years\*. Some of this improvement results from reductions to the University's accrued postretirement health benefits obligation, which dropped from \$85MM in FY2013 to \$37MM at the end of FY2023; while some of that decrease is due to recent increases in applicable discount rates, it also reflects significant plan changes implemented in FY2015 as well as the fact that size of the covered population—only employees hired prior to October 1, 2000, are eligible—is declining.

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\* End of FY2023 compared to end of FY2018

## Summary of Changes in Net Assets

The summary below presents the change in net assets for the fiscal years ended June 30, 2019 through June 30, 2023 and should be read in conjunction with the University's audited financial statements as of and for the fiscal years ended June 30, 2023 and 2022 included in Appendix C to this Official Statement.

	2019	2020	2021	2022	2023
<b>Changes in net assets w/o donor restrictions:</b>					
<b>Revenues:</b>					
Tuition and fees, net	\$281,339,586	\$288,872,278	\$283,088,763	\$291,876,050	\$315,425,891
Government grants and contracts	8,617,082	13,000,492	44,387,948	14,338,234	14,962,404
State appropriations	842,538	824,282	919,006	951,415	917,726
Contributions	2,040,240	2,356,618	2,311,680	2,090,612	6,084,676
Investment return appropriated	1,911,476	1,805,312	733,322	611,023	3,344,902
Sales and services of auxiliary enterprises	71,782,149	62,176,030	41,368,216	65,843,904	73,707,134
Other sources	7,724,409	5,656,636	3,055,146	3,503,140	6,630,986
Net assets released from restrictions	23,573,192	11,119,370	13,289,543	47,721,953	13,719,368
<b>Total revenues</b>	<b>397,830,672</b>	<b>385,811,018</b>	<b>389,153,624</b>	<b>426,936,331</b>	<b>434,793,087</b>
<b>Expenses:</b>					
Instruction	139,368,211	137,417,594	134,563,226	136,593,665	147,118,842
Research	3,733,601	3,746,407	3,499,576	3,723,028	4,351,188
Academic support	54,266,301	54,962,742	53,685,863	55,674,758	63,780,464
Student services	47,705,795	45,194,653	37,266,731	40,361,299	44,796,767
Institutional support	61,336,159	62,315,944	59,861,799	64,459,839	73,146,321
Auxiliary enterprises	75,341,294	70,437,170	68,789,749	79,355,092	82,257,773
Student scholarship - CARES Act	0	4,281,053	14,413,655	4,792,373	0
<b>Total expenses</b>	<b>381,751,361</b>	<b>378,355,563</b>	<b>372,080,599</b>	<b>384,960,054</b>	<b>415,451,355</b>
<b>Excess of operating revenues over expenses</b>	<b>16,079,311</b>	<b>7,455,455</b>	<b>17,073,025</b>	<b>41,976,277</b>	<b>19,341,732</b>
<b>Non-operating activities:</b>					
Investment return, net	702,713	17,144	3,338,560	(2,050,235)	1,124,622
Change in postretirement health benefits obligation other than net periodic cost	(6,433,748)	360,007	2,165,701	10,831,708	580,304
Other	470,101	1,186,171	3,077,674	2,187,216	1,054,710
<b>Total non-operating activities</b>	<b>(5,260,934)</b>	<b>1,563,322</b>	<b>8,581,935</b>	<b>10,968,689</b>	<b>2,759,636</b>
<b>Increase in net assets w/o donor restrictions</b>	<b>10,818,377</b>	<b>9,018,777</b>	<b>25,654,960</b>	<b>52,944,966</b>	<b>22,101,368</b>
<b>Changes in net assets w/ donor restrictions:</b>					
Contributions	10,400,460	10,711,214	14,142,503	10,852,868	31,531,462
Investment return	14,366,818	7,737,294	60,545,903	(24,252,913)	25,841,017
Other	64,873	(25,866)	380,680	(208,967)	187,388
Net assets released from restrictions	(23,573,192)	(11,119,370)	(13,289,543)	(47,721,953)	(13,719,368)
<b>Increase (decrease) in net assets w/ donor restrictions</b>	<b>1,258,959</b>	<b>7,303,272</b>	<b>61,779,543</b>	<b>(61,330,965)</b>	<b>43,840,499</b>
<b>Increase (decrease) in net assets</b>	<b>12,077,336</b>	<b>16,322,049</b>	<b>87,434,503</b>	<b>(8,385,999)</b>	<b>65,941,867</b>
<b>Net assets at beginning of year</b>	<b>289,150,922</b>	<b>301,228,258</b>	<b>317,550,307</b>	<b>404,984,810</b>	<b>396,598,811</b>
<b>Net assets at end of year</b>	<b>\$301,228,258</b>	<b>\$317,550,307</b>	<b>\$404,984,810</b>	<b>\$396,598,811</b>	<b>\$462,540,678</b>

## Summary of Financial Position

The summary below presents the University's financial position as of June 30 for each of the last five fiscal years. This summary should be read in conjunction with the University's audited financial statements as of and for the fiscal years ended June 30, 2023 and 2022, included in Appendix C to this Official Statement.

	2019	2020	2021	2022	2023
<b>Assets:</b>					
Cash and cash equivalents	\$5,975,342	\$22,842,030	\$52,196,384	\$8,466,550	\$6,301,536
Student accounts receivable, net	10,537,764	13,240,349	14,731,762	12,552,599	9,556,744
Grants and other receivables	4,368,251	3,049,725	3,492,117	2,906,709	13,006,965
Prepaid expenses and other assets	4,450,733	4,698,294	4,323,578	4,487,391	6,252,919
Contributions receivable, net	21,901,877	20,946,506	11,205,812	7,929,337	31,732,005
Investments	212,929,577	207,202,158	261,820,084	262,890,655	294,825,901
Student loans receivable, net	9,524,221	7,336,141	5,757,263	4,443,358	3,507,666
Funds held by bond trustees	1,533,830	1,438,821	1,533,155	1,529,178	1,650,467
Right of use assets	0	0	339,359,374	328,389,540	433,537,083
Plant assets, net	421,517,041	426,646,279	443,639,652	459,811,430	499,685,923
<b>Total assets</b>	<b>\$692,738,636</b>	<b>\$707,400,303</b>	<b>\$1,138,059,181</b>	<b>\$1,093,406,747</b>	<b>\$1,300,057,209</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	45,675,202	45,547,107	64,118,846	48,298,705	64,193,971
Notes payable	5,000,000	0	0	0	0
Deferred revenues and deposits	23,152,463	32,037,533	9,635,659	16,593,216	24,702,230
Long-term debt	195,677,170	191,301,590	186,746,010	181,045,430	175,119,850
Operating Lease Liabilities	0	0	401,177,475	396,245,181	523,111,466
Deferred rental revenue	944,196	0	0	0	0
Asset retirement obligations	5,984,107	6,219,450	6,565,234	6,871,344	7,257,719
Deferred rental obligation	35,174,496	41,684,339	0	0	0
Accrued postretirement obligation	67,075,889	62,298,185	55,515,539	40,310,713	36,670,872
U.S. Government grants refundable	12,826,855	10,761,792	9,315,608	7,443,347	6,460,423
<b>Total liabilities</b>	<b>\$391,510,378</b>	<b>\$389,849,996</b>	<b>\$733,074,371</b>	<b>\$696,807,936</b>	<b>\$837,516,531</b>
<b>Net assets:</b>					
Without Donor Restrictions:					
General	151,324,083	155,565,156	174,437,470	212,177,610	230,639,137
Accrued postretirement obligation	(67,075,889)	(62,298,185)	(55,515,539)	(40,310,713)	(36,670,872)
<b>Total Net Assets Without Donor Restrictions</b>	<b>84,248,194</b>	<b>93,266,971</b>	<b>118,921,931</b>	<b>171,866,897</b>	<b>193,968,265</b>
With Donor Restrictions:					
Purpose and/or time restricted	108,461,843	111,953,469	162,977,910	96,272,161	135,553,889
Endowment fund corpus	108,518,221	112,329,867	123,084,969	128,459,753	133,018,524
<b>Total Net Assets with Donor Restrictions</b>	<b>216,980,064</b>	<b>224,283,336</b>	<b>286,062,879</b>	<b>224,731,914</b>	<b>268,572,413</b>
<b>Total net assets</b>	<b>\$301,228,258</b>	<b>\$317,550,307</b>	<b>\$404,984,810</b>	<b>\$396,598,811</b>	<b>\$462,540,678</b>
<b>Total liabilities and net assets</b>	<b>\$692,738,636</b>	<b>\$707,400,303</b>	<b>\$1,138,059,181</b>	<b>\$1,093,406,747</b>	<b>\$1,300,057,209</b>

## Private Gifts and Investments

### *Private Gifts*

The University receives less than 1% of its annual operating revenue from private gifts and grants. In addition, the University receives temporarily and permanently restricted gifts from private sources, primarily for the endowment or for specified programs.

The following table summarizes the total amount received for capital and operating purposes for the last five fiscal years:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contributions:					
Unrestricted	\$2,040,240	\$2,356,618	\$2,311,680	\$2,090,612	\$ 6,084,676
Temporarily and Permanently Restricted	<u>10,400,460</u>	<u>10,711,214</u>	<u>14,142,503</u>	<u>10,852,868</u>	<u>31,531,462</u>
Total	\$12,440,700	\$13,067,832	\$16,454,183	\$12,943,480	\$37,616,138

#### *Investments*

As of June 30, 2023 the fair market value of all University investments totaled \$294,825,901, including \$236,967,839 in the endowment and other funds and \$57,858,062 in investment funds designated for construction by the Board, as provided in more detail in the University's audited financial statements included in Appendix C. As of March 31, 2024 the fair market value of investments totaled \$289,452,141, including \$28,821,564 designated for construction.

The following chart summarizes the University's investment portfolio, by investment type, at June 30, 2023.

<u>Asset Class</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 53,058,798
Common stocks	24,682,417
Mutual Funds	109,901,715
Equity and fixed income funds	51,556,277
Alternative investments	43,690,112
Corporate Bonds	11,077,151
Municipal bonds	<u>859,431</u>
<b>Total Assets</b>	<b>\$294,825,901</b>

The Investment Committee of the Board establishes and monitors the investment policy and guidelines. The University has established a spending rate approach to its investments. The policy permits the use of total returns at a spending rate of 4% of a three-year moving average of the quarter-end fair market values of the investments.

#### **Retirement Plans**

The University has a defined contribution retirement plan established in accordance with Section 403(b) of the Internal Revenue Code of 1986, as amended, which covers substantially all full-time employees. Teacher's Insurance and Annuity Association and College Retirement Equities Fund ("TIAA-CREF"), Fidelity Management Trust Company ("Fidelity"), and T. Rowe Price Trust Company ("T. Rowe Price") are the plan's record keepers and custodians. In 2011, the University selected TIAA-CREF as the University's sole 403(b) vendor effective January 1, 2011. Existing accounts with Fidelity and T. Rowe Price continue to be part of the plan, but new contributions can only be made to TIAA-CREF accounts.

On May 12, 2022, the plan administrator was notified by T. Rowe Price that they would not be able to comply with certain lifetime income requirement disclosures to participants. As a result, the plan administrator voted to terminate participants' accounts in the T. Rowe Price Fund by providing participants to either transfer the assets into TIAA-CREF accounts or withdraw amounts in accordance with Internal Revenue Service regulations.

The University makes annual contributions to the plan for the benefit of all full-time employees who meet plan eligibility requirements, based on a percentage of the employee's base salary. The percentages of employee and University contributions will differ, based upon an employee's full-time date of employment and years of service with the University. The University also provides certain healthcare and life insurance benefits for qualified retirees. Benefits and eligibility requirements may be modified from time to time. In accordance with a 2001 plan amendment, postretirement healthcare and life insurance benefits coverage for employees hired after October 1, 2000 has been eliminated.

## Outstanding Indebtedness

The outstanding indebtedness of the University at July 30, 2024 is summarized as follows:

Obligation	Interest Rate	Par Amount	Final Maturity
DASNY Bonds:			
2013A	4 to 5.00%	53,530,000	2042
2013B	Variable	12,200,000	2035
2024A	5.25 to 5.5%	140,425,000	2056
WCLDC Bonds:			
2014A	5 to 5.50%	85,665,000	2042
2014B	Variable	14,925,000	2044
Total		\$306,745,000	

The University has established an unsecured revolving line of credit with Bank of America, N.A. that has a commitment amount of up to \$40,000,000. The line of credit is unsecured unless (1)(x) the University's long-term, senior, unsecured, unenhanced debt no longer has a rating of BBB- or higher (if from S&P or Fitch) or Baa3 or higher (if from Moody's) and (y) there exists an event of default or (2) the University no longer has a rating of BB or higher (if from S&P or Fitch) or Ba2 or higher (if from Moody's), and in such event the line of credit will be secured either through the issuance of an Obligation that is secured on parity with the Series 2024BC Obligations or through a mortgage lien on real property of the University that will not include the Mortgaged Property. The University, subject to satisfying the conditions provided in the credit agreement, has the ability to convert the one-year line of credit into a 4-year term loan that would be secured as described in the previous sentence. Bank of America, N.A., is an affiliate of the Underwriter of the Series 2024BC Bonds.

Pursuant to the Master Indenture, the University is required to maintain a Debt Service Coverage Ratio at the end of each Fiscal Year of not less than 1.00 and further covenants to maintain a Debt Service Coverage Ratio of not less than 1.10 at the end of each Fiscal Year. The Debt Service Coverage Ratio for the last eleven Fiscal Years is set forth below.

### Historical Debt Service Coverage Ratio

Year ending June 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ratio	2.5	2.0	2.7	3.2	2.1	1.8	2.4	2.7	1.8	2.6	2.5

## Cybersecurity

The University employs large and complex technological systems to conduct its operations, and therefore faces an evolving array of cybersecurity threats. Because the University routinely possesses and distributes sensitive data, it is at risk from viruses, malware, ransomware, phishing and other cyber-attacks. Though Pace cannot guarantee that its efforts will always succeed, the University has implemented various cybersecurity and operational controls, including University-wide policies, firewalls, vulnerability management, penetration testing, anti-malware, backups, and procedures for incident management. Periodic assessments are performed by outside organizations. The University employs a team of information security professionals led by the Director of Information Security in conjunction with the executive leadership of Pace's IT Division. The priorities of the University's information security program are adjusted based on risk, testing, and monitoring.

## Litigation

There is no litigation pending or, to the knowledge of the University, threatened against the University in any court, agency or other administrative body, which: (i) is not covered by insurance, or (ii) would have a material adverse effect upon the financial position or operations of the University.

**APPENDIX B**  
**FINANCIAL STATEMENTS OF PACE UNIVERSITY**  
**AND INDEPENDENT AUDITORS' REPORT**

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**PACE UNIVERSITY**

Financial Statements

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)



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

## **Independent Auditors' Report**

The Board of Trustees  
Pace University:

### *Opinion*

We have audited the financial statements of Pace University (the University), which comprise the balance sheets as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2023 and 2022, and the results of its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*KPMG LLP*

New York, New York  
November 13, 2023

# **PACE UNIVERSITY**

## Balance Sheets

June 30, 2023 and 2022

<b>Assets</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 6,301,536	8,466,550
Student accounts receivable,(net of allowance for doubtful accounts of \$3,400,000)	9,556,744	12,552,599
Grants and other receivables	13,006,965	2,906,709
Prepaid expenses and other assets	6,252,919	4,487,391
Contributions receivable, net (note 4)	31,732,005	7,929,337
Investments – endowment and other (notes 5 and 6)	236,967,839	215,165,066
Investments – designated for construction (note 7)	57,858,062	47,725,589
Student loans receivable, net (net of allowance for doubtful accounts of \$819,123 and \$2,336,201, respectively)	3,507,666	4,443,358
Funds held by bond trustees, at fair value (note 11)	1,650,467	1,529,178
Right of use assets (notes 2(l) and 17)	433,537,083	328,389,540
Plant assets, net (note 9)	499,685,923	459,811,430
Total assets	\$ <u>1,300,057,209</u>	<u>1,093,406,747</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 64,193,971	48,298,705
Deferred revenues and deposits	24,702,230	16,593,216
Long-term debt (notes 11 and 12)	175,119,850	181,045,430
Operating lease liabilities (notes 2(l) and 17)	523,111,466	396,245,181
Asset retirement obligations	7,257,719	6,871,344
Accrued postretirement health benefits obligation (note 13)	36,670,872	40,310,713
U.S. government grants refundable	6,460,423	7,443,347
Total liabilities	<u>837,516,531</u>	<u>696,807,936</u>
Net assets (note 15):		
Net assets without donor restrictions:		
General	230,639,137	212,177,610
Accrued postretirement health benefits obligation	<u>(36,670,872)</u>	<u>(40,310,713)</u>
Total net assets without donor restrictions	<u>193,968,265</u>	<u>171,866,897</u>
Net assets with donor restrictions:		
Purpose and/or time restricted	135,553,889	96,272,161
Endowment fund corpus	<u>133,018,524</u>	<u>128,459,753</u>
Total net assets with donor restrictions	<u>268,572,413</u>	<u>224,731,914</u>
Total net assets	<u>462,540,678</u>	<u>396,598,811</u>
Total liabilities and net assets	\$ <u>1,300,057,209</u>	<u>1,093,406,747</u>

See accompanying notes to financial statements.

**PACE UNIVERSITY**

Statements of Activities

Years ended June 30, 2023 and 2022

	<b>2023</b>			<b>2022</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Revenues:						
Tuition and fees, net (note 16)	\$ 315,425,891	—	315,425,891	291,876,050	—	291,876,050
Government grants and contracts	14,962,404	—	14,962,404	14,338,234	—	14,338,234
State appropriations	917,726	—	917,726	951,415	—	951,415
Contributions	6,084,676	31,531,462	37,616,138	2,090,612	10,852,868	12,943,480
Investment return appropriated	3,344,902	7,141,171	10,486,073	611,023	7,130,939	7,741,962
Sales and services of auxiliary enterprises	73,707,134	—	73,707,134	65,843,904	—	65,843,904
Other sources	6,630,986	—	6,630,986	3,503,140	—	3,503,140
Net assets released from restrictions	13,719,368	(13,719,368)	—	47,721,953	(47,721,953)	—
Total revenues	<u>434,793,087</u>	<u>24,953,265</u>	<u>459,746,352</u>	<u>426,936,331</u>	<u>(29,738,146)</u>	<u>397,198,185</u>
Expenses:						
Instruction	147,118,842	—	147,118,842	136,593,665	—	136,593,665
Research	4,351,188	—	4,351,188	3,723,028	—	3,723,028
Academic support	63,780,464	—	63,780,464	55,674,758	—	55,674,758
Student services	44,796,767	—	44,796,767	40,361,299	—	40,361,299
Institutional support	73,146,321	—	73,146,321	64,459,839	—	64,459,839
Auxiliary enterprises	82,257,773	—	82,257,773	79,355,092	—	79,355,092
Student scholarship – CARES Act	—	—	—	4,792,373	—	4,792,373
Total expenses	<u>415,451,355</u>	<u>—</u>	<u>415,451,355</u>	<u>384,960,054</u>	<u>—</u>	<u>384,960,054</u>
Excess (deficiency) of operating revenues over expenses	<u>19,341,732</u>	<u>24,953,265</u>	<u>44,294,997</u>	<u>41,976,277</u>	<u>(29,738,146)</u>	<u>12,238,131</u>
Nonoperating activities:						
Investment return, net	1,124,622	18,699,846	19,824,468	(2,050,235)	(31,383,852)	(33,434,087)
Changes in postretirement health benefits obligation other than net periodic cost	580,304	—	580,304	10,831,708	—	10,831,708
Net periodic benefit costs other than service costs	935,615	—	935,615	2,184,508	—	2,184,508
Other	119,095	187,388	306,483	2,708	(208,967)	(206,259)
Nonoperating activities, net	<u>2,759,636</u>	<u>18,887,234</u>	<u>21,646,870</u>	<u>10,968,689</u>	<u>(31,592,819)</u>	<u>(20,624,130)</u>
Changes in net assets	<u>22,101,368</u>	<u>43,840,499</u>	<u>65,941,867</u>	<u>52,944,966</u>	<u>(61,330,965)</u>	<u>(8,385,999)</u>
Net assets at beginning of year	<u>171,866,897</u>	<u>224,731,914</u>	<u>396,598,811</u>	<u>118,921,931</u>	<u>286,062,879</u>	<u>404,984,810</u>
Net assets, end of year	<u>\$ 193,968,265</u>	<u>268,572,413</u>	<u>462,540,678</u>	<u>171,866,897</u>	<u>224,731,914</u>	<u>396,598,811</u>

See accompanying notes to financial statements.

**PACE UNIVERSITY**

Statements of Cash Flows

Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Changes in net assets	\$ 65,941,867	(8,385,999)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation in fair value of investments	(25,616,305)	26,832,420
Net depreciation in investments designated for construction	220,584	200
Net (appreciation) depreciation in fair value in split-interest agreement investments	(125,077)	206,217
Investment return on funds held by bond trustee	(119,095)	(2,708)
Change in value of split-interest agreement liabilities	(51,134)	14,463
Postretirement related changes other than net periodic pension cost	(580,304)	(10,831,708)
Provision for doubtful student loans receivable	(1,517,078)	(2,564,944)
Depreciation	19,142,400	19,150,134
Amortization of asset retirement obligation	386,376	366,524
Amortization of bond premium, net of bond discount accretion	(285,188)	(285,186)
Amortization of bond issuance costs	144,608	144,606
Reduction in the carrying amount of the right-of-use asset-operating leases	19,361,019	10,969,834
Revenues restricted for permanent investment and capital	(5,656,154)	(5,884,184)
Cash received from lease incentives	9,991,439	—
Present value adjustment and allowance for uncollectible amounts for contribution receivable	3,325,379	—
Changes in operating assets and liabilities:		
Student accounts receivable	2,995,855	2,179,163
Grants and other receivables	(10,100,256)	585,408
Prepaid expenses and other assets	(1,765,528)	(163,813)
Contributions receivable	(24,374,268)	4,048,801
Noncapital accounts payable and accrued liabilities	(910,594)	(11,977,707)
Deferred revenues and deposits	8,109,014	6,957,557
Lease liabilities	(7,633,717)	(4,932,294)
Asset retirement obligation	—	(60,414)
Accrued postretirement benefit obligation	(3,059,537)	(4,373,118)
U.S. government grants refundable	(982,924)	(1,872,261)
Net cash provided by operating activities	<u>46,841,382</u>	<u>20,120,991</u>
Cash flows from investing activities:		
Repayment of student loans, net of issuance	2,452,770	3,878,849
Purchase of plant assets	(42,159,899)	(35,321,912)
Decrease in capital accounts payable	—	(3,856,897)
Purchase of investments	(119,116,490)	(108,137,339)
Proceeds from sale of investments	<u>112,702,042</u>	<u>80,027,931</u>
Net cash used in investing activities	<u>(46,121,577)</u>	<u>(63,409,368)</u>
Cash flows from financing activities:		
Contributions received for capital projects and permanent investments	5,656,154	5,884,184
Net increase in contribution receivable for permanent investments and capital projects	(2,753,779)	(772,326)
Repayment of indebtedness	(5,785,000)	(5,560,000)
(Decrease) increase in funds held by bond trustees	<u>(2,194)</u>	<u>6,685</u>
Net cash used in financing activities	<u>(2,884,819)</u>	<u>(441,457)</u>
Net decrease in cash and cash equivalents	<u>(2,165,014)</u>	<u>(43,729,834)</u>
Cash and cash equivalents at beginning of year	<u>8,466,550</u>	<u>52,196,384</u>
Cash and cash equivalents at end of year	<u>\$ 6,301,536</u>	<u>8,466,550</u>
Supplemental disclosure:		
Interest paid	\$ 7,413,830	6,775,954
Right-of-use asset obtained in exchange for operating lease liabilities at commencement	124,508,562	—
Lease incentives included in operating lease right-of-use assets	(1,749,622)	—
Increase in capital accounts payable	16,856,994	—

See accompanying notes to financial statements.

## PACE UNIVERSITY

### Notes to Financial Statements

June 30, 2023 and 2022

#### (1) Nature of Operations

Pace University (the University) is an independent, coeducational, nonsectarian, not-for-profit institution of higher education with campuses in New York City and Westchester County. The University was founded in 1906 and was granted college status in 1948 by the New York State Board of Regents. The University is exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code (IRC).

The University considers teaching and learning its highest priorities. The University's commitment to the individual needs of students is at the heart of its mission. Offering access and opportunity to qualified students, the University embraces persons of diverse talents, interests, experiences, and origins who have the will to learn and the desire to participate in university life. The University offers a wide range of academic and professional programs at the graduate and undergraduate levels in six colleges and schools and is accredited by major accrediting entities. In addition, the University offers JD and LLM degrees through the Pace University Elisabeth Haub School of Law.

Pace University Fund, LP (Pace Fund) is a limited partnership, which commenced operations on December 4, 2013, in which the University is the sole limited partner, and Cambridge Associates Resources, LLC is the general partner. The Pace Fund acts as an investment vehicle for a significant portion of the University's endowment and is recorded at its net asset value at June 30, 2023 and 2022. As the sole limited partner of the Pace Fund, the University continues to have access to investments on a daily basis, subject to the liquidity of the portfolio. In addition, the University has the right to redeem the entire investment portfolio included in the Pace Fund on a quarterly basis.

#### *Current Environment*

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. The University continues to adhere to updated health and safety guidelines of New York State and the requirements of the Centers for Disease Control and Prevention (CDC). The University continues to offer a hybrid model-learning environment with classes both in-person and via virtual system. While in-person operations have increased for the 2022-23 academic year due to changes in CDC requirements, faculty and staff continue to work both remotely and in-person to ensure essential operations. The University will continue to monitor the mix between remote and in-person learning based on any uncertainty the progression of the virus if any, and any future governmental directive.

In conjunction with the public health and economic impacts of COVID-19, U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in 2020 and 2021 where the University received both institutional support and allotments for direct emergency aid to student. In addition, U.S. Congress passed the American Rescue Plan Act (ARP) on March 11, 2021. The ARP Act Higher Education Emergency Fund (HEERF III) included further provisions to provide financial support to colleges and universities. The University's total HEERF III allocation was \$23,076,452 with \$11,566,796 allotted for student aid and \$11,509,656 allotted for institutional aid. As of June 30, 2022, all student and institutional aid allotment had been disbursed.

The University continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the University community and promote the continuity of its academic mission.

## **PACE UNIVERSITY**

### **Notes to Financial Statements**

June 30, 2023 and 2022

#### **(2) Summary of Significant Accounting Policies**

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

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

The University's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. Net assets are presented either as net assets without donor restrictions or as net assets with donor restrictions.

Net assets without donor restrictions are available to support the University's operations. The only limits on the use of these net assets are the broad limits resulting in the nature of the University, the environment in which it operates, the purposes specified in the University's corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are restricted by a donor for use for a particular purpose or in a future year. Some donor-imposed restrictions are temporary in nature and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net asset from net assets with donor restrictions to net assets without donor restrictions. Donor-restricted contributions (including government grants and contracts) that are received within the same reporting period of when the restrictions are satisfied are recognized as net assets without donor restrictions. Other donor-imposed restrictions are perpetual in nature; the University must continue to use these resources in accordance with the donor's instructions. All revenues and net gains are reported in net assets without donor restrictions in the Statements of Activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses are reported as decreases in net assets without donor restrictions.

##### **(b) Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the University's management evaluates the estimates and assumptions based on historical experiences and various other factors and circumstances. University management believes that the estimates and assumptions are reasonable; however, the actual results could differ from those estimates.

Estimates made in the preparation of these financial statements include the fair value of investments, accrued postretirement benefit obligation, allowance for student accounts and loans receivable, allowance for uncollectible contributions receivable, useful lives of plant assets, and asset retirement obligation.

Management has evaluated the University's ability to continue as a going concern and has determined that there are no conditions or events that raise substantial doubt about the University's ability to continue as a going concern for a period of one year after the date that these financial statements were issued.



## **PACE UNIVERSITY**

### **Notes to Financial Statements**

June 30, 2023 and 2022

#### **(c) Cash and Cash Equivalents**

The University considers all highly liquid instruments with original maturities of three months or less at the time of purchase to be cash equivalents, except for those that are purchased by the University's investment managers as part of their long-term investment strategies or for the purpose of investments-designated for construction, and funds held by bond trustees.

The University maintains cash balances at various financial institutions located in the New York Metropolitan area and deposit accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. The balances occasionally exceed those limits. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

#### **(d) Student Tuition and Fees**

Revenue from student education, residence, and dining services is determined based on published rates and is billed and reflected net of reductions from institutional student aid, which may be funded by endowment funds or other institutional resources. Such revenue is recognized as the services are provided over the academic year, which generally aligns with the University's fiscal year. Payments for student services received prior to the commencement of each academic term are reported as student deposits to the extent services will be rendered in the following fiscal year.

#### **(e) Student Accounts Receivable**

Student accounts receivable are unsecured noninterest-bearing amounts from students for their tuition, housing, and fees due to the University. Management has established an allowance for doubtful accounts for outstanding balances deemed to be uncollectible. The allowance for uncollectible student accounts receivable is based on management's evaluation of individual student accounts, established payment terms, and historical trends.

#### **(f) Government Grants and Contracts**

Government grants and contracts are generally considered conditional contributions, as the agreements generally include a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that what a recipient promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in a disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the University's management believes that costs that may ultimately be disallowed, if any, would not materially affect the financial position of the University.

## **PACE UNIVERSITY**

### **Notes to Financial Statements**

June 30, 2023 and 2022

#### **(g) Contributions**

Contributions, including unconditional promises to give (pledges), are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied time restriction to be used in the year the payment is received and therefore are reported as restricted. Conditional promises are not recognized until they become unconditional. A contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of promisor's obligation to transfer assets. When such barriers are overcome and therefore a contribution has been deemed unconditional, the University considers whether the contribution is restricted on the basis of the specific donor-imposed restriction.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of long-lived assets and their purchase or construction are reported in net assets with donor restrictions and are released to net assets without donor restrictions when the assets are placed in service. Contributions with restrictions whose donor-imposed restrictions were met during the fiscal year, including contributions for assets placed in service, are recorded in net assets without donor restrictions. Contributions that are expected to be collected in less than a year are reported at net realizable value. Contributions that are expected to be collected in more than one year are reported at fair value at the date of promise. The fair value is computed using present value techniques applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue in accordance with the donor-imposed restrictions, if any. The allowance for uncollectible contributions is determined based on management's evaluation of the collectability of individual promises and historical trends. The allowance is adjusted for promises to give that remain uncollectible more than a year after their due date.

#### **(h) Prepaid Expenses and Other Assets**

Prepaid expenses and other assets are primarily payments made by the University in advance of services to be provided. They consist of insurance premiums, as well as various subscription payments made by the University. These assets are amortized over the period associated within the underlying agreement.

#### **(i) Investments – Endowment and Other**

Endowment investments are reported at fair value with changes in fair value reported as investment return in the Statements of Activities. Purchases and sales of endowment investments are reported on the trade date. Endowment investments are from the following resources:

- Donor-restricted perpetual endowments are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the University's activities (no purpose restrictions).
- Purpose-restricted endowments are contributions restricted by donors to investment in perpetuity with investment income for a purpose specified by the donor. The donor may either require the investment income and appreciation to be reinvested in the fund or may permit the University to spend those amounts in accordance with the donor's restricted purpose.

## **PACE UNIVERSITY**

### **Notes to Financial Statements**

June 30, 2023 and 2022

Board-designated endowments are resources set aside by the Board of Trustees (the Board) for an indeterminate period to operate in a manner similar to a donor's restricted perpetual endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board.

Split-interest agreements are included in investments – endowment and other in the Balance Sheets but are considered nonpooled (nonendowment) investments.

The investment and spending policies for the University's endowment are discussed in note 5.

The University maintains a significant portion of its endowment investments in the Pace Fund. The University sets investment policy, asset allocation, and ranges, and monitors performance for the investments in the Pace Fund. The University has delegated the authority for investment decisions of the Pace Fund to Cambridge Associates Resources, LLC, which includes asset allocation within approved ranges.

#### **(j) Investments – Designated for Construction**

Investments designated for construction are recorded at fair value and are board-designated funds primarily for the construction of a master plan for the campus located in New York City (the NY Master-Plan). The NY Master-Plan is designed to create new distinct locations for the Lubin School of Business (Lubin) and the Dyson College of Arts and Sciences (Dyson), create a new student center and a new exterior identity for the building at 1 Pace Plaza, and create new forms of learning and research spaces.

#### **(k) Student Loans Receivable**

Funds provided by the U.S. government under the Federal Perkins and Nursing Student Loan programs are loaned to qualified students. Such amounts may be loaned again after collection. These funds are ultimately refundable to the government and, therefore, are also presented in the Balance Sheets as a liability. Effective June 30, 2018, the Federal Perkins program was terminated by the U.S. government. As of June 30, 2023, the University has refunded \$7,703,545 of the Federal Perkins Program to the U.S. government due to the termination of the Federal Perkins Program.

#### **(l) Operating Lease Accounting**

In accordance with Accounting Standards Update ASU 2016 – *Leases*, the University recognizes the rights and obligations arising from lease contracts assets and liabilities on the Balance Sheet. When an arrangement at its inception is determined to be a lease, the University determines if it is an operating lease or a finance lease. For operating leases, at lease commencement, the University records a ROU asset and corresponding lease liability. ROU assets represent the University's right to control the use of the leased asset during the lease and are recognized in an amount equal to the lease liability. Lease liabilities represent the present value of the future lease payments over the expected lease term which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the University's incremental borrowing rate at lease inception. Over the lease term, the University uses the effective interest rate method to account for the lease liability as lease payments are made and the ROU asset is amortized into expenses in a manner that results in a straight-line expense recognition in the Statements of Activities. A ROU asset and lease liability is not recognized for leases with an initial term of 12 months

## PACE UNIVERSITY

### Notes to Financial Statements

June 30, 2023 and 2022

or less. As of June 30, 2023 and 2022, the University has determined that all of its leases identified under these criteria are operating leases.

Rent incentives in the initial years of certain leases give rise to deferred rent are recorded net of ROU on the Balance Sheets reflect the cumulative excess of rental expense on a straight-line basis over cash payments.

#### **(m) Plant Assets**

Plant assets are reported at cost if purchased and at fair value at the date of donation if donated except for library books and art collections, which are recorded at a nominal amount of \$1 per volume. All land and buildings are capitalized, and equipment is capitalized if it has a cost of \$2,000 or more and a useful life when acquired of more than one year. Repairs and maintenance costs that do not significantly increase the useful life of the asset are expensed as incurred.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, as follows:

Building and improvements	5 to 70 Years
Leasehold improvements	Shorter of lease term or asset life
Furnishings and equipment	3 to 20 Years

#### **(n) Split-Interest Agreements**

The University conducts a deferred-giving program in which donors make an irrevocable transfer of assets primarily through charitable remainder trusts (trust assets) and gift annuity contracts. In exchange, the donors (or a beneficiary named by the donors) receive periodic payments for their lifetime. Assets associated with such split-interest agreements are reported at fair value (of the underlying trust) and are included in investments – endowment and other in the Balance Sheets. The value of the trust assets is adjusted annually for changes in its estimated fair value.

The periodic payments to the individuals are fixed amounts (annuities) or are a percentage of the fair value of the trust assets. Contribution revenues are recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to the beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of discount, and other changes in the estimated future benefits. These adjustments are reported in other sources under nonoperating activities in the Statements of Activities. Investment returns from the trust assets are reported as increases in net assets with donor restrictions.

#### **(o) Asset Retirement Obligations**

Asset retirement obligations (ARO) arise primarily from regulations that specify how to dispose of asbestos if long-lived assets are demolished or undergo major renovations or repairs. ARO is measured and recorded at fair value. Upon initial recognition of an ARO liability, the University capitalizes that cost as part of the cost basis of the related long-lived assets and depreciates the asset over its useful life. Changes in the ARO due to revised estimates of the amount or timing of cash flows required to settle the future liability are recognized by increasing or decreasing the ARO liability and the

## PACE UNIVERSITY

### Notes to Financial Statements

June 30, 2023 and 2022

related long-lived asset. Changes due solely to the passage of time (accretion of the discounted liability) are recognized as increases in the carrying amount of the liability and as an expense in the Statements of Activities.

#### **(p) Operations, Expense Recognition, and Allocation**

The Statements of Activities distinguishes between operating and nonoperating activities. Nonoperating activities principally include investment return in excess of (or less than) amounts authorized for spending by the University's Board, investment return on funds held by bond trustees, and changes in postretirement health benefits obligation, including components of net periodic benefit costs other than the service cost component.

The cost of providing the University's programs and other activities is summarized on the functional basis in the Statements of Activities, and these functional classifications have been reconciled by their natural expense classifications in note 19. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied as follows:

- Salary and wages, benefits, and payroll taxes are allocated based on the primary job description and work assignment of personnel.
- Operations of plant and maintenance, depreciation, amortization, and interest are allocated on a square-foot basis dependent on the programs and supporting activities occupying the space.

The basis of allocation is reviewed annually or when new space or programs are added.

Fundraising costs are expensed as incurred, even though they may result in contributions received in the future years. The University generally does not conduct its fundraising activities in conjunction with its other activities. Advertising costs are also expensed as incurred.

#### **(q) Fair Value**

The University reports fair value measures of its financial assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by U.S. GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset's or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The University applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to investments in alternative investments that do not have readily determinable fair values. This guidance allows, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value, using net asset value per share or its equivalent.

The three levels of input used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the University has access at the measurement date.

## PACE UNIVERSITY

### Notes to Financial Statements

June 30, 2023 and 2022

- *Level 2.* Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:  
Quoted prices for similar assets or liabilities in active markets;  
Quoted prices for identical or similar assets in markets that are not active;  
Observable inputs other than quoted prices for the asset or liability (e.g., interest rates and yield curves); and  
Inputs derived principally from, or corroborated by, observable market data by correlation or other means.
- *Level 3.* Unobservable inputs for the asset and liability used to measure the fair value if observable inputs are not available.

When available, the University measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs may not be available for all of the assets and liabilities that the University is required to measure at fair value (e.g., unconditional promises to give and in-kind contributions).

The primary use of fair value measures in the University's financial statements is noncash gifts, including gifts of investments and unconditional promises, endowment investments and other, and investments designated for construction.

#### **(r) Tax Status**

The University is principally exempt from federal income taxation under Section 501(c) (3) of the IRC, though is subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). There were no tax provisions for fiscal years ended in 2023 and 2022.

#### **(s) Related Parties**

Members of the Board of Trustees, officers, and employees are subject to the University's conflict of interest policies, under which business and financial relationships must be disclosed and are subject to review and approval. Disclosures about the University's related-party transactions, including with affiliated institutions, are described in notes 1 and 5.

#### **(t) Recently Issued Accounting Pronouncements Not Yet Adopted**

The FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires credit losses to be recognized on most financial assets carried at amortized cost (such as accounts and loan receivable from students) and certain other instruments. The allowance is deducted from the amortized cost basis of a financial asset so that the balance sheet reflects the net amount an entity expects to collect. Credit losses will be estimated over the entire contractual term of the related instrument from the date of the initial recognition. Whereas current standards require recognition of those losses when it is probable a loss has been incurred, ASU No. 2016-13 requires recognition when losses are expected. ASU No. 2016-13 is effective for the University for fiscal years beginning after December 15, 2022. The University is currently evaluating the impact of this guidance on the financial statements.

# **PACE UNIVERSITY**

## Notes to Financial Statements

June 30, 2023 and 2022

### **(3) Liquidity and Availability**

The University's financial assets available within one year of June 30 for general expenditures, including operating expenses, principal and interest on debt, and capital expenditure not financed with debt, are as follows:

	<u>2023</u>	<u>2022</u>
Total assets	\$ 1,300,057,209	1,093,406,747
Less:		
Cash and cash equivalents not available within one year	(1,079,011)	(1,454,764)
Student accounts receivable not available within one year	(4,396,102)	(5,774,196)
Grants and other receivables not available within one year	(4,085,985)	(450,747)
Prepaid expenses and other assets	(6,252,919)	(4,487,391)
Contributions receivables not available within one year	(23,929,763)	(5,902,704)
Investments – endowment and other	(236,924,826)	(214,730,134)
Student loans receivable	(3,507,666)	(4,443,358)
Funds held by bond trustees	(1,650,467)	(1,529,178)
Right of use assets	(433,537,083)	(328,389,540)
Plant assets	<u>(499,685,923)</u>	<u>(459,811,430)</u>
	85,007,464	66,433,305
Available lines of credit	40,000,000	40,000,000
Investment return appropriated for spending in the following year	<u>8,152,000</u>	<u>7,200,000</u>
Total assets and other resources available within one year	\$ <u>133,159,464</u>	<u>113,633,305</u>

In addition to the financial assets available within one year, current year operating revenues including tuition, sales and services of auxiliary enterprises, and other income will fund annual expenditures. The above table excludes donor-restricted and board-designated endowment funds because it is the University management's intention to invest those resources for the long-term support of the University. However, in the case of cash needs or changes to the University's strategic plan of operation, the Board may reappropriate resources from the Board-designated endowment funds of \$13,073,161 and \$11,850,933, as of June 30, 2023 and 2022, respectively.

As part of the University's liquidity management, excess cash resulting from the use and needs of cash within the academic year is invested in short-term investments consisting primarily in money market funds and U.S. government and government agency issues. The University maintains an unsecured one-year line of credit with a seasonal commitment of up to \$40 million, of which the entire amount is available as of June 30, 2023 and 2022, respectively.

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

**(4) Contributions Receivable**

	<u>2023</u>	<u>2022</u>
Amounts expected to be collected in:		
Less than one year	\$ 7,624,096	2,480,172
One to five years	24,231,979	2,247,856
More than five years	5,000,000	5,000,000
	36,856,075	9,728,028
Less unamortized discount at rates from 0.15% to 4.66%	(4,383,525)	(1,478,505)
Less allowance for uncollectible amounts	(740,545)	(320,186)
	<u>\$ 31,732,005</u>	<u>7,929,337</u>

Included in contributions receivable at both June 30, 2023 and 2022 are outstanding pledges from four donors, which collectively represent approximately 90% and 65% of total related outstanding gross contributions receivable balance for each of the years.

**(5) Investments and Investment Return**

The following table summarizes the composition of investments at June 30:

	<u>2023</u>	<u>2022</u>
Pace Fund:		
Cash and cash equivalents	\$ 4,206,630	3,399,891
Common stocks	24,127,285	28,985,481
Mutual funds:		
Domestic equities	107,712,501	89,786,614
Exchange-traded funds:		
Domestic equities	11,271,067	9,599,557
Total exchange-traded funds	11,271,067	9,599,557
Commingled funds:		
Global equities (a)	40,285,210	36,388,712



**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Alternative investments:		
Long/short equity and credit (b)	\$ 2,427,965	2,030,582
Private equity (c)	38,296,414	36,203,991
Distressed (c)	124,184	113,948
Real assets (c)	2,841,549	1,959,738
Total alternative investments	<u>43,690,112</u>	<u>40,308,259</u>
Pace Fund total	<u>231,292,805</u>	<u>208,468,514</u>
Other investments:		
Cash and cash equivalents	141,733	1,211,284
Common stocks	555,132	769,845
Mutual funds:		
Domestic equities	1,786,142	1,625,681
International equities	290,926	238,792
Fixed income	112,146	110,027
Total mutual funds	<u>2,189,214</u>	<u>1,974,500</u>
Bonds:		
Domestic corporate bonds	1,929,524	1,900,289
Municipal bonds	859,431	840,634
Total bonds	<u>2,788,955</u>	<u>2,740,923</u>
Total other investments	<u>5,675,034</u>	<u>6,696,552</u>
Total investments	<u>\$ 236,967,839</u>	<u>215,165,066</u>

- (a) Includes investments in index funds, limited partnerships, limited liability corporations, and trust funds invested in public U.S. equities, international equities, and long/short positions in credit instruments, including bonds, loans, derivatives, and other debt securities.
- (b) Includes investments in limited partnerships and limited liability corporations invested in foreign-developed market equities and long/short positions in credit instruments, including bonds, loans, derivatives, and other debt securities.
- (c) Includes investment through limited partnerships in underlying private equity partnerships invested in debt securities, buyouts, real estate, venture capital, secondary markets, and natural resources. The underlying investments are diversified by strategy, fund, and vintage year.

The University invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment

## **PACE UNIVERSITY**

### **Notes to Financial Statements**

**June 30, 2023 and 2022**

securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Balance Sheets.

The University has an investment policy specific to its endowment fund, which is monitored by the Investment Committee of the Board. The investment policy describes the objective for the fund and sets ranges for asset allocation. The object of the endowment fund is to earn the highest possible total return consistent with a level of risk suitable for these assets. At a minimum, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment fund assets, to provide necessary capital to fund the spending policy, and to cover the costs of managing the endowment fund investments. The desired minimum rate of return is equal to the Consumer Price Index plus 500 basis points on an annualized basis. Actual returns in any given year may vary from this amount. In light of this return requirement, the portfolio is constructed using a total return approach with a significant portion of the funds invested to seek growth of principal over time. The assets are invested for the long term, and a higher short-term volatility in these assets is expected and accepted. The University limits its investments in commingled funds and so-called alternative investments. Commingled funds and alternative investments of the Pace Fund represent limited partnerships, limited liability corporations, trusts, and similar interests that follow a variety of investment strategies. Terms and conditions of investments, including liquidity provisions, are different for each fund. Commingled funds have monthly and semi-monthly liquidity. Alternative investments are either nonredeemable or can have limited liquidity. Individual investment holdings within commingled funds and alternative investments may be invested in both publicly traded securities and less liquid securities. The net asset values of commingled funds and alternative investments are reviewed and evaluated by management. Because commingled funds and alternative investments do not have readily determinable fair values, the estimated value is subject to uncertainty and, therefore, may differ significantly from the values that would have been used had a ready market for those securities existed.

Under the terms of certain limited partnership agreements, the University is obligated to periodically advance additional funding for its limited partnership investments. At June 30, 2023, the Pace Fund had commitments of \$28,686,251 for which capital calls had not been exercised. This amount has not been recorded as a liability in the Balance Sheet as of June 30, 2023. The University maintains sufficient liquidity in its portfolio to cover such calls.

The current endowment spending appropriation is 4.0% of the moving average fair value of the endowment fund investments for the prior 12 quarters. In establishing this policy, the University considers the long-term expected return on its endowment fund investments and sets the rate with the objective of maintaining the purchasing power of its donor-restricted perpetual endowment funds over time.

In accordance with the above spending rate, \$7,637,154 and \$7,620,452 of investment return was made available for the years ended June 30, 2023 and 2022, respectively, to support operations of the University.

There was an investment gain from nonpooled investments, cash and cash equivalents, and investments designated for construction of \$2,848,919 and \$121,510 in fiscal years 2023 and 2022, respectively.

# **PACE UNIVERSITY**

## Notes to Financial Statements

June 30, 2023 and 2022

The Pace Fund contains various redemption restrictions with required notice periods. The following tables summarize the composition of such investments by redemption provision and notice period at June 30:

<b>2023</b>			
	<b>Redemption provision</b>	<b>Notice period</b>	<b>Amount</b>
Commingled funds	Daily	2 days	\$ 14,122,778
	Monthly	31 days	22,023,227
	Quarterly	60 days	4,139,205
Alternative investments:			
US Equity	Quarterly	45 days	2,427,965
Private equity partnerships (including distressed and real assets)	Illiquid		41,262,147
			<u>\$ 83,975,322</u>
<b>2022</b>			
	<b>Redemption provision</b>	<b>Notice period</b>	<b>Amount</b>
Commingled funds	Daily	2 days	\$ 13,909,724
	Monthly	31 days	18,353,114
	Quarterly	60 days	4,125,874
Alternative investments:			
Long/short equity and credit	Lockup		18
US Equity	Quarterly	45 days	2,030,564
Private equity partnerships (including distressed and real assets)	Illiquid		38,277,677
			<u>\$ 76,696,971</u>

## **(6) Endowment Funds**

The University's endowment consists of 456 individual funds established either by donors (referred to as donor-restricted funds) or by resources set aside by the Board to function as endowments (referred to as board-designated endowment funds). Donor-restricted endowment funds are both those that provide a perpetual source of support for the University's activities and those that are restricted by donors for investments to be made for specific purposes as required by U.S. GAAP. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

# PACE UNIVERSITY

## Notes to Financial Statements

June 30, 2023 and 2022

### Relevant Law

The University's management and investment of donor-restricted endowment funds is subject to the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA). Pursuant to the investment policy approved by the Board of Trustees of the University, the University appropriates for expenditure or accumulates as much of a donor-restricted endowment fund, as the University deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument, absent explicit donor stipulations to the contrary. In making its determination to appropriate or accumulate, the University must act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances considering all relevant factors at the time.

The following tables represent the University's endowment and nonpooled investment composition by type of fund as of June 30 (excluding contributions receivable):

<b>2023</b>			
	<b>Without donor restriction</b>	<b>With donor restriction</b>	<b>Total</b>
Donor-restricted endowment	\$ —	219,331,215	219,331,215
Board-designated endowment	13,073,161	—	13,073,161
Total pooled endowment	13,073,161	219,331,215	232,404,376
Non-pooled investments	1,977,236	2,586,227	4,563,463
Total investments	\$ 15,050,397	221,917,442	236,967,839

  

<b>2022</b>			
	<b>Without donor restriction</b>	<b>With donor restriction</b>	<b>Total</b>
Donor-restricted endowment	\$ —	198,585,885	198,585,885
Board-designated endowment	11,850,933	—	11,850,933
Total pooled endowment	11,850,933	198,585,885	210,436,818
Non-pooled investments	2,340,119	2,388,129	4,728,248
Total investments	\$ 14,191,052	200,974,014	215,165,066

Non-pooled (nonendowment) investments are investments that are not subject to the provisions of the NYPMIFA and are classified as either net assets with donor restrictions or net assets without donor restrictions based on whether the assets have any donor-imposed restrictions at time of receipt by the University. Non-pooled investments include \$2,043,917 of assets held under split-interest agreements, \$1,929,524 of a corporate bond, \$555,132 of corporate stocks, and \$34,890 of cash equivalents at June 30, 2023. Non-pooled investments include \$1,935,978 of assets held under split-interest agreements, \$1,900,289 of a corporate bond, \$769,845 of corporate stocks, and \$122,136 of cash equivalents at

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

June 30, 2022. The changes in split-interest agreements during the year ended June 30, 2023 and 2022 include investment returns of \$166,155 and \$(180,953), respectively, and payment to beneficiaries of \$47,125 and \$37,739, respectively.

Included in donor-restricted endowments at June 30, 2023 and 2022 are \$13,588,905 and \$12,594,094, respectively, of net assets expendable only for projects for the Lubin School of Business approved by the donors or the donors' designee.

Changes in endowment assets for the year ended June 30, 2023 were as follows:

	<b>Without donor restriction</b>	<b>With donor restriction</b>	<b>Total</b>
Endowment at June 30, 2022	\$ 11,850,933	198,585,885	210,436,818
Investment return:			
Investment income	2,918,135	1,790,372	4,708,507
Net appreciation in fair value of investments	1,551,389	24,050,644	25,602,033
Total return on investment	4,469,524	25,841,016	30,310,540
Less appreciation on funds designated for construction and nonpooled investments	(2,848,919)	(144,351)	(2,993,270)
Total endowment return on investment	1,620,605	25,696,665	27,317,270
Contributions	97,606	2,156,868	2,254,474
Appropriation of endowment assets for expenditure	(495,983)	(7,141,171)	(7,637,154)
Other changes, including transfers	—	32,968	32,968
Endowment at June 30, 2023	\$ 13,073,161	219,331,215	232,404,376

Changes in endowment assets for the year ended June 30, 2022 were as follows:

	<b>Without donor restriction</b>	<b>With donor restriction</b>	<b>Total</b>
Endowment at June 30, 2021	\$ 13,895,168	236,719,979	250,615,147
Investment return:			
Investment income	297,373	899,096	1,196,469
Net appreciation in fair value of investments	(1,736,585)	(25,155,426)	(26,892,011)
Total return on investment	(1,439,212)	(24,256,330)	(25,695,542)

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

	<u>Without donor restriction</u>	<u>With donor restriction</u>	<u>Total</u>
Less appreciation on funds designated for construction and nonpooled investments	\$ (121,510)	106,031	(15,479)
Total endowment return on investment	(1,560,722)	(24,150,299)	(25,711,021)
Contributions	6,000	6,341,980	6,347,980
Appropriation of endowment assets for expenditure	(489,513)	(7,130,939)	(7,620,452)
Other changes, including transfers	—	(13,194,836)	(13,194,836)
Endowment at June 30, 2022	\$ 11,850,933	198,585,885	210,436,818

*Funds with Deficiencies*

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the NYPMIFA requirement to retain as a fund for perpetual duration. Deficiencies of this nature would be reported in net assets with donor restrictions. At June 30, 2023, 8 funds had deficiencies. The combined market value of these funds was \$3,914,229 and original gift value was \$4,102,708, leaving a deficiency of \$188,479. At June 30, 2022, 18 funds had deficiencies. The combined market value of these funds was \$13,249,005 and original gift value of \$14,788,049, leaving a deficiency of \$1,539,043.

**(7) Investments – Designated for Construction**

The Board designated these investments primarily for the construction of the NY Master-Plan. Funds held by bond trustees were released in 2018 as requisitioned by the University for payments for capital projects. As of June 30, 2023 and 2022, investments designated for construction totaled \$57,858,062 and \$47,725,589, respectively. These investments include \$48,710,435 and \$41,818,093 of cash and cash equivalents as of June 30, 2023 and 2022, respectively, with the remaining balance invested in fixed-income securities (consisting of corporate bonds) with maturities of less than one year.

**(8) Fair Value of Financial Instruments**

The following table summarizes the fair value hierarchy of the University's investments as of June 30:

		2023			
		Level 1	Level 2	Level 3	Total
Investments:					
Cash and cash equivalents	\$	141,733	—	—	141,733
Common stocks		550,233	4,899	—	555,132

**PACE UNIVERSITY**

Notes to Financial Statements

June 30, 2023 and 2022

<b>2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Mutual funds:				
Domestic equities	\$ 1,786,142	—	—	1,786,142
International equities	290,926	—	—	290,926
Fixed income	112,146	—	—	112,146
Bonds	2,788,955	—	—	2,788,955
	<u>\$ 5,670,135</u>	<u>4,899</u>	<u>—</u>	<u>5,675,034</u>
Investments measured at net asset value:				
Pace Fund				231,292,805
Total investments				<u>\$ 236,967,839</u>
Funds held by bond trustees (note 11)	\$ 1,650,467	—	—	1,650,467
Investments designated for construction (note 7)	57,858,062	—	—	57,858,062
<b>2022</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investments:				
Cash and cash equivalents	\$ 1,211,284	—	—	1,211,284
Common stocks	764,946	4,899	—	769,845
Mutual funds:				
Domestic equities	1,625,681	—	—	1,625,681
International equities	238,792	—	—	238,792
Fixed income	110,027	—	—	110,027
Bonds	2,740,923	—	—	2,740,923
	<u>\$ 6,691,653</u>	<u>4,899</u>	<u>—</u>	<u>6,696,552</u>
Investments measured at net asset value:				
Pace Fund				208,468,514
Total investments				<u>\$ 215,165,066</u>
Funds held by bond trustees (note 11)	\$ 1,529,178	—	—	1,529,178
Investments designated for construction (note 7)	47,725,589	—	—	47,725,589

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

There were no transfers between fair value hierarchy levels in 2023 and 2022.

**(9) Plant Assets**

Plant assets at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 12,453,325	12,453,325
Land improvements	1,508,920	1,508,920
Buildings, leaseholds, and improvements	563,390,492	557,929,080
Construction in progress	64,889,863	18,371,081
Furniture and equipment	121,637,838	114,957,072
Library books	769,612	769,614
Total	764,650,050	705,989,092
Less accumulated depreciation	<u>(264,964,127)</u>	<u>(246,177,662)</u>
	<u>\$ 499,685,923</u>	<u>459,811,430</u>

At June 30, 2023, construction commitments were approximately \$31.5 million.

Construction in progress primarily consists of amounts expended for the construction of the NY Master-Plan, which was partially funded by restricted contributions and excess operating cash, and therefore, no interest was capitalized for the years ended June 30, 2023 and 2022.

Included in buildings, leaseholds, and improvements as of June 30, 2023 and 2022 is \$16,226,522 relating to the Judicial Institute building (the Center) with accumulated depreciation of \$3,606,004 and \$3,425,441, respectively. The Center was constructed on the University's property and financed by \$16,105,000 Lease Revenue Bonds (the Bonds). The Center was leased to the Unified Court System (the System) as their continuing education training site and the Bonds were assigned to the System solely payable from rental payments by the System to the University. As a result of the assignment, the Bond payment were without recourse to the University and therefore the Bond proceeds and related obligation were not included in the financial statements.

**(10) Line of Credit**

The University has established an unsecured one-year line of credit with a seasonal commitment of up to \$40,000,000. The line bears interest at LIBOR plus 200 basis points and is subject to annual renewal at the lender's discretion. However, the University has an option to convert the line into a four-year term loan facility. The University is required to maintain a zero balance on the line for at least 30 consecutive days, twice per year. There were no amounts outstanding under the line of credit as of June 30, 2023 and 2022.

There was no interest on borrowing from the line of credit in fiscal year 2023 and 2022.



**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

**(11) Long-Term Debt**

Long-term debt at June 30 consists of the following:

	<u>2023</u>	<u>2022</u>
Dormitory Authority of the State of New York (DASNY or the Authority):		
Revenue Bonds, Pace University issue, \$95,840,000, Series 2013A, due serially to 2042 at an effective fixed rate of 4% per annum, plus unamortized premium of \$5,770,002 and \$6,076,376 and less unamortized prepaid bond issue costs of \$1,059,034 and \$1,115,267 at June 30, 2023 and 2022, respectively	\$ 63,470,969	68,701,109
Revenue Bonds, Pace University issue, \$19,670,000, Series 2013B, due serially to 2035, at a variable rate subject to weekly reset, less \$153,869 and \$166,872 unamortized prepaid bond issue costs at June 30, 2023 and 2022, respectively	12,886,131	13,678,128
Westchester County Local Development Corporation (WCLDC):		
Revenue Bonds, Pace University issue, \$85,665,000, Series 2014A, due serially to 2042 at an effective fixed rate of 5% per annum through May 2034 increasing to a rate of 5.5% to maturity, less unamortized discount of \$397,226 and \$418,412 and unamortized prepaid bond issue costs of \$1,272,416 and \$1,339,385 at June 30, 2023 and 2022, respectively	83,995,358	83,907,203
Revenue Bonds, Pace University issue, \$14,925,000 Series 2014B, due serially to 2044 at a variable rate subject to weekly reset, less \$157,607 and \$166,010 unamortized prepaid bond issue costs at June 30, 2023 and 2022, respectively	<u>14,767,392</u>	<u>14,758,990</u>
Total long-term debt	<u>\$ 175,119,850</u>	<u>181,045,430</u>

Debt issuance costs of \$2,642,926 and \$2,787,534 are reported as a reduction of long-term debt on the Balance Sheets at June 30, 2023 and 2022, respectively.

The Series 2013A Bonds (tax-exempt) were issued on March 7, 2013 to (i) finance the acquisition, renovation, construction, equipping, and/or furnishing of certain of the University's facilities, (ii) refund a portion of the \$70,900,000 outstanding principal amount of DASNY's Pace University Insured Revenue Bonds, Series 2005A, (iii) fund the cost of terminating an interest rate swap agreement associated with the Series 2005A Bonds, and (iv) pay the costs of issuance of the Series 2013A Bonds. At June 30, 2023 and 2022, \$1,339,209 and \$1,340,326, respectively, of unexpended funds from these bonds was included in funds held by bond trustees in the Balance Sheets. These amounts were held in cash equivalents and invested in fixed-income securities (consisting of U.S. Treasury notes) with maturities of less than one year.

## **PACE UNIVERSITY**

### **Notes to Financial Statements**

**June 30, 2023 and 2022**

The Series 2013B Bonds (federally taxable) were issued on March 7, 2013 to (i) refund a portion of \$38,350,000 outstanding principal amount of DASNY's Pace University Insured Revenue Bonds, Series 2005B and (ii) pay the costs of issuance of the Series 2013B Bonds. At June 30, 2023 and 2022, \$232,299 and \$161,680, respectively, was included in funds held by bond trustees in the Balance Sheets. These amounts were held in cash equivalents and invested in fixed-income securities (consisting of U.S. Treasury notes) with maturities of less than one year. These bonds are variable rate securities in which the coupon is reset each week by a remarketing agent. The interest rate was capped in the governing agreements at 22.0% per annum based on the University's current credit rating. The weighted average interest rate in 2023 for the Series 2013B Bonds was 4.2%. The range of rates in 2023 was 2.1% to 5.7%.

The Series 2014A Bonds (tax-exempt) were issued on April 3, 2014 (i) to finance the design, renovation, construction, equipping, and/or furnishing of certain of the University's facilities, and (ii) fund the costs of issuance and interest costs during the construction period. At June 30, 2023 and 2022, there were no funds held by bond trustees in the Balance Sheets related to the Series 2014A.

The Series 2014B Bonds (tax-exempt) were issued on April 3, 2014 to finance (i) the design, renovation, construction, equipping, and/or furnishing of certain of the University's facilities and (ii) fund the costs of issuance and interest costs during the construction period. The bonds pay variable rate interest, which is based on weekly resets and the bonds mature in 2044. The weighted average interest rate in 2023 for the Series 2014B Bonds was 3.1%. The range of rates in 2023 was 1.0% to 5.1%. At June 30, 2023 and 2022, \$78,959 and \$27,172, respectively, was included in funds held by bond trustees in the balance sheets and consisted of construction funds. These amounts were held in cash equivalents.

The Series 2013 and 2014 Revenue Bonds are secured by mortgages on certain of the University's properties, security interest in certain fixtures, furnishings, and equipment, and pledges of revenues limited in each year to the greatest amount payable to the Authority and WCLDC in any bond year for the principal.

Interest and fees incurred for the years ended June 30, 2023 and 2022 were \$8,771,767 and \$8,088,959, respectively.

#### *Financial Covenants DASNY Series 2013 and WCLDC Series 2014*

Pursuant to the loan agreements related to the DASNY Series 2013 Revenue Bonds and the WCLDC Series 2014 Revenue Bonds, the University is required to adhere to certain financial covenants, including a Debt Service Coverage Ratio, determined by dividing the Operating Income Available for Debt Service by Annual Debt Service, as defined. A Debt Service Coverage Ratio less than 1.00 as of any Calculation Date or less than 1.10 for two consecutive years constitutes an Event of Default under the Master Trust Indentures.

The University's ability to incur additional indebtedness, as defined, is limited by a requirement to maintain a minimum credit rating of BBB – or Baa3 or by meeting one of two pro forma Maximum Annual Debt Service ratios, as defined.

At June 30, 2023 and 2022, the University was in compliance with its financial debt covenant requirements.

# **PACE UNIVERSITY**

## Notes to Financial Statements

June 30, 2023 and 2022

### **(12) Debt Service – Long-Term Debt**

Debt service relating to principal and interest payments of long-term debt for the next five years is as follows:

	<b>DASNY Bonds</b>		<b>WCLDC Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
Year ending June 30:					
2024	\$ 6,070,000	3,345,756	—	5,046,175	14,461,931
2025	6,370,000	3,048,740	—	5,044,325	14,463,065
2026	6,685,000	2,738,551	—	5,045,250	14,468,801
2027	7,015,000	2,412,990	—	5,045,250	14,473,240
2028	7,355,000	2,072,356	—	5,046,175	14,473,531
2029 and thereafter	38,305,000	10,748,053	100,590,000	49,161,069	198,804,122

### **(13) Postretirement Benefits Other than Pensions**

The University sponsors a plan to provide certain healthcare and life insurance benefits for qualified retirees. The University's employees may become eligible for these benefits if they retire while working for the University. Benefits and eligibility may be modified from time to time. In accordance with the 2001 plan amendment, all postretirement healthcare and life insurance benefits coverage for employees hired after October 1, 2000 has been eliminated.

The University reports the funded status of its postretirement plans on the Balance Sheets. The following table provides a summary of this unfunded plan as of June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 40,310,713	55,515,539
Service cost	74,893	139,898
Interest cost	1,857,243	1,430,929
Participants' contributions	611,892	596,354
Actuarial loss (gain) (A)	(3,373,162)	(14,447,145)
Benefits paid	(2,810,707)	(2,924,862)
Benefit obligation at end of year	36,670,872	40,310,713

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Change in plan assets:		
Employer contribution	\$ 2,198,815	2,328,508
Plan participants' contributions	611,892	596,354
Benefits paid	<u>(2,810,707)</u>	<u>(2,924,862)</u>
Fair value of plan assets at end of year	<u>—</u>	<u>—</u>
Accrued postretirement health benefits obligation	<u>\$ 36,670,872</u>	<u>40,310,713</u>

(A) The actuarial gain in 2023 of \$3,373,162 was, primarily, the result of a year-end discount rate change from 4.80% to 5.45%. The actuarial gain in 2022 of \$14,447,145 was, primarily, the result of a year-end discount rate change from 2.85% to 4.80% resulting in a \$10.1 million gain and a decrease in claims resulting in a \$4.9 million savings.

The net periodic postretirement benefit credit includes the following components:

	<u>2023</u>	<u>2022</u>
Net periodic benefit cost (credit):		
Service cost	\$ 74,893	139,898
Interest cost	1,857,243	1,430,929
Amortization of prior service credit	(2,792,858)	(4,215,364)
Amortization of net loss	<u>—</u>	<u>599,927</u>
Total net periodic benefit credit	<u>\$ (860,722)</u>	<u>(2,044,610)</u>

The discount rates were as follows:

	<u>2023</u>	<u>2022</u>
Benefit obligation weighted average assumptions as of June 30, 2023 and 2022:		
Discount rate	5.45 %	4.80 %
Benefit cost weighted average assumptions for the years ended June 30, 2023 and 2022:		
Discount rate	4.80	2.85

**PACE UNIVERSITY**

Notes to Financial Statements

June 30, 2023 and 2022

Other changes in postretirement benefit obligations recognized in net assets without donor restriction include the following components:

	<u>2023</u>	<u>2022</u>
Actuarial net loss	\$ (3,373,162)	(14,447,145)
Amortization of prior service credit	2,792,858	4,215,364
Recognition of net (loss)/gain	<u>—</u>	<u>(599,927)</u>
	<u>\$ (580,304)</u>	<u>(10,831,708)</u>

As of June 30, 2023 and 2022, the items not yet recognized as net periodic postretirement benefit cost are as follows:

	<u>2023</u>	<u>2022</u>
Prior service credit	\$ (164,179)	(2,957,037)
Net loss/(gain)	<u>(5,246,096)</u>	<u>(1,872,934)</u>
	<u>\$ (5,410,275)</u>	<u>(4,829,971)</u>

The estimated prior service credit and net loss that will be amortized into net periodic benefit cost in 2024 are \$(164,179) and \$(250,239), respectively.

For measurement purposes, a 7.0% annual rate of increase in the medical per capita cost of covered healthcare benefits was assumed for the year ended June 30, 2023 and then decreasing to 4.5% by 2028 and remaining at that level thereafter. A 6.5% annual rate of increase was assumed for the year ended June 30, 2022 and then decreasing to 4.50% by 2026 and remaining at that level thereafter. The healthcare cost trend rate assumption has a significant effect on the accrual.

Projected plan benefit payments for each of the next five fiscal years and the five years thereafter are as follows:

2024	\$ 2,953,698
2025	2,969,385
2026	2,935,427
2027	2,962,008
2028	2,828,492
2029 through 2033	13,368,511

## PACE UNIVERSITY

### Notes to Financial Statements

June 30, 2023 and 2022

#### (14) Defined-Contribution Retirement Plan

The University has a defined-contribution retirement plan established in accordance with Section 403(b) of the IRC of 1986, which covers substantially all full-time employees. Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF), Fidelity Management Trust Company (Fidelity), and T. Rowe Price Trust Company (T. Rowe Price) are the plan's record keepers and custodians. In 2011, the University selected TIAA-CREF as the University's sole 403(b) vendor effective January 1, 2011. Existing accounts with Fidelity and T. Rowe Price continue to be part of the plan, but new contributions can only be made to TIAA-CREF accounts.

On May 12, 2022, the plan administrator was notified by T. Rowe Price that they would not be able to comply with certain lifetime income requirement disclosure to participants. As a result, the plan administrator voted to terminate participant's accounts in the T. Rowe Price Fund by providing the participants to either transfer the assets into TIAA-CREF accounts or withdraw amounts in accordance with Internal Revenue Service regulations.

The University has made annual plan contributions, which are vested immediately for the benefit of the participants. The University's contributions under the plan for the years ended June 30, 2023 and 2022 amounted to \$11,586,833 and \$11,374,237, respectively. In response to the COVID-19 pandemic, the University suspended the employer matching contributions to the defined-contribution retirement plan effective June 1, 2020. Effective April 1, 2021, the University reinstated the employer matching contribution and on July 1, 2021, fully reimbursed the plan participants for amounts previously suspended by contributing \$9.1 million to the plan.

#### (15) Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2023 and 2022 are available to support the following areas:

	2023	2022
Instruction	\$ 62,768,585	56,995,204
Research	2,023,310	1,879,389
Academic support	47,542,189	44,380,302
Student activities	4,913,819	4,589,686
Institutional support	13,185,224	11,728,629
Capital projects	4,428,574	4,846,889
Scholarships	111,063,294	95,315,587
Contributions receivable	20,728,062	3,226,628
Split-interest agreements	1,919,356	1,769,600
	<u>\$ 268,572,413</u>	<u>224,731,914</u>

Net assets of \$13,588,905 and \$12,594,094 as of June 30, 2023 and 2022, respectively, are available to support the Lubin School of Business, expendable only for projects approved by the donors or the donors' designee.

# **PACE UNIVERSITY**

## Notes to Financial Statements

June 30, 2023 and 2022

### **(16) Scholarships and Fellowships**

Tuition and fees are presented net of amounts awarded to students to defray their cost of attending the University. The amount awarded totaled \$224,885,069 and \$214,515,973 for the years ended June 30, 2023 and 2022, respectively.

### **(17) Leases**

The University is a lessee for numerous operating leases, primarily related to real estate. The vast majority of the University's operating leases have remaining lease terms of 22 years or less, some of which include options to extend the leases, and some of which include options to terminate the leases. The University generally does not include renewal or termination options in the assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. The accounting for some of the leases may require judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in the net present value calculation of lease payments for lease agreements, which do not provide an implicit rate, and assessing the likelihood of renewal or termination options. The University also has lease agreements with lease and non-lease components, which are generally accounted for as a single lease component.

The following table summarizes the maturity of the Universities operating lease liabilities as of June 30, 2023:

	<u><b>Active leases</b></u>
Year ending June 30:	
2024	\$ 39,911,612
2025	41,884,743
2026	43,233,591
2027	35,799,475
2028	36,003,281
2029 and thereafter	<u>863,951,656</u>
Total	1,060,784,358
Less interest	<u>537,672,892</u>
	<u><u>\$ 523,111,466</u></u>

Lease costs and other related information for the year ended June 30, 2023 and 2022, respectively were as follows:

	<u><b>2023</b></u>	<u><b>2022</b></u>
Lease cost:		
Operating lease cost	\$ 45,975,867	41,543,533

# **PACE UNIVERSITY**

## Notes to Financial Statements

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 34,248,595	35,510,993
Weighted average remaining lease term (years):		
Operating leases	22.79	23.13
Weighted average discount rate:		
Operating leases	6.13 %	5.65 %

On January 1, 2020, the University entered into a lease agreement for a building to be constructed at 15 Beekman Street, New York, NY (the New Lease). The New Lease includes the construction of two components, an educational unit and a dormitory unit (collectively, the Units). The educational unit was delivered on December 5, 2022 and was recorded as a right to use asset of \$100,356,785 and an operating lease liability of \$116,107,883 on the Balance Sheet as of June 30, 2023. The dormitory unit did not meet the criteria to be recognized in 2023 and will be recognized in 2024 upon delivery (see note 21, *Subsequent Events* for details). The total expected lease payments for the dormitory lease under the terms of the lease agreement upon delivery are as follows:

Years after delivery:	
2024	\$ 5,685,706
2025	6,344,731
2026	6,503,350
2027	6,665,933
2028	6,832,582
2029 and thereafter	<u>240,278,111</u>
	<u>\$ 272,310,413</u>

The estimated present value of the lease payments under the New Lease for the dormitory unit using the University's estimated incremental borrowing rate as of June 30, 2023 is approximately \$97,365,579.



# PACE UNIVERSITY

## Notes to Financial Statements

June 30, 2023 and 2022

### (18) Expenses

Expenses are reported in the Statements of Activities in categories recommended by the National Association of College and University Business Officers. The University's primary program services are instruction and research. Expenses reported as academic support, student services, institutional support, and auxiliary enterprises are incurred in support of these primary program services. Institutional support includes fund-raising expenses of \$7,231,280 and \$6,097,903 for the years ended June 30, 2023 and 2022, respectively. For purposes of reporting fund-raising expenses, the University includes only those fundraising costs incurred by its development office.

### (19) Allocation of Certain Expenses

Expenses are presented by functional classification in accordance with the overall mission of the University on the Statements of Activities. With the adoption of ASU No. 2016-14, each functional classification displays all expenses related to the underlying operation by natural classification as detailed below for the years ended June 30, 2023 and 2022.

	2023						
	Compensation and fringe benefits	Supplies, services, and other*	Professional fees	Utilities and plant contracts**	Depreciation	Interest and other debt-related expenses	Total per statement of activities operating
Instruction	\$ 115,386,109	17,830,973	1,760,455	7,626,703	3,153,621	1,360,981	147,118,842
Research	1,815,246	754,674	1,038,134	466,769	199,125	77,240	4,351,188
Academic support	37,547,107	5,646,483	3,018,383	10,929,185	4,873,174	1,766,132	63,780,464
Student services	25,880,383	6,974,115	1,782,403	6,127,164	2,654,489	1,378,213	44,796,767
Institutional support	40,656,411	9,353,846	6,606,480	13,645,676	2,120,602	763,306	73,146,321
Auxiliary enterprises	2,868,177	21,326,827	338,859	48,297,205	6,141,389	3,285,316	82,257,773
Total	\$ 224,153,433	61,886,918	14,544,714	87,092,702	19,142,400	8,631,188	415,451,355

  

	2022						
	Compensation and fringe benefits	Supplies, services, and other*	Professional fees	Utilities and plant contracts**	Depreciation	Interest and other debt-related expenses	Total per statement of activities operating
Instruction	\$ 110,126,830	9,065,226	5,772,673	7,220,392	3,154,896	1,253,648	136,593,665
Research	1,324,652	589,441	1,119,045	419,487	199,205	71,198	3,723,028
Academic support	33,078,334	5,090,112	1,168,014	9,834,384	4,875,143	1,628,771	55,674,758
Student services	23,163,569	11,054,813	1,569,957	5,441,579	2,655,562	1,268,192	45,153,672
Institutional support	37,071,169	6,280,391	6,371,770	11,911,077	2,121,457	703,975	64,459,839
Auxiliary enterprises	2,441,104	20,281,009	181,249	47,285,265	6,143,871	3,022,594	79,355,092
Total	\$ 207,205,658	52,360,992	16,182,708	82,112,184	19,150,134	7,948,378	384,960,054

\* Supplies, services, and other primarily consists of student meal plans, technology service contracts, travel, marketing and publications, graduate student assistantships, and, for 2022, awards to students under the CARES Act.

\*\* Utilities and plant contracts primarily consist of leased property expenses, and janitorial and security contracts.

**PACE UNIVERSITY**  
Notes to Financial Statements  
June 30, 2023 and 2022

**(20) Contingency**

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

**(21) Subsequent Events**

The dormitory unit of the New Lease was delivered in fiscal 2024 on August 1, 2023 and was recorded as a right to use assets of \$96,357,807 and as operating lease liability of \$96,597,343 on the Balance Sheet.

In accordance with ASC Subtopic 855-10, *Subsequent Events*, the University evaluated subsequent events after the balance sheet date of June 30, 2023 through November 13, 2023, which was the date the financial statements were issued, and determined that there were no additional matters required to be disclosed.

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

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## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary, prepared by Bond Counsel, of certain provisions of the Loan Agreement pertaining to the Series 2024 Bonds. 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 below meanings or, if undefined herein, those meanings ascribed to them in the Loan Agreement.

**“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.

**“Annual Administrative Fee”** means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Issuer in the amount or amounts more particularly described in Schedule B to the Loan Agreement.

**“Arbitrage Rebate Fund”** means the fund so designated, created and established pursuant to Section 6.6 of the Resolution.

**“Authorized Officer”** means in the case of the Issuer, the University or the Trustee, as the case may be, when used with reference to any act or document referenced under the Resolution, means 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 Counsel”** means Orrick, Herrington & Sutcliffe LLP and/or Marous Law, 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 May 1 in any calendar year and ending on April 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.

**“Bonds”** means any of the bonds of the Issuer authorized and issued pursuant to the Loan Agreement and to a Series Resolution, including DASNY’s Pace University Revenue Bonds, Series 2024B and 2024C.

**“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.

**“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 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.

**“Credit Facility”** shall have the meaning given in the Resolution.

**“DASNY”** means the Dormitory Authority of the State of New York, having its principal place of business at 515 Broadway, Albany, New York 12207, a body corporate and politic of the State of New York, constituting a public benefit corporation.

**“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.

**“Event of Default”** or **“Events of Default”** shall mean, individually or collectively, the listed events in Section 9.01(a) of the Loan Agreement.

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

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

**“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 jurisdiction over the Project or any part thereof, including without limitation, those relating to environmental matters.

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

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

**“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 the Loan Agreement, as the same may be amended, supplemented or otherwise modified, by and between DASNY and the University, relating to DASNY’s Pace University Revenue Bonds, Series 2024B and 2024C.

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

**“Loan Repayments”** means the scheduled payments of principal of and interest on the loan to be paid by the University pursuant to Section 4.2(a)(iii) of the Loan Agreement.

**“Master Indenture”** means the Master Trust Indenture, dated as of January 1, 2013, as supplemented, and as further amended, supplemented or restated from time to time, by and between the University and The Bank of New York Mellon, as the master trustee.

**“Mortgage”** means that security interest on the portion of the University’s New York City Campus comprising One Pace Plaza, and on the University’s Pleasantville Campus.

**“Obligated Group”** shall have the meaning given in the Master Indenture.

**“Obligation”** means an “Obligation” as defined in and as issued pursuant to the Master Indenture to secure indebtedness of the University, including Obligation No. 6 and Obligation No. 7 (collectively referred to herein as the **“Obligations”**), issued to the Trustee by University pursuant to the Master Indenture and the Series 2024 Supplemental Indenture, to secure the obligations of the University to the Issuer under the Loan Agreement.

**“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 Expenses”** means 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”** shall have the meaning given in the Resolution.

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

**“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.

**“Resolution”** means, collectively, the Pace University Revenue Bond Resolution, adopted May 8, 2024, as supplemented by one or more series resolutions relating to the Bonds.

**“Series”** means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds 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 Article IV, Section 5.6 or Section 11.5 of 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 one or more Series of Bonds adopted by the Issuer pursuant to Article III of the Resolution.

**“Series 2024 Supplemental Indenture”** means, collectively, (i) the Supplemental Indenture for Obligation No. 6, issued pursuant to the Master Indenture authorizing the issuance by the Obligated Group of such Obligation No. 6 and (ii) the Supplemental Indenture for Obligation No. 7, issued pursuant to the Master Indenture authorizing the issuance by the Obligated Group of such Obligation No. 7.

**“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 May 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 May 1, but does not include any amount payable by the Issuer by reason only of the maturity of a Bond, and

said future May 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.

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

**“Tax-Exempt Bonds”** 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.

**“Trustee”** means The Bank of New York Mellon.

**“University”** means Pace University, an institution for higher education located in the State of New York, having an office at One Pace Plaza, New York, New York 10038.

**“Variable Interest Rate”** shall have the meaning given in the Resolution.

### **Duration of Agreement**

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

*(Section 10.1)*

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

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

*(Section 3.1)*

### **Construction of Projects**

1. DASNY will, to the extent of moneys available in the Construction Fund, cause the University to be reimbursed for, or pay, any costs and expenses incurred by the University that constitute Costs of the Project or any Cost of Issuance reimbursable to the University, provided such costs and expenses are approved by an Authorized Officer of DASNY as follows:

a. To the extent that moneys are available therefor, moneys in the Construction Fund shall be disbursed as the construction of the Project progresses in amounts as shall be requested by the University pursuant to a request for disbursement as hereinafter provided to reimburse the University for, or to pay, any costs and expenses constituting Costs of the Project previously paid or then due that were incurred by the University in connection with the Project.

b. Prior to DASNY making and delivering any certificate required to be delivered to the Trustee in connection with payments to be made pursuant to Section 6.3 of the Resolution for Costs of a Project, other than



interest on Outstanding Bonds or any Cost of Issuance reimbursable to the University, DASNY shall have received a certificate of the University substantially in the form attached to the Loan Agreement.

2. The University will receive the disbursements of moneys in the Construction Fund to be made under the Loan Agreement, and will hold the right to receive the same, as a trust fund for the purpose of paying the Costs of the Project for which each disbursement was made, and will apply the same first to such payment before using any part thereof for any other purposes.

3. The University shall permit DASNY and its authorized representatives, at all reasonable times and upon reasonable notice, to enter upon the property of the University and the Projects to inspect the Project and all materials, fixtures and articles used or to be used in construction of the Project, and to examine all documents relating thereto. The University agrees to retain all original documentation related to expenditures for items which constitute Costs of the Project for at least three (3) years after the last of the Bonds or any related refunding bonds are retired, for inspection at any time by DASNY or its auditors.

4. The University acknowledges and agrees that disbursements from the Construction Fund are to be made by the Trustee and shall be made in accordance with the Resolution only upon receipt by the Trustee of the documents required by the Resolution to be executed and delivered in connection with such disbursements. DASNY agrees to provide the University, upon request therefor, copies of requisitions, invoices and any related documents detailing payments made from the Construction Fund.

5. The Project shall be deemed to be complete upon delivery to DASNY and the Trustee of a certificate signed by an Authorized Officer of the University, which certificate shall be substantially in the form attached to the Loan Agreement and shall be delivered as soon as practicable after the completion of the Project in accordance with Section 6.3 of the Resolution. The moneys, if any, remaining in the Construction Fund after such Project has been deemed to be complete shall be paid as provided in Section 6.3 of the Resolution. The University agrees to complete the renovation, construction, equipping and furnishing of the Project on or before five years from date of issuance of the Bonds unless the University provides a Favorable Opinion of Bond Counsel addressed to DASNY and the Trustee relating to the extension of the completion date to a subsequent completion date or permitting an application of funds then on deposit in the Construction Fund in a manner other than as required under Section 6.3 of the Resolution.

*(Sections 3.2; 3.3)*

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

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

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

*(Section 5.1)*

#### **Compliance with Governmental Requirements**

The University represents that 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.

*(Section 2.2(e))*

### **Information Concerning the University**

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

2. The University shall, if and when requested by DASNY, provide to DASNY reports with respect to the status of the construction of the Project. The University shall also furnish to DASNY: (i) annually, not later than 165 days after the end of the University's fiscal year, copies of the University's consolidated audited financial statements and (ii) such other statements, reports and schedules describing the finances, operation and management of the University and such other information as DASNY may from time to time reasonably request.

3. The University shall deliver to DASNY each year no later than 165 days after the end of the University's fiscal year a Certificate signed by the Treasurer, Chief Financial Officer or the President of the University in the form attached to the Loan Agreement, together with other statistical information required by DASNY.

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

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

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

*(Section 2.3(f))*

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

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

a. On or before the date of delivery of the Bonds, DASNY Fee agreed to by DASNY and the University in connection with issuance of the Bonds;

b. 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;

c. On each Loan Repayment Date, Loan Repayments in the amount determined in the manner set forth in Schedule D to the Loan Agreement;

d. 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 DASNY to effectuate the redemption or defeasance of such Bonds;

e. 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);

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

g. Promptly after notice from DASNY, 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 DASNY (A) for DASNY Fee then unpaid, (B) to reimburse DASNY for payments made by it pursuant to paragraph 8 (below) and any expenses or liabilities incurred by DASNY pursuant to Section 4.2(b), 5.6, 7.1 or 9.2 of the Loan Agreement, (C) to reimburse DASNY for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable by DASNY under a remarketing agreement, a Credit Facility or a Liquidity Facility, (D) for the costs and expenses incurred by DASNY to compel full and punctual performance by the University of all the provisions of the Loan Agreement or of the Resolution, the Master Indenture and the Obligations 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

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

2. In addition to the loan payments pursuant to Section 4.2(a) of the Loan Agreement, throughout the term of the loan, the University shall pay to DASNY 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 DASNY and the members thereof actually incurred (i) by reason of DASNY's financing of the Project; or (ii) in connection with the carrying out of DASNY'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 DASNY for the purpose of fulfilling the University's obligations under the Loan Agreement, including, but not limited to, Section 5.6 of the Loan Agreement.

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

4. Subject to the provisions of the Loan Agreement and of the Resolution, the University shall receive a credit against the amount required to be paid by the University during a Bond Year pursuant to paragraph 1(c) 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 University delivers to the Trustee for cancellation one or more Bonds and maturity to be so redeemed or (ii) the Trustee, at the written direction of DASNY, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with Section 6.5(b) of the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

5. DASNY directs the University, and the University agrees, to make the payments required by paragraphs 1(c), 1(d), 1(f) and 1(h) of this section directly to the Trustee for deposit and application in accordance with Section 6.4 of the Resolution, the payments required by paragraphs 1(b) and 1(g)(E) of this section directly to the Trustee for deposit in the Construction Fund or other fund established under the Resolution, as directed by DASNY, and the payments required by paragraphs 1(a), 1(e), 1(g) (A),(B),(C) and (D) and 2 of this section directly to DASNY.

6. Notwithstanding any provisions in the Loan Agreement to the contrary (except as otherwise specifically provided for in this section), all moneys paid by the University to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee (other than moneys received by the Trustee pursuant to paragraphs 1(b), 1(f) and 1(g)(E)) shall be applied in reduction of the University's indebtedness to DASNY under the Loan Agreement, first, with respect to interest and, then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such moneys are applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such moneys have been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with Section 13.1(b) of the Resolution. Except as otherwise provided in the Resolution and the preceding sentence of this paragraph 6, 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.

7. DASNY, for the convenience of the University, may, in its sole discretion, furnish to the University statements of the due date, purpose and amount of payments to be made pursuant 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.

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

9. The University agrees that it shall also be obligated to make all payments when due on the Obligations to the Trustee as holder of the Obligations, and that the holder shall be entitled to so receive all payments when due on the Obligations, it being the intention of the parties to the Loan Agreement that the Obligations and the Loan Agreement are separate (but not duplicative) obligations of the University, that payments by the University to the Trustee pursuant to the Obligations shall serve as a credit against amounts due from the University to DASNY pursuant to the Loan Agreement with regard to the Bonds and that payments by the University to or upon the order of DASNY pursuant to the Loan Agreement shall serve as a credit against respective amounts due from the University to the Trustee pursuant to the Obligations.

*(Section 4.2)*

#### **Obligations of University Unconditional**

The Loan Agreement and the obligations of the University to make payments under it are general obligations of the University. The obligations of the University to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the University may otherwise have against DASNY, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the University to complete the Project or the completion thereof with defects, failure of the University to occupy or use the Project, any declaration or finding that the Bonds are or the Resolution is invalid or unenforceable or any other failure or default by DASNY or the Trustee; ***provided, however,*** that nothing in the Loan Agreement shall be construed to release DASNY from the performance of any agreements on its part contained in the Loan Agreement or any of its other duties or obligations, and in the event DASNY shall fail to perform any such agreement, duty or obligation, the University may, subject to the provisions of Section 11.9 of the Loan Agreement, institute such action as it may deem necessary to compel performance or to recover damages for DASNY's willful misconduct.

*(Section 4.3)*

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

The University, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee provided that the University has given DASNY written notice of its intention to make any such voluntary payment at least two (2) business days prior to making the payment. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with Section 6.5 of the Resolution or held by the Trustee for the payment of Bonds in accordance with Section 13.1(b) of the Resolution. Upon any voluntary payment by the University, DASNY agrees to direct the Trustee in writing to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in writing in accordance with Section 13.1(b) of the Resolution with respect to such Series of Bonds; **provided, however**, that in the event such voluntary payment is sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with Section 13.1(b) of the Resolution, DASNY agrees, in accordance with the instructions of the University, to direct the Trustee in writing to purchase or redeem all Bonds Outstanding, or to cause all Bonds Outstanding to be paid or to be deemed paid in accordance with Section 13.1(b) of the Resolution.

*(Section 4.4)*

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

DASNY shall pledge and assign its rights to and interest in the Loan Agreement and in all amounts payable by the University to the Trustee pursuant to Section 4.2 of the Loan Agreement and all other provisions of the Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Arbitrage Rebate Fund) and the Obligations, to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bonds. The University acknowledges and consents to such pledge and assignment by DASNY. Notwithstanding the foregoing, (1) all indemnities contained in the Loan Agreement shall, subsequent to such pledge and assignment, continue to run to DASNY for its benefit; and (2) both the Trustee and DASNY shall each have the right to enforce remedies under the Loan Agreement during the continuance of Events of Default arising from violations of Article 8 of the Loan Agreement.

*(Section 4.7)*

## **Maintenance of Corporate Existence**

The University shall maintain its corporate existence, will continue to operate as a not-for-profit university, shall obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditations as may be necessary for the continued operation of the University as a not-for-profit university 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 DASNY, the University may (i) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies under Section 501(c)(3) of the Code, or any successor provision of federal income tax law, or (ii) permit one or more corporations or any other organization to consolidate with or merge into it, or (iii) acquire all or substantially all of the assets of one or more corporations or any other organization; provided, further, that in each case (a) the University provides a Favorable Opinion of Bond Counsel addressed to DASNY and the Trustee relating to any such sale, transfer, consolidation, merger or acquisition, (b) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and qualified under Section 501(c)(3) of the Code or any successor provision of federal income tax law, and (c) the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of and restrictions on the University under the Loan Agreement and under the Institution Documents, furnishes to DASNY a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation shall be in compliance with applicable laws, rules and regulations and each of the provisions of the Loan Agreement and shall meet the requirements of the Act and furnishes such other certificates and documents as DASNY may reasonably request.

*(Section 2.3(c))*

## **Tax-Exempt Status**

1. The University represents and warrants that (i) it is an organization described in Section 501(c)(3) of the Code and it is not a “private foundation” as defined in Section 509 of the Code; (ii) it has received letters from the Internal Revenue Service to that effect; (iii) such letters have not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letters; (v) the facts and circumstances which form the basis of such letters 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.

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

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

*(Sections 8.1; 8.2; 8.3(a))*

## **Rebate Calculations**

The University shall engage a rebate analyst to calculate rebate amount and shall retain in the University’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 DASNY and its agents and representatives, any of whom may make copies thereof. Upon written request therefor from DASNY, the University shall as soon as practicable provide DASNY with a copy of any such document, report or computation. The University shall also provide DASNY with a copy of all documents or reports to be filed with the Department of Treasury of the United States of America relating to the rebate of earnings and absent manifest error, DASNY agrees to execute and to file the necessary forms with the Department of Treasury of the United States of America.

*(Section 8.3(d))*

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

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

*(Section 5.2)*

## **Insurance Required**

1. The University 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 universities located in the State of a nature similar to that of the University, 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 University shall at all times also maintain worker’s compensation coverage and disability benefits insurance coverage as required by the laws of the State.

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

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

*(Section 5.5)*

### **Damage or Condemnation**

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

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

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

*(Section 6.1)*

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

1. As used in the Loan Agreement the term “Event of Default” shall mean:

a. the University shall default in the timely payment of any amount payable pursuant to Section 4.2 of the Loan Agreement or the payment of any other amounts required to be delivered or paid by or on behalf of the University in accordance with the Loan Agreement and the Resolution, and such default continues for a period in excess of four (4) Business Days; or

b. the University defaults in the due and punctual performance of any other covenant contained in the Loan Agreement (other than those designated in subparagraph 1(a) above) or breaches any representation made in the Loan Agreement and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the University by DASNY or the Trustee; provided, however, that, if in the determination of DASNY such default cannot be corrected within such thirty (30) day period but can be corrected by appropriate action, it shall not constitute an Event of Default if corrective action is instituted by the University within such period and is diligently pursued until the default is corrected; or

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

d. the University shall be in default under the Master Indenture or under the Obligations, and in either case such default continues beyond any applicable grace period; or

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

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

g. the charter of the University or any license necessary to operate the Project shall be suspended or revoked; or

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

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

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

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

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

m. the occurrence and continuance of an event of default under (A) any Obligation or Mortgage; or (B) any agreement executed in connection with the Obligations and, upon such default, (y) the principal of any indebtedness secured by such Obligations may be declared to be due and payable or (z) the lien upon or pledge may be foreclosed or realized upon.

2. Upon the occurrence of an Event of Default, DASNY may take any one or more of the following actions:

a. declare all sums payable by the University under the Loan Agreement or under the Obligations immediately due and payable, to the extent permitted under the Master Indenture;

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



c. maintain an action against the University under the Loan Agreement to recover any sums payable by the University or to require its compliance with the terms of the Loan Agreement; or exercise any rights as the holder of an Obligation under the Master Indenture; or

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

3. All rights and remedies given in the Loan Agreement or granted to DASNY are cumulative, non-exclusive and in addition to any and all rights and remedies that DASNY 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 DASNY'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.

4. 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, DASNY 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.

*(Section 9.1)*

### **Compliance with Resolution**

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

*(Section 7.5)*

### **Tax Covenants**

DASNY and the University each covenant that it will not take any action or fail to take any action which would cause any of its representations contained in the Tax Certificate to be untrue and shall comply with all its covenants contained in the Tax Certificate, unless DASNY or the University, as applicable, provides the other party with a Favorable Opinion of Bond Counsel relating to the taking or failing to take such action or the failing to comply with its covenants under the Tax Certificate.

*(Section 8.3(b))*

### **Effective Date**

The Loan Agreement shall be delivered and effective on the date on which the Bonds were first issued and delivered to the purchasers thereof.

*(Section 11.2)*

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**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS OF THE**  
**RESOLUTION**

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**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS**  
**OF THE RESOLUTION**

The following is a brief summary, prepared by Bond Counsel, of certain provisions of the Resolution. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used herein shall have the below meanings or, if undefined herein, those meanings ascribed to them in the Resolution.

**“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.

**“Annual Administrative Fee”** means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Issuer in the amount or amounts more particularly described in Schedule B to the Loan Agreement.

**“Arbitrage Rebate Fund”** means the fund so designated, created and established pursuant to Section 6.6 of the Resolution.

**“Authorized Officer”** means in the case of the Issuer, the University or the Trustee, as the case may be, when used with reference to any act or document referenced under the Resolution, means 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 Counsel”** means Orrick, Herrington & Sutcliffe LLP and/or Marous Law, 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 May 1 in any calendar year and ending on April 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.

**“Bonds”** means any of the bonds of the Issuer authorized and issued pursuant to the Loan Agreement and to a Series Resolution, including DASNY’s Pace University Revenue Bonds, Series 2024B and 2024C.

**“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.

**“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 University has entered into a Hedge Agreement.

**“Credit Facility”** shall have the meaning given in the Resolution.

**“DASNY”** means the Dormitory Authority of the State of New York, having its principal place of business at 515 Broadway, Albany, New York 12207, a body corporate and politic of the State of New York, constituting a public benefit corporation.

**“DASNY Fee” or “Issuer Fee”** means the fee payable to the Issuer attributable to the issuance of the Bonds, as more particularly described in Schedule C attached to the Loan Agreement.

**“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.

**“Defeasance Securities”** shall have the meaning given in the Resolution.

**“Depository”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a 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 Section 4.5(g) of 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.

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

**“Event of Default”** or **“Events of Default”** shall mean, individually or collectively, the listed events in Section 12.2 of the Resolution.

**“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 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 University with a Counterparty that is or in the nature of an interest rate exchange agreement, an interest rate cap or collar or other exchange or rate protection transaction, in each case executed for the purpose of moderating interest rate fluctuations, reducing interest cost or, with respect to any Variable Interest Rate Bond, creating the economic or financial equivalent of a fixed rate of interest on such Bond.

**“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 the Loan Agreement, as the same may be amended, supplemented or otherwise modified, by and between DASNY and the University, relating to DASNY’s Pace University Revenue Bonds, Series 2024B and 2024C.

**“Master Indenture”** means the Master Trust Indenture, dated as of January 1, 2013, as supplemented, and as further amended, supplemented or restated from time to time, by and between the University and The Bank of New York Mellon, as the master trustee.

**“Obligation”** means an “Obligation” as defined in and as issued pursuant to the Master Indenture to secure indebtedness of the University, including Obligation No. 6 and Obligation No. 7 issued to the Trustee by University pursuant to the Master Indenture and the Series 2024 Supplemental Indenture, to secure the obligations of the University to the Issuer under the Loan Agreement.

**“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.

**“Outstanding”** shall have the meaning given in the Resolution.

**“Permitted Collateral”** shall have the meaning given in the Resolution.

**“Permitted Investments”** shall have the meaning given in the Resolution.

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

**“Rating Service”** means Moody’s Investors Service, Inc., S&P Global Ratings, Fitch Ratings 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 Section 4.4 of the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article IV, Section 5.6 or Section 11.5 of the Resolution.

**“Resolution”** means, collectively, the Pace University Revenue Bond Resolution, adopted May 8, 2024, as supplemented by one or more series resolutions relating to the Bonds.

**“Revenues”** shall have the meaning given in the Resolution.

**“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 Article IV, Section 5.6 or Section 11.5 of 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 one or more Series of Bonds adopted by the Issuer pursuant to Article III of the Resolution as it may be amended or supplemented from time to time.

**“Series 2024 Supplemental Indenture”** means, collectively, (i) the Supplemental Indenture for Obligation No. 6, issued pursuant to the Master Indenture authorizing the issuance by the Obligated Group of such Obligation No. 6 and (ii) the Supplemental Indenture for Obligation No. 7, issued pursuant to the Master Indenture authorizing the issuance by the Obligated Group of such Obligation No. 7.

**“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 May 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 May 1, but does not include any amount payable by the Issuer by reason only of the maturity of a Bond, and said future May 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 Indenture”** means any Supplemental Indenture under the Master Indenture authorizing the issuance of an Obligation to secure a Series of Bonds.

**“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 Article X of the Resolution.

**“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 of New York Mellon.

**“Unassigned Rights”** shall have the meaning given in the Loan Agreement.

**“University”** means Pace University, an institution for higher education located in the State of New York, having an office at One Pace Plaza, New York, New York 10038.

**“Variable Interest Rate”** shall have the meaning given in the Resolution.



## **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 DASNY, 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 DASNY 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 the Resolution or permitted thereby.

*(Section 2.2)*

## **Pledge of Resolution**

The proceeds from the sale of the Bonds of a Series, the Revenues, the Series Resolution authorizing the issuance of such Series of Bonds (other than Unassigned Rights) and, except as otherwise provided in Section 6.1 of the Resolution, all funds and accounts established by or pursuant to such Series Resolution, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds of such Series and as security for the performance of any other obligation of DASNY 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 of 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, and all funds and accounts established by or pursuant to any Series Resolution which are pledged under the Resolution shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against DASNY 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 limited obligations of DASNY payable solely from and secured by a pledge of the proceeds from the sale of the Bonds of such Series, the Revenues, and 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 as provided in the Resolution.

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 and the Revenues derived from such Loan Agreement and the applicable Obligation(s), 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)*

## **Establishment of Funds and Accounts**

The following funds shall be established by the applicable Series Resolution in accordance with Section 3.3(i) of 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.

DASNY 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 DASNY 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, there is established an Arbitrage Rebate Fund to be held by the Trustee as custodian for DASNY, 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 under 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 of this section ("*Establishment of Funds and Accounts*") 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 under the Resolution for the payment of the purchase price of such Option Bonds, and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds, and may be pledged to the provider of such Liquidity Facility.

(Section 6.1)

#### **Application of Bond Proceeds and Allocation Thereof**

Upon the receipt of proceeds from the sale of a Series of Bonds, including accrued interest, if any, the proceeds of such Series of Bonds shall be applied in accordance with the written directions of an Authorized Officer of DASNY for the purposes authorized under the Resolution and the Series Resolution relating to such Series.

(Section 6.2)

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

As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund established in connection with such Series of Bonds, if any, the amount required to be deposited therein pursuant to Section 6.2 of the Resolution. In addition, the Trustee shall deposit in such Construction Fund all amounts paid by the University 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 Article VI of 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 DASNY 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 DASNY, each substantiated by a certificate filed with DASNY signed by an Authorized Officer of the University 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 DASNY 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 University in the form set forth in the Loan Agreement (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 DASNY 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 DASNY, 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 Section 6.5 of the Resolution, any balance remaining.

(Section 6.3)

### **Enforcement of Obligation; Deposit and Allocation of Revenues**

To the extent the University fails to make any timely payment with respect to a Series of Bonds under the Loan Agreement executed in connection with such Series of Bonds, which payment would constitute a credit for payment of the related Obligation in accordance with the terms thereof, the Trustee shall promptly make demand for payment under such Obligation in accordance with the terms thereof.

All Revenues (including all payments received under the applicable Loan Agreement, the Master Indenture, an applicable Supplemental Indenture and the applicable Obligations), 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 University 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:

1. the interest due and payable on the Outstanding Bonds of such Series;
2. the principal due and payable on the Outstanding Bonds of such Series;
3. 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
4. in connection with the optional redemption of Bonds of a Series pursuant to Section 5.2 of the Resolution and subject to the satisfaction of any conditions contained in the notice of redemption given pursuant to such Section 5.2, the Redemption Price, together with interest accrued and unpaid thereon, on the redemption date.

DASNY may, at any time subsequent to the first principal payment date of any Bond Year (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds), 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 to be redeemed from such Sinking Fund Installment. In addition, the University pursuant to a related Loan Agreement may deliver, at any time subsequent to the first principal payment date of any Bond Year (or such other date as provided in a Series Resolution or a Certificate of Determination with respect to a Series of Bonds), but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of such Series to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to DASNY. 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 this section (“*Debt Service Fund*”), shall promptly notify DASNY and the University 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 DASNY, unless otherwise paid, such amounts as are payable to DASNY for: (i) all expenditures reasonably and necessarily incurred by DASNY in connection with the financing of the Project, including expenses incurred by DASNY to compel full and punctual performance of all the provisions of an applicable Loan Agreement in accordance with the terms thereof, and (ii) any unpaid fees or other amounts payable to DASNY under the Loan Agreement; but only upon receipt by the Trustee of a certificate signed by DASNY, stating in reasonable detail the amounts payable to DASNY pursuant to this paragraph;

*Second*, upon the direction of DASNY, be paid by the Trustee to the University, in the respective amounts set forth in such direction. Any amounts paid to the University shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the applicable Series Resolution or the applicable Loan Agreement; 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 University for deposit therein and, notwithstanding any other provisions of Article VI of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of DASNY, money on deposit in any other funds held by the Trustee under the Resolution such times and in such amounts as shall be set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of DASNY 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 DASNY.

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 DASNY 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 Arbitrage Rebate Fund such amount as DASNY 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 Moneys 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, if any, 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 Section 13.1(b) of the Resolution for the payment of such Bonds at the maturity or redemption dates thereof, the Trustee shall so notify DASNY and the University. Upon receipt of such notice, DASNY may advise the University 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 University) 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 Article V of the Resolution, or (ii) give the Trustee irrevocable

instructions in accordance with Section 13.1(b) of the Resolution and make provision for the payment of such Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 6.7)

### **Investment of Funds and Accounts**

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 DASNY given or confirmed in writing, by DASNY (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 DASNY reasonably believes such money will be required for the purposes of the Resolution.

In lieu of the investments of money in obligations authorized in the first paragraph of this section (*“Investment of Funds and Accounts”*), the Trustee shall, to the extent permitted by law, upon direction of DASNY given or confirmed in writing, 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 DASNY 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 DASNY, and (z) the Permitted Collateral shall be free and clear of claims of any other person. Notwithstanding anything in the Resolution to the contrary, any direction of DASNY given with respect to the investment of money in a Construction Fund pursuant to this paragraph, shall be in consultation with the University.

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, DASNY, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in this section (*“Investment of Funds and Accounts”*). Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise DASNY and the University in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the first, second and third paragraphs of this section (*“Investment of Funds and Accounts”*). 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 DASNY shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond that is issued as a Tax-Exempt Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 7.2)

### **Security for Deposits**

The Trustee shall be continuously and fully secure all money held under the Resolution by it for the benefit of DASNY 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 Section 6.5 or Section 13.1 of the Resolution and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions of the Resolution as an investment of such money. The Trustee shall include in its monthly report provided pursuant to Section 7.2(e) of the Resolution a statement showing the amount of money held by the Trustee pursuant to this section (“*Security for Deposits*”) 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)

### **Place and Medium of Payment**

The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Except as otherwise provided in Section 5.6 of the Resolution, upon presentation and surrender of Bonds on their maturity or earlier redemption dates, the principal, Sinking Fund Installments, if any, or Redemption Price of such Bonds shall be payable at the principal corporate trust office of the Trustee. For purposes of this section (“*Place and Medium of Payment*”), interest is payable to the registered owner of a Bond at the close of business on the Record Date for such Bond. All payments of principal or Redemption Price of or interest on Bonds shall specify the CUSIP number or numbers of the Bonds, if any, in connection with which such payment is made.

The interest payable on each Bond on any interest payment date shall be paid by the Trustee to the registered owner of such Initial Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Bonds are held by a Depository or, at the written request addressed to the Trustee by any registered owner of Bonds in the aggregate principal amount of at least \$1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an interest payment date.

The Bonds of each Series shall be issued in the form of fully registered Bonds without coupons.

Bonds of a Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof or the Certificate of Determination applicable thereto. Bonds of a Series issued on or subsequent to the first interest payment date thereof shall be dated as of the interest payment date immediately preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; *provided, however*, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of a Series shall bear interest from their date.

For all purposes of the Act relating to or dealing with the date of the Bonds, Bonds of any Series shall be deemed to be dated as of the date provided for the Bonds of such Series in the manner provided in the Series Resolution authorizing the issuance thereof or in the Certificate of Determination applicable thereto.

All Bonds of a Series shall mature on May 1 of each year, unless otherwise provided in a Series Resolution or Certificate of Determination with respect to a Series of Bonds, in which a maturity is fixed by the Series Resolution authorizing the issuance of such Bonds or the Certificate of Determination relating to such Bonds. Interest on all Bonds of each Series, except the first installment of interest due on such Bonds of a Series and interest on Variable Interest Rate Bonds the rate at which such Bonds bear interest is adjusted annually or more frequently than annually, shall be payable semiannually on May 1 and November 1 (unless otherwise provided in a Series Resolution or a Bond Certificate of Determination with respect to a Series of Bonds) of each year in which an installment of interest becomes due as fixed in a Series Resolution or a Certificate of Determination. Interest on Variable Interest Rate Bonds the rate at which such Bonds bear interest is adjusted annually or more frequently than annually shall be payable at such times as shall be provided in the Series Resolution authorizing the issuance thereof or the Certificate of Determination

related thereto. The first installment of interest due on the Bonds of a Series may be for such period as DASNY shall fix in the Series Resolution authorizing the issuance thereof or the Certificate of Determination applicable thereto.

*(Section 4.1)*

#### **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 Article V of 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.

Notwithstanding any other provision of Article V of the Resolution to the contrary:

1. any notice of redemption given with respect to a Book Entry Bond shall comply with the requirements for notice contained in the Depository letter from DASNY to the Depository relating to such Book Entry Bond; and
2. notice of any redemption under the Resolution with respect to the Bonds held under a book entry system shall be given by the Trustee only to the Depository, or its nominee, as the Holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any direct participant, indirect participant or beneficial owner to receive such notice and its content or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

*(Section 5.1)*

#### **Notice of Redemption**

Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of DASNY which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with Section 3.1 of 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 DASNY's obligation to redeem the Bonds is subject to conditions, a statement that describes the conditions to such redemption. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Any notice of redemption given pursuant to this section ("*Notice of Redemption*") 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, in which case such notice shall be of no force and effect and such Bonds shall not be required to be redeemed. 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 provisions of Section 15.8(c) of the Resolution and posted on EMMA. Upon giving such notice, the Trustee shall promptly certify to DASNY that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided in the Resolution. Such certificate shall be conclusive evidence that such notice was given in the manner required by the Resolution. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds.

*(Section 5.5)*

## **Refunding Bonds; Additional Obligations**

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. DASNY may issue Refunding Bonds in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding (including interest on the Refunding Bonds accrued prior to or for a specified period after the issuance of such Refunding Bonds) and to make such deposits required by the provisions of Section 3.4 of the Resolution and of the Series Resolution authorizing such Series of Refunding Bonds.

Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 3.2 of the Resolution) of:

1. If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;
2. Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in Section 13.01 of the Resolution to the Holders of the Bonds to be refunded;
3. Either or both of (i) money in an amount sufficient to effect payment of the principal at maturity or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee in a separate fund or account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, and/or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of said Section 13.1 of the Resolution, which Defeasance Securities and money shall be held in trust and used only as provided in said Section 13.1; and
4. A certificate of an Authorized Officer of DASNY containing such additional statements as may be reasonably necessary to show compliance with the requirements of Section 3.4 of the Resolution.

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

DASNY reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of DASNY, 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 DASNY and Holders of Bonds as provided by the Resolution. Notwithstanding anything in the Resolution to the contrary, DASNY may issue bonds, notes or any other obligations pursuant to another resolution for the benefit of the University and such bonds, notes or other obligations may be secured as parity obligations under the Master Indenture with the Bonds issued pursuant to the Resolution.

*(Sections 3.3; 3.4)*



## **Accounts and Reports**

The Trustee, on behalf of DASNY, 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 University, DASNY 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 DASNY, any provider of a Credit Facility and the University. 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 with respect to the Revenues, DASNY 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 on the proceeds from the sale of the Bonds, the Revenues, the Obligations 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 DASNY 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 the Revenues, is not prior or equal to the charge or lien created by the Resolution.

*(Section 8.6)*

## **Events of Default**

An event of default shall exist under the Resolution and under a Series Resolution (called “event of default”) if with respect to the Bonds of a Series to which the Series Resolution relates:

1. payment of the principal, Sinking Fund Installments or Redemption Price of any Bond of such Series shall not be made by DASNY when the same shall otherwise become due and payable; or
2. payment of an installment of interest on any Bond of such Series shall not be made by DASNY when the same shall become due and payable; or
3. a Determination of Taxability shall have occurred and be continuing; or
4. DASNY 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 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 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 DASNY fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or
5. an “Event of Default” as defined in a Loan Agreement shall have occurred and be continuing and all sums payable by the University 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 Section 12.2 of the Resolution, other than an event of default specified in paragraph (c) of said Section 12.2, then and in every such case the Trustee,

upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of each Series, shall, by a notice in writing to DASNY and each Rating Service(s) then rating the Outstanding Bonds of such Series, (i) declare the principal of and interest on all of the Outstanding Bonds of such Series to be immediately due and payable, and (ii) request that the Master Trustee declare the applicable Outstanding Obligations (as defined in the Master Indenture) 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 the 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 DASNY, 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 DASNY under the Resolution and under each applicable Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this section (“*Acceleration of Maturity*”)) 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 this section (“*Acceleration of Maturity*”)) 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 Section 12.2 of the Resolution, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of Section 9.6 of the Resolution) to protect and enforce its rights and the rights of the Bondholders under the Resolution or under any Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or under any Series Resolution or in aid or execution of any power in the Resolution or therein granted or for 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 DASNY 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 DASNY 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)

#### **Bondholders’ Direction of Proceedings**

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, 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 therein 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)*

### **Modification and Amendment Without Consent**

Notwithstanding any other provisions of Article X or Article XI of the Resolution, DASNY may, without the consent of Bondholders and except in the case of subparagraph (8) 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:

1. 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;
2. To add additional covenants and agreements of DASNY 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 DASNY contained in the Resolution;
3. To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by DASNY which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
4. To surrender any right, power or privilege reserved to or conferred upon DASNY 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 DASNY contained in the Resolution;
5. 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 or the Master Indenture, of the Revenues, or any pledge of any other money, securities or funds;
6. 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;

7. To modify or amend a Project; or

8. 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 thereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent therewith 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 this section ("*Modification and Amendment Without Consent*") shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of DASNY 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 Bondholders in accordance with and subject to the provisions of Article XI of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by DASNY. The Trustee shall, upon its becoming effective, transmit a copy of such Supplemental Resolution to the University and to each Rating Service(s) rating the affected Bonds then Outstanding.

(Section 10.2)

#### **Powers of Amendment**

Any modification or amendment of the Resolution and of the rights and obligations of DASNY and of the Holders of the Bonds of a Series thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 11.2 of 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 this section ("*Powers of Amendment*"), 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 DASNY 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.

For all purposes of this section (“*Powers of Amendment*”), 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 of the Resolution. The Trustee shall transmit a copy of such Supplemental Resolution to the University upon its becoming effective.

(Section 11.1)

### **Consent of Bondholders**

DASNY may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.1 of the Resolution to take effect when and as provided in this section (“*Consent of Bondholders*”). 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 therefore, 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 DASNY, 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 Section 4.5 of 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 in section (“*Consent of Bondholders*”) provided).

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 Section 11.1 of the Resolution and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by DASNY in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon DASNY and enforceable in accordance with its terms, and (ii) a notice shall have been given as hereinafter in section (“*Consent of Bondholders*”) provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 14.1 of 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 Section 14.1 of 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 Section 14.1 of the Resolution to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in section (“*Consent of Bondholders*”) provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with DASNY 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 DASNY 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 section (“*Consent of Bondholders*”), shall be given to: (1) the Bondholders by the Trustee in accordance with the provisions of Section 15.8(c) 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 section (“*Consent of Bondholders*”). A transcript, consisting of the papers required or permitted by section (“*Consent of Bondholders*”) 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 DASNY, 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 DASNY 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 Article XI 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 irrevocably consent to a modification or amendment permitted by Section 11.1 or 11.3 of 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 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 DASNY.

*(Section 11.2)*

### **Amendment of Loan Agreement**

Each Loan Agreement may, without the consent of the Holders of Bonds, be amended, changed, modified, altered or supplemented for any one or more of the following purposes:

1. to add an additional covenant or agreement for the purpose of further securing the payment of the University's obligations under the Loan Agreement that is not contrary to or inconsistent with the covenants and agreements of the University contained in the Loan Agreement;
2. to prescribe further limitations and restrictions upon the University's right to incur, issue, assume or guaranty indebtedness that are not contrary to or inconsistent with the Master Indenture or any limitations and restrictions thereon theretofore in effect;
3. to surrender any right, power or privilege reserved to or conferred upon the University, if surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the University contained in the Loan Agreement;
4. 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;
5. to establish, amend or modify DASNY Fee or the Annual Administrative Fee payable by the University in connection with the Bonds of a Series;
6. to modify an existing loan amortization and repayment schedule as may be necessary or desirable in connection with changes in the interest rate mode applicable to the related Bonds as permitted in the Series Resolution or Certificate of Determination authorizing such Bonds; or
7. with the prior written consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or in the Loan Agreement or to amend, modify or waive any other provision of the Loan Agreement, provided that the same does not adversely affect the interests of the Bondholders in any material respect.

Notwithstanding the provisions of the first paragraph of this section ("*Amendment of Loan Agreement*"), the Loan Agreement relating to a Series of Bonds may not be amended, changed, modified, altered or terminated, nor may any provision thereof be waived, without the consent of the Holders of Outstanding Bonds of such Series as hereinafter provided if such amendment, change, modification, alteration, termination or waiver (i) reduces the amount of Revenues payable by the University under such Loan Agreement on any date or delays the date on which payment is to be made or reduces the amount of any payment required to be made under the an Obligation, (ii) modifies the events which constitute Events of Default under such Loan Agreement, (iii) diminishes, limits or conditions the rights or remedies of DASNY under such 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 section (*"Amendment of Loan Agreement"*).

Bonds owned or held by or for the account of DASNY or the University shall not be deemed Outstanding for the purpose of consent provided for in this section (*"Amendment of Loan Agreement"*), and neither DASNY nor the University 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 DASNY and the University in accordance with Section 15.7 of the Resolution.

For the purposes of this section (*"Amendment of Loan Agreement"*), the purchasers of Bonds, whether purchasing as underwriters, remarketing agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this section (*"Amendment of Loan Agreement"*) 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 a Loan Agreement, or waiver of a provision thereof shall be made other than pursuant to a written instrument signed by the parties thereto. No such amendment, change, modification, alteration or waiver shall become effective unless there has been delivered to the Trustee an opinion of Bond Counsel that any such amendment, change, modification, alteration or waiver complies with the provisions of this section (*"Amendment of Loan Agreement"*). A copy of each such amendment, change, modification, termination or waiver shall be filed with the Trustee.

For the purposes of this section (*"Amendment of Loan Agreement"*), a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect, which determination shall be made without regard to the existence of any 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 University, DASNY and all Holders of Bonds.

For all purposes of this section (*"Amendment of Loan Agreement"*), 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)

### **Defeasance**

If DASNY 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 DASNY, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by DASNY, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of DASNY; and second, to DASNY the amount certified by an Authorized Officer of DASNY to

be then due or past due pursuant to a Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the University. 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.

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

1. in case any of said Bonds are to be redeemed on any date prior to their maturity, DASNY shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article V of 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. DASNY 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 Section 15.8(c) of the Resolution that the deposit required by clause (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this section ("*Defeasance*") 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 DASNY as to the sufficiency of the cash or Government Obligations on deposit in accordance with the provisions of this second paragraph of this section ("*Defeasance*").

The Trustee shall give written notice to each Rating Service then rating said Bonds of DASNY's selection of the Series and maturity the payment of which is to be made in accordance with this section ("*Defeasance*"). The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this section ("*Defeasance*") in the manner provided in Section 5.4 of the Resolution. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this section ("*Defeasance*") nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be; provided, further, that money and Defeasance Securities may be withdrawn and used by DASNY 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 DASNY as to the sufficiency of the cash or Government 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 hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of DASNY; and second to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to a Loan Agreement



for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the University. 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.

For the purpose of determining whether an Option Bonds shall be deemed to have been paid in accordance with the second paragraph of this section (“*Defeasance*”), 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) of this section (“*Defeasance*”), the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by DASNY, 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 DASNY; second, to DASNY the amount certified by an Authorized Officer of DASNY to be then due or past due pursuant to a Loan Agreement for fees and expenses of DASNY or pursuant to any indemnity; and, then, the balance thereof to the University. Such securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by any Series Resolution or Loan Agreement.

For the purpose of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with the second paragraph of this section (“*Defeasance*”), 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)

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**APPENDIX E**  
**SUMMARY OF CERTAIN PROVISIONS OF THE**  
**MASTER INDENTURE**

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## SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

*The following is a brief summary of certain provisions of the Master Indenture. Such summary does not purport to be complete and reference is made to the Master Indenture for full and complete statements of such and all provisions.*

### CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Master Indenture and used in this Official Statement.

“Additional Indebtedness” means any Indebtedness incurred by the University subsequent to the issuance of Obligation No. 2 under the Master Indenture.

“Annual Debt Service” means as of any date of calculation, the amount required to be paid by the University during the then current Fiscal Year to pay the principal, whether at maturity or upon mandatory redemptions or prepayments, of and interest on such Indebtedness, also taking into account:

(i) with respect to Balloon Indebtedness either (a) the amount of principal which would be payable in such period if such principal were amortized equally over the remaining term to the earlier of maturity or the date on which such Balloon Indebtedness is subject to mandatory redemption, prepayment or purchase by the University, or (b) the term of refinancing if such Indebtedness is subject to a binding commitment for the refinancing of such Indebtedness, in each case with level annual debt service, at a rate of interest equal to that derived from the Bond Index, as determined by an Officer’s Certificate;

(ii) with respect to Long-Term Indebtedness which is Variable Rate Indebtedness the interest on such Indebtedness shall be calculated at the election of the University at either (a) the rate at which is equal to the Bond Index at that time or (b) the average of the actual interest rates which were in effect for the prior six months;

(iii) with respect to any Liquidity Facility, to the extent that such Liquidity Facility has not been used or drawn upon, the principal and interest relating to such Liquidity Facility shall not be included in the Annual Debt Service;

(iv) with respect to any Guaranty, in accordance with the definition of “Guaranty” set forth in the Master Indenture;

(v) with respect to Derivative Indebtedness, the principal or notional amount thereof shall be disregarded and interest on such Indebtedness during any Derivative Period and for so long as the provider of the Derivative Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (x) the amount of interest payable by the University on such Derivative Indebtedness pursuant to its terms and (y) the amount of interest payable by the University under the Derivative Agreement and subtracting (z) the amount of interest payable by the provider of the Derivative Agreement at the rate specified in the Derivative Agreement; provided, however, that to the extent that the provider of any Derivative Agreement is in default thereunder, the amount of interest payable by the University shall be the interest calculated as if such Derivative Agreement had not been executed;

(vi) with respect to Short-Term Indebtedness, interest shall equal the amount of interest actually paid by the University on such Short-Term Indebtedness during the most recently concluded Fiscal Year;

(vii) with respect to Indebtedness sold to the original purchaser (excluding an underwriter or similar intermediary) at a discount from the par amount thereof, the amount of such Indebtedness shall, at the option of the University, be deemed to be the accreted value of such Indebtedness computed on the basis of a constant yield to maturity;

provided, however, that capitalized interest, Escrowed Interest and Escrowed Principal shall be excluded from the determination of Annual Debt Service.

“Appraised Value” means, as of any given point in time, the fair market value of the Mortgaged Property as determined by a professional appraiser and delivered in writing to the Master Trustee.

“Audited Financial Statements” means financial statements for a twelve-month period, or for such other period for which an audit has been performed, prepared in accordance with GAAP, which have been audited and reported upon by independent certified public accountants for the University.

“Authorized Representative” means, with respect to the University, the President or the Chief Financial Officer of the University or any other person or persons designated an Authorized Representative of the University in writing by the President or the Chief Financial Officer and with respect to the Master Trustee, any designated officer who is then authorized by the current signing authorities of the Master Trustee to execute corporate trust agreements and related documents on behalf of the Master Trustee.

“Balloon Indebtedness” means Long-Term Indebtedness of which 25% or more in principal amount matures, is mandatorily required to be redeemed or prepaid, or is required to be purchased by the University (either automatically or at the option of the holder of such Balloon Indebtedness) in any one year.

“Bond Index” as selected by the Authorized Representative of the University, either (i) the Bond Buyer thirty (30) year “Revenue Bond Index,” as then published most recently by The Bond Buyer, New York, New York or a comparable index, if such index is no longer available or (ii) the SIFMA Index.

“Capital Addition” means any addition, improvement or extraordinary repair to or replacement of any Property, whether real, personal or mixed, the cost of which is properly capitalized under GAAP.

“Consultant” means a firm or firms, selected by the University, which is a professional management consultant or investment banking firm or other financial institution of national repute for having the skill and experience necessary to render the particular report required by the provision of the Master Indenture in which such requirement appears and which is (i) not unacceptable to the Master Trustee, and (ii) so long as any Liquidity Facility for Related Bonds remains in effect, acceptable to such Facility Provider.

“Corporate Trust Office” means the office of the Master Trustee at which its principal corporate trust business is conducted, which at the date hereof is located in New York, New York.

“Debt Service Coverage Ratio” means for any period of time the ratio determined by dividing the Operating Income Available for Debt Service by Annual Debt Service.

“Debt Service Fund” means each such fund so designated and established by the Related Bond Indenture.

“Defeasance Obligations” means, unless modified by the terms of a particular Supplement, (i) noncallable, nonprepayable Government Obligations, (ii) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (iii) Defeased Municipal Obligations, (iv) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, and (v) stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury or Resolution Funding Corp. or securities stripped by the Federal Reserve Bank of New York.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers provision for the payment of the principal of and interest on which shall have been made by irrevocable deposit with a trustee or escrow agent of (i) noncallable, nonprepayable Government Obligations or (ii) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, the maturing principal of and interest on such Government Obligations or evidences of ownership, when due and payable, shall provide sufficient money to pay the principal of, redemption premium, if any, and interest on such obligations of state or local government municipal bond issuers.

“Defeased Obligations” means Obligations issued under a Supplement that has been discharged, or provision for the discharge of which has been made, pursuant to the terms of such Supplement.

“Derivative Agreement” means, without limitation,

- (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract;
- (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices;
- (c) any contract to exchange cash flows or payments or series of payments;
- (d) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and
- (e) any other type of contract or arrangement that the University determines is to be used, or is intended to be used, to manage or reduce the cost of Indebtedness, to convert any element of Indebtedness from one form to another, to maximize or increase investment return, or minimize investment risk or to protect against any type of financial risk or uncertainty.

“Derivative Indebtedness” means Indebtedness with respect to which University shall have entered into a Derivative Agreement in respect of all or a portion of such Indebtedness.

“Derivative Period” means the period during which a Derivative Agreement is in effect.

“Escrowed Interest” means amounts of interest on Long-Term Indebtedness for which moneys or Defeasance Obligations have been deposited in escrow (the “Escrowed Interest Deposit”) which Escrowed Interest Deposit has been determined by an independent accounting firm to be sufficient to pay such Escrowed Interest.

“Escrowed Principal” means amounts of principal on Long-Term Indebtedness for which moneys or Defeasance Obligations have been deposited in escrow (the “Escrowed Principal Deposit”) which Escrowed Principal Deposit has been determined by an independent accounting firm to be sufficient to pay such Escrowed Principal.

“Event of Default” when used in connection with the Master Indenture, means any one or more of those events set forth in that section of the Master Indenture summarized herein under the caption “MASTER TRUST INDENTURE - Events of Default.”

“Excluded Property” means (i) the University’s Briarcliff campus in Westchester, New York, (ii) 1 Martine Avenue, White Plains, New York and (iii) 106 Fulton Street, New York, New York.

“Facility Provider” means the issuer of a Liquidity Facility with respect to Related Bonds.

“Fiscal Year” means the fiscal year of the University, which shall be the twelve-month period commencing on July 1 of a calendar year and ending on the succeeding June 30 unless the Master Trustee is notified in writing by the University of a change in such period, in which case the Fiscal Year shall be the period set forth in such notice.

“GAAP” means accounting principles generally accepted in the United States of America, consistently applied.

“Government Obligations” means direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Governmental Restrictions” means limitations relating to maintenance of tax-exempt status.

“Gross Revenues” means all tuition, fees, receipts, revenues, income, gains and other moneys received or receivable by or on behalf of the University, including without limitation contributions, donations, and pledges whether in the form of cash, securities or other personal property and the rights to receive the same whether in the form of accounts, payment on tangibles, contract rights, general intangibles, chattel paper, deposit accounts, instruments, promissory notes and the proceeds thereof, as such terms are presently or hereinafter defined in the UCC in effect from time to time in the State, and any insurance or condemnation proceeds thereon, whether now existing or hereafter coming into existence and whether now owned or hereafter acquired; provided, Gross Revenues shall not include Restricted Moneys.

“Guaranty” means any obligation of the University guaranteeing in any manner, directly or indirectly, any obligation of any Person, which obligation of such other Person would, if such obligation were the obligation of the University, constitute Indebtedness under the Master Indenture. For the



purposes of the Master Indenture, the aggregate annual principal and interest payments on any indebtedness in respect of which the University shall have executed and delivered its Guaranty shall be deemed to be equal to 20% of the amount which would be payable as principal of and interest on the indebtedness for which a Guaranty shall have been issued during the Fiscal Year for which any computation is being made (calculated in the same manner as the Annual Debt Service), provided, however, that (i) if there shall have occurred a payment by the University on such Guaranty, then, during the period commencing on the date of such payment and ending on the day which is one year after such other Person resumes making all payments on such guaranteed obligation, 100% of the amount payable for principal and interest on such guaranteed indebtedness during the period for which the computation is being made shall be taken into account or (ii) if the beneficiary's debt service coverage ratio is less than 1.10, then, and for so long as the beneficiary's debt service coverage ratio remains below 1.10, 100% of the amount payable for principal and interest on such guaranteed indebtedness during the period for which the computation is being made shall be taken into account.

"Holder" means, with respect to the Master Indenture, an owner of any Obligation.

"Indebtedness" means, without duplication, indebtedness for borrowed money incurred or guaranteed by the University, whether or not evidenced by notes, bonds, debentures or other similar evidences of indebtedness, including indebtedness under purchase money mortgages, capital leases, installment sales agreements and similar security arrangements which appear as debt on the audited balance sheet of the University in accordance with GAAP; provided, however, the Indebtedness shall not include (i) leases entered into prior to January 1, 2013 and (ii) Non-Recourse Indebtedness.

"Letter of Credit" means an irrevocable direct-pay letter of credit issued or extended by (i) a bank, savings bank, savings and loan association or trust company organized under the laws of any state of the United States of America and authorized to do business in the State, (ii) a trust company, (iii) a national banking association, (iv) an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, (v) a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, or (vi) a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

"Lien" means any mortgage, deed of trust or pledge of, security interest in or encumbrance on any Property which secures any Indebtedness or any other obligation of the University or which secures any obligation of any Person, other than an obligation to the University, and excluding liens applicable to Property in which the University has only a leasehold interest unless the lien secures Indebtedness.

"Liquidity Facility" means, with respect to the Master Indenture, a Letter of Credit, a surety bond, a loan agreement, a standby purchase agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained by the Related Bond Trustee upon the terms and conditions contained therein for the purchase of Related Bonds tendered for purchase in accordance with the terms of the Related Bond Indenture authorizing such Related Bonds.

"Loan Agreement" means, with respect to the Master Indenture, a loan agreement or lease agreement by and between the University and a Related Bond Issuer relating to the loan of proceeds of bonds of a Related Bond Issuer.

"Long-Term Indebtedness" means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the University has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof.

“Master Trustee” means The Bank of New York Mellon, a banking organization duly organized under the laws of the State of New York, and its successors in the trusts created under the Master Indenture.

“Material Adverse Effect” means a material and adverse change in (i) the business or financial condition of the University or its tax exempt status, (ii) the ability of the University to perform or comply with any of its material obligations under the Master Indenture or under any Loan Agreement or with respect to any Related Bonds, (iii) the tax status of any Related Bonds the interest on which is intended to be excluded from gross income of the owners thereof for purposes of federal income taxation, (iv) the value of the Mortgaged Property or the validity or priority of the lien of any Mortgage in favor of the Master Trustee or (v) the validity or priority of the lien on the Gross Revenues in favor of the Master Trustee. Whether any such change constitutes a Material Adverse Effect shall be determined by the Master Trustee and the Master Trustee may rely on an opinion of counsel in making such determination.

“Maximum Annual Debt Service” means as of any particular date of calculation the greatest amount of Annual Debt Service for the then current Fiscal Year or any succeeding Fiscal Year.

“Mortgage” means any mortgage, whether now existing or hereafter created, executed, granted and delivered by the University directly to, or assigned to, the Master Trustee, as the case may be, to secure one or more Obligations issued under the Master Indenture to the extent so provided in the Supplement authorizing the issuance of such Obligation(s), as the same may be increased or modified in connection with the issuance of additional obligations under the Master Indenture, with all of such Mortgages from time to time being collectively referred to as the “*Mortgages*.”

“Mortgaged Property” means any and all Property, whether real, personal or mixed, and all rights and interests in and to the Property which is subject to the liens and security interests created under a Mortgage.

“Nationally Recognized Rating Agency” means Standard & Poor’s Rating Group, Moody’s Investor Services, Inc., Fitch Ratings or another nationally recognized statistical rating organization, identified by the Securities and Exchange Commission which then provides a rating on the Related Bonds at the request of the University.

“Non-Recourse Indebtedness” means any installment sale or conditional sale contracts or any other Indebtedness incurred to finance the purchase of property secured by a mortgage or other lien on such property (other than Mortgaged Property) as to which the creditor has agreed that it will not seek to enforce or collect such Indebtedness out of any property or assets of the University other than the property securing the same or to collect any deficiency upon a foreclosure, forced sale or other realization upon such property out of any other property or assets of the University .

“Obligation” means the evidence of particular Indebtedness issued under the Master Indenture.

“Obligation No. 1” means the Obligation issued pursuant to Supplemental Indenture for Obligation No. 1.

“Obligation No. 2” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 2.

“Obligation No. 3” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 3.

“Obligation No. 4” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 4.

“Obligation No. 5” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 5.

“Obligation No. 6” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 6.

“Obligation No. 7” means the Obligation issued pursuant to the Supplemental Indenture for Obligation No. 7.

“Officer’s Certificate” means a certificate signed by an Authorized Representative of the University. Each Officer’s Certificate presented pursuant to the Master Indenture shall state that it is being delivered pursuant to (and shall identify the Section or subsection of), and shall incorporate by reference and use in all appropriate instances all terms defined in, the Master Indenture. Each Officer’s Certificate shall state (i) that the terms thereof are in compliance with the requirements of the Section or subsection pursuant to which such Officer’s Certificate is delivered or shall state in reasonable detail the nature of any non compliance and the steps being taken to remedy such non compliance and (ii) that it is being delivered together with any opinions, schedules, statements or other documents required in connection therewith.

“One Pace Plaza” means the University’s campus located in New York, New York.

“Operating Income Available for Debt Service” means unless the context provides otherwise, as to any period of time, total unrestricted operating revenue minus total operating expenses (excluding capitalized interest and Escrowed Interest) before depreciation, amortization and interest expense, as determined in accordance with GAAP and as shown on the audited financial statements of the University; provided, that no determination thereof shall take into account (a) gifts, grants, bequests, donations or contributions to the extent specifically restricted by the donor to a particular purposes inconsistent with their use for the payment of principal of, redemption premium and interest on Indebtedness or the payment of operating expenses; (b) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (c) any gain or loss resulting from the extinguishment of Indebtedness; (d) any gain or loss resulting from the sale, exchange or other disposition of assets not in the ordinary course of business; (e) any gain or loss resulting from any discontinued operations; (f) any gain or loss resulting from pension terminations, settlements or curtailments; (g) any unusual charges for employee severance; (h) adjustments to the value of assets or liabilities resulting from changes in GAAP; (i) unrealized gains or losses on investments, including “other than temporary” declines in book value; (j) gains or losses resulting from changes in valuation of a Derivative Agreement or similar contract; (k) any payment required to be paid to a counterparty by the University pursuant to a Derivative Agreement in connection with the termination thereof, tax gross-up payments, expenses, default interest, and any other payment or indemnification obligations to be paid to a counterparty by the University (excluding regularly scheduled payments thereon); (l) unrealized gains or losses from the write-down, reappraisal or revaluation of assets; or (m) other nonrecurring items of any extraordinary nature which do not involve the receipt, expenditure or transfer of assets.

“Opinion of Bond Counsel” means an opinion in writing signed by an attorney or firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds and who is acceptable to the Master Trustee and the Related Bond Issuer.

“Opinion of Counsel” means an opinion in writing signed by an attorney or firm of attorneys, acceptable to the Master Trustee, who may be counsel for the University or other counsel acceptable to the Master Trustee.

“Outstanding” when used with reference to Indebtedness or Obligations, means, as of any date of determination, all Indebtedness theretofore issued or incurred and not paid and discharged other than (i) Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation, (ii) Indebtedness deemed paid and no longer Outstanding under the documents pursuant to which such Indebtedness was incurred, (iii) Defeased Obligations and (iv) Obligations in lieu of which other Obligations have been authenticated and delivered or have been paid pursuant to the provisions of the Supplement regarding mutilated, destroyed, lost or stolen Obligations unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a bona fide purchaser; provided, however, that if two or more obligations which constitute Indebtedness represent the same underlying obligation (as when an Obligation secures an issue of Related Bonds and another Obligation secures repayment obligations to a bank under a letter of credit which secures such Related Bonds) for purposes of calculating compliance with the various financial covenants contained in the Master Indenture, but only for such purposes, only one of such Obligation shall be deemed Outstanding and the Obligation so deemed to be Outstanding shall be that Obligation which produces the greatest amount of principal and interest to be included in the calculation of the Annual Debt Service. Provided, further, however, that for purposes of determining whether the Holders of the requisite principal amount of Obligations have concurred in any demands, direction, request, notice, consent, waiver or other action under the Master Indenture, Obligations or Related Bonds that are owned by the University shall be deemed not to be Outstanding, provided further, however, that for the purposes of determining whether the Master Trustee shall be protected in relying on any such direction, consent, or waiver, only such Obligations or Related Bonds which the Master Trustee has actual notice or knowledge are so owned shall be deemed to be not Outstanding.

“Permitted Liens” shall have the meaning given in that section of the Master Indenture summarized herein under the caption “MASTER TRUST INDENTURE - Limitations on Creation of Liens.”

“Permitted Modification” means a modification or amendment of a Mortgage implemented in accordance with that section of the Master Indenture summarized herein under the caption “MASTER TRUST INDENTURE - Permitted Releases and Permitted Modifications with Respect to the Mortgages.”

“Permitted Release” means a release from the liens of the Mortgages of real property, fixtures, equipment, personal property or other property subject to the Mortgages implemented in accordance with that section of the Master Indenture summarized herein under the caption “MASTER TRUST INDENTURE - Permitted Releases and Permitted Modifications with Respect to the Mortgages.”

“Person” includes an individual, association, unincorporated organization, limited liability company, corporation, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

“Pleasantville Campus” means the University’s campus in Pleasantville, New York.

“Property” means any and all rights, titles and interests in and to any and all property whether real or personal, tangible or intangible and wherever situated, except that in no event shall “Property” include Excluded Property.

“Property, Plant and Equipment” means all Property of the University which is property, plant and equipment under GAAP.

“Refunding Debt” means Long-Term Indebtedness issued or incurred to pay to or to provide for the payment of other Long-Term Indebtedness.

“Related Bond Indenture” means (i) with respect to Obligation No. 6 and Obligation No. 7, the Pace University Revenue Bond Resolution and the Series Resolution 2024 Authorizing Up To \$330,000,000 Pace University Revenue Bonds, each adopted by DASNY on May 8, 2024 and (ii) any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued.

“Related Bond Issuer” means the issuer of any issue of Related Bonds.

“Related Bond Trustee” means the trustee and its successors in the trusts created under any Related Bond Indenture.

“Related Facility Provider” means the Facility Provider with respect to any issue of Related Bonds.

“Related Bonds” means the revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (“i.e. a “Related Bond Issuer”) (“governmental issuer”), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to the University in consideration of the execution, authentication and delivery of an Obligation to or for the order of such governmental issuer.

“Related Loan Agreement” means any loan agreement or lease agreement relating to the loan of proceeds of Related Bonds to the University.

“Revenue Fund” means the fund established pursuant to the Master Indenture.

“Restricted Moneys” means (i) gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of the making thereof by the donor or maker as being for a specific purpose contrary to (A) paying debt service on an Obligation or (B) meeting any commitment of the University under a Loan Agreement; and (ii) amounts required to be paid to third parties pursuant to revenue-sharing arrangements between the University and such third parties.

“Series 2014A Bonds” means the Westchester County LDC’s Pace University Revenue Bonds, Series 2014A.

“Series 2014B Bonds” means the Westchester County LDC’s Pace University Revenue Bonds, Series 2014B.

“Series 2013A Bonds” means DASNY’s Pace University Revenue Bonds, Series 2013A.

“Series 2013B Bonds” means DASNY’s Pace University Revenue Bonds, Series 2013B.

“Series 2024A Bonds” means DASNY’s Pace University Revenue Bonds, Series 2024A.

“Short-Term Indebtedness” means all Indebtedness having a maturity of one year or less, other than the current portion of Long-Term Indebtedness, incurred or assumed by the University.

“SIFMA Index” means, as of any particular date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (“SIFMA”), or any person acting in cooperation with or under the sponsorship of SIFMA, and effective as of such date. If such index is no longer published or otherwise is not available, the rate shall be determined on the basis of an index that most closely approximates the SIFMA Index as selected by an investment banking firm or financial advisory firm chosen by the University.

“State” means the State of New York.

“Subordinated Debt” means Indebtedness the payment of which is evidenced by instruments, or issued under an indenture or other document, containing specific provisions subordinating such Indebtedness to the Obligations, including following any event of insolvency by the debtor or following acceleration of the subordinate Indebtedness.

“Supplement” means an indenture supplemental to, and authorized and executed pursuant to the terms of, the Master Indenture.

“Supplemental Indenture for Obligation No. 1” means the Series 2013A Supplemental Indenture by and between the University and the Master Trustee, dated as of February 1, 2013, with respect to the Series 2013A Bonds.

“Supplemental Indenture for Obligation No. 2” means the Series 2013B Supplemental Indenture by and between the University and the Master Trustee, dated as of February 1, 2013, with respect to the Series 2013B Bonds.

“Supplemental Indenture for Obligation No. 3” means the Series 2014A Supplemental Indenture by and between the University and the Master Trustee, dated as of April 1, 2014, with respect to the Series 2014A Bonds.

“Supplemental Indenture for Obligation No. 4” means the Series 2014B Supplemental Indenture by and between the University and the Master Trustee, dated as of April 1, 2014, with respect to the Series 2014B Bonds.

“Supplemental Indenture for Obligation No. 5” means the Series 2024A Supplemental Indenture by and between the University and the Master Trustee, dated as of July 1, 2024, with respect to the Series 2024A Bonds.

“Supplemental Indenture for Obligation No. 6” means the Series 2024B Supplemental Indenture by and between the University and the Master Trustee, dated as of August 1, 2024, with respect to the Series 2024B Bonds.

“Supplemental Indenture for Obligation No. 7” means the Series 2024C Supplemental Indenture by and between the University and the Master Trustee, dated as of August 1, 2024, with respect to the Series 2024C Bonds.

“Total Operating Revenues” means, with respect to the University, as to any period of time, total operating revenues less all deductions from revenues, as determined in accordance with GAAP consistently applied.

“Transfer” means any act or occurrence the result of which is to dispossess any Person of any asset or interest therein, including specifically, but without limitation, the forgiveness of any debt; provided, however, “Transfer” shall not include the termination by the University of any leases.

“UCC” means the Uniform Commercial Code of the State of New York, as amended from time to time.

“University” means Pace University, a New York not-for-profit corporation, which is an institution for higher learning located in the State and authorized to confer degrees by law or by the Board of Regents or the State, and any successor thereof.

“Variable Rate Indebtedness” means any portion of Indebtedness the interest rate on which has not been established at a fixed or constant rate to maturity.

*Upon satisfaction of the conditions required to be satisfied in order for the Proposed Amendments to become effective as set forth in “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture,” Section 1.01 will be amended to add the definitions of “Grant Project,” “Governmental Lender,” and “Permitted Covenant” as set forth below:*

*“Grant Project” means a capital project located on the Mortgaged Property that is funded from the proceeds of a grant from a Governmental Lender.*

*“Governmental Lender” means the City of New York, New York (the “City”) or another governmental lender.*

*“Permitted Covenant” means the recordation of a declaration of restrictive covenant against the Mortgaged Property as a senior Lien in favor of a Governmental Lender in connection with a Grant Project funded from the proceeds of a grant from a Governmental Lender requiring, among other things, the use of the Mortgaged Property for a specific Governmental Lender purpose for the useful life of the applicable Grant Project.*

## **MASTER TRUST INDENTURE**

### **Supplement Creating Obligations**

Obligations may be issued under the Master Indenture to evidence and secure Indebtedness or to evidence and secure any other financial obligations of the University in connection with the issuance of Related Bonds, including financial obligations under Derivative Agreements or Liquidity Facilities and all references in the Master Indenture to payments of principal of, interest on, and premium on Obligations shall be deemed to include and refer to any and all other payments due or to become due on any Obligations. Any Obligation issued and authenticated under the Master Indenture to evidence and secure obligations that do not constitute Indebtedness as described in the previous sentence, unless otherwise provided in the Supplement authorizing such Obligation, shall nevertheless be equally and ratably secured under the Master Indenture with all Obligations issued under the Master Indenture, provided, however, that any such Obligations that evidence or secure obligations that do not constitute Indebtedness shall be deemed Outstanding under the Master Indenture solely for the purpose of receiving

payment under the Master Indenture and shall not be entitled to exercise any rights under the Master Indenture, including but not limited to any rights to direct the exercise of remedies, to vote or grant consent. Each Supplement shall, with respect to an Obligation evidencing Indebtedness created thereby, set forth the date thereof, and the date or dates on which the principal of and premium, if any, and interest on such Obligation shall be payable, the provisions regarding discharge thereof, and the form of such Obligation and such other terms and provisions as shall conform with the provisions of the Master Indenture.

*(Section 2.04)*

### **Security; Restrictions on Encumbering Property; Payment of Principal and Interest**

Any Obligation issued pursuant to the Master Indenture shall be a general obligation of the University.

#### Grant of Mortgages.

(i) Each Mortgage delivered by the University in accordance with the Master Indenture shall be held by the Master Trustee for the benefit of the Holders from time to time of all of the Obligations secured by such Mortgage in order to secure the performance by the University of its obligations under the Master Indenture, and the prompt payment of all amounts due on all Obligations secured by such Mortgage in accordance with the Master Indenture, and all proceeds realized under all of the Mortgages shall be held by the Master Trustee for the equal and ratable benefit of the Holders from time to time of all Obligations secured by a Mortgage; provided, however, that the provision of the Master Indenture summarized in this clause (i), shall not apply to any Obligation not secured by one or more of the Mortgages as provided in the Supplement authorizing the issuance of such Obligation. The lien of each Mortgage, whether now existing or hereafter created, shall be of equal priority with the lien of all other Mortgages. Such priorities shall be applicable irrespective of (a) the time or order in which any such Mortgage was entered into or dated, or any Obligation was issued; (b) the time or order of recording or filing of any Mortgage; (c) any provision of any recording statute or any other applicable laws or decisions to the contrary; or (d) the provision of any other document or agreement between the parties hereto to the contrary.

(ii) Upon receipt of any Mortgage, all such security shall be held by the Master Trustee in trust for the holders from time to time of all Obligations issued and Outstanding under the Master Indenture, without preference or priority of any one Obligation over any other Obligation, with all proceeds realized from such security to be applied, proportionally and ratably to all Obligations issued under the Master Indenture; provided, however, that this clause (ii), shall not apply to any Obligations not secured by a Mortgage as provided in the Supplement authorizing the issuance of such Obligation.

(iii) Each of the Mortgages constitutes a Permitted Lien pursuant to that section of the Master Indenture as summarized herein under the caption "MASTER TRUST INDENTURE - Limitations on Creation of Liens."

(iv) The Master Trustee may release portions of the Mortgaged Property from the Lien of a Mortgage, or amend or modify a Mortgage, at the direction of the University as set forth in an Officer's Certificate demonstrating that any such release is a Permitted Release, or that any such amendment or modification is a Permitted Modification, as provided in the Master Indenture. In the event of any such Permitted Release or Permitted Modification, the Master Trustee shall, upon direction of the University as set forth in such Officer's Certificate, execute a release of its Lien on any such portion of



the Mortgaged Property, in order to implement a Permitted Release, or execute any other appropriate instrument or document in order to implement a Permitted Modification.

Pledge of Gross Revenues. To secure the prompt payment of the principal of, redemption premium, if any, and the interest on the Obligations and the performance by the University of its other obligations under the Master Indenture, the University pledges, assigns and grants to the Master Trustee a security interest in its Gross Revenues.

(i) The Master Indenture shall be deemed a “security agreement” for purposes of the UCC.

(ii) The Master Trustee’s security interest in the Gross Revenues shall be perfected, to the extent that such security interest may be so perfected, by the filing by the University of financing statements which comply with the requirements of the UCC. The University shall cause to be filed, in accordance with the requirements of the UCC, financing statements; and, from time to time thereafter, shall execute and deliver and cause to be filed such other documents (including, but not limited to, continuation statements as required by the UCC) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain perfected such security interests or give public notice thereof.

(iii) The University shall notify the Master Trustee of any change of name and change of address of its chief executive office and shall file a new appropriate financing statement or an amendment to be filed in accordance with the requirements of the UCC, in order to maintain the perfected security interest granted in the Master Indenture.

(iv) The University covenants that it will prepare and file such financing statements or amendments to or terminations of existing financing statements which shall, in the Opinion of Counsel, be necessary to comply with applicable law. In particular, the University covenants that it will, at least thirty (30) days prior to the expiration of any financing statement, prepare and file such continuation statements of existing financing statements as shall, in the Opinion of Counsel, be necessary to continue the security interest created under the Master Indenture pursuant to applicable law and shall provide to the Master Trustee written notice of such filing. If the Master Trustee shall not have received such notice at least twenty-five (25) days prior to the expiration date of any such financing statement, the Master Trustee shall prepare and file or cause the University to prepare and file such continuation statements in a timely manner to assure that the security interest in Gross Revenues shall remain perfected.

(v) The University covenants that it will not pledge or grant a security interest in (except for Permitted Liens or as may be otherwise provided in the Master Indenture) or lien on the Gross Revenues or the real property subject to a Mortgage.

(vi) Each Obligation shall be a general obligation of the University and the University covenants to promptly pay or cause to be paid the principal of, premium, if any, and interest on each Obligation issued pursuant to the Master Indenture at the place, on the dates and in the manner provided in the Master Indenture and in said Obligation according to the terms thereof whether at maturity, upon proceedings for redemption, by acceleration or otherwise.

(vii) Upon the occurrence of an Event of Default which requires the funding of the Revenue Fund, the University by the Master Indenture covenants to take all action necessary to insure that all Gross Revenues are deposited into the Revenue Fund, including but not limited to, depositing directly all payments received and directing all debtors and payors of the University to make all payments due to the University to the Revenue Fund. The Revenue Fund shall be subject to the lien of the Master

Indenture in favor of the Holders of all Obligations, as provided in the Master Indenture. The Master Trustee is authorized by the Master Indenture to take such self-help and other measures that a secured party is entitled to take under the UCC. Upon a cure or waiver of the Event of Default which requires the funding of the Revenue Fund, the Master Trustee shall transfer the amounts on deposit in the Revenue Fund to the University.

*(Section 3.01)*

### **Limitations on Creation of Liens**

The University agrees that it will not create or suffer to be created or permit the existence of any Lien on the Property now owned or hereafter acquired by it other than Permitted Liens. "Permitted Liens" shall consist of the following:

(a) Liens arising by reason of good faith deposits in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(b) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the University to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit sharing plans or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(c) Any judgment lien against the University so long as such judgment is being contested in good faith and execution thereon is stayed;

(d) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Property; (ii) any liens on the Mortgaged Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen, laborers, suppliers or vendors, have been due for less than 90 days; and (iii) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to any Mortgaged Property which do not materially impair the use of such Mortgaged Property or materially and adversely affect the Appraised Value thereof.

(e) Any Lien which is existing on the date of authentication and delivery of the initial Obligation issued under the Master Indenture, which is set forth on Schedule A attached to the Master Indenture, as the same may be extended, renewed or modified, provided that such extension, renewal or modification shall not have a Material Adverse Effect;

(f) Any Lien securing Non-Recourse Indebtedness;

(g) Any Lien on Property acquired by the University after the date of the Master Indenture if the indebtedness secured by the Lien is Additional Indebtedness permitted under the Master Indenture and if an Officer's Certificate is delivered to the Master Trustee certifying that (A) the Lien and the indebtedness secured thereby were created and incurred by a Person other the University, and (B) the Lien was not created for the purpose of enabling the University to avoid the limitations of the Master Indenture on creation of Liens on the Gross Revenues or Property;

(h) Any Lien on accounts receivable and the proceeds from the sale thereof securing Indebtedness or a Derivative Agreement, which conforms to the limitations on Additional Indebtedness contained in the Master Indenture;

(i) Any senior Lien with respect to Gross Revenues which secures Indebtedness that does not exceed in aggregate 10% of Total Operating Revenue as reflected in the most recent Audited Financial Statements;

(j) Any Lien in favor of a creditor or a trustee on the proceeds of Indebtedness and any earnings thereon prior to the application of such proceeds and such earnings;

(k) Any Lien in favor of a trustee or other agent on the proceeds of Indebtedness and any earnings thereon created by the irrevocable deposit of such monies for the purpose of refunding Indebtedness;

(l) Any Lien securing all Obligations on a parity basis with respect to Gross Revenues and to the extent applicable, the Mortgages;

(m) Liens on Property received by the University through gifts, grants or bequests, such Liens being due to restrictions on such gifts, grants or bequests of Property or the income thereon;

(n) Liens arising out of capitalized leases or purchase money security interests (as defined under the UCC);

(o) Liens on Mortgaged Property securing Indebtedness incurred to refinance Indebtedness previously secured by a Lien on such Mortgaged Property, provided that (i) the amount of such new Indebtedness does not exceed the amount of such refinanced Indebtedness, (ii) the Mortgaged Property securing such Indebtedness is not changed, and (iii) the obligor with respect to such Indebtedness, whether direct or contingent, is not changed;

(p) Liens created on amounts deposited by the University pursuant to a security annex or similar document to collateralize obligations of the University under a Derivative Agreement;

(q) Liens in favor of banking or other depository institutions arising as a matter of law encumbering the deposits of the University held in the ordinary course of business by such banking institution (including any right of setoff or statutory bankers' liens) so long as such deposit account is not established or maintained for the purpose of providing such Lien, right of setoff or bankers' lien;

(r) UCC financing statements filed with the Secretary of State of the State (or such other office maintaining such records) in connection with a lease entered into by the University in the ordinary course of business so long as such financing statement does not evidence the grant of a Lien other than a Permitted Lien;

(s) Rights of tenants under leases or rental agreements pertaining to Property, Plant and Equipment owned by the University so long as the lease arrangement is in the ordinary course of business of the University;

(t) Deposits of Property by the University to meet regulatory requirements, including but not limited to regulatory requirements imposed by the United States Department of Education or relating governmental workers' compensation, unemployment insurance or social security program, other than any Lien imposed by ERISA;

(u) Deposits to secure the performance of another party with respect to a bid, trade contract, statutory obligation, surety bond, appeal bond, performance bond or lease, and other similar obligations incurred in the ordinary course of business of the University;

(v) Liens resulting from deposits to secure bids from or the performance of another party with respect to contracts incurred in the ordinary course of business of the University (other than contracts creating or evidencing an extension of credit to the depositor or otherwise for the payment of Indebtedness);

(w) Present or future zoning laws, ordinances or other laws or regulations restricting the occupancy, use or enjoyment of Property, Plant and Equipment;

(x) Any Lien existing for not more than 60 days after the University shall have received notice thereof;

(y) The Mortgages; and

(z) Any other Lien or other matters that will not have a Material Adverse Effect.

(Section 3.05)

***Upon satisfaction of the conditions required to be satisfied in order for the Proposed Amendments to become effective as set forth in "PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture," Section 3.05 of the Master Indenture will be amended to add a new clause (aa) that will read as follows:***

***(aa) Liens on Mortgaged Property in connection with a Permitted Covenant.***

## **Transfers of Property**

The University agrees that it will not Transfer Property in any Fiscal Year (or other 12-month period for which Audited Financial Statements are available) except for Transfers of Property:

(i) To any Person provided such Property has or within the next succeeding twenty-four (24) calendar months is reasonably expected by the University to become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease, removal or other disposition thereof will not materially impair the structural soundness, efficiency or economic value of the remaining Property; provided, however, this clause (i) does not permit transfers of the Mortgaged Property other than the machinery, equipment, or other personal property which are a part thereof.

(ii) To any Person provided there shall be delivered to the Master Trustee prior to such Transfer an Officer's Certificate certifying that: (A) the University shall have been in compliance

with the Debt Service Coverage Ratio set forth in any Supplement for the most recent Fiscal Year for which there are Audited Financial Statements available, and shall be in compliance with the Debt Service Coverage Ratio for such Fiscal Year when such Ratio is calculated on a pro forma basis excluding the revenues derived from and expenses associated with the Property to be Transferred, which Officer's Certificate shall include the calculation upon which such certification is based, and (B) the University is not in default in the performance of any covenant contained in the Master Indenture or in any Supplement; provided, however, that this clause (ii), does not permit transfers of the Mortgaged Property.

(iii) To any Person if the aggregate value of the Property Transferred pursuant to this clause (iii), net of depreciation, in the current Fiscal Year does not exceed 10% of the value of all Property of the University, net of depreciation, as shown in the Audited Financial Statements for the most recent Fiscal Year; provided, however, that this clause (iii), does not permit transfers of the Mortgaged Property.

(iv) To any Person if the Property Transferred pursuant to this clause (iv), was transferred at fair and reasonable terms, no less favorable to the University, which could have been attained in a comparable arms-length transaction; provided, however, if the Property Transferred pursuant to this clause (iv), is all or a portion of the Pleasantville Campus or the machinery, equipment or other personal property located on One Pace Plaza, the University shall also be required to deliver to the Master Trustee an Officer's Certificate stating that the University has received fair market value for the Mortgaged Property so Transferred accompanied by a fair market valuation relating to the Property to be Transferred; provided, further, that in no event shall this clause (iv), permit the University to Transfer any portion of One Pace Plaza other than the machinery, equipment or other personal property which are a part thereof.

No Transfer of Property shall be permitted under this section if such Transfer would have a Material Adverse Effect.

Nothing contained in this section is intended to prohibit the Transfer of Property, including cash, for payment of goods and services in the ordinary course of business.

*(Section 3.06)*

### **Consolidation, Merger, Sale or Conveyance**

(a) The University covenants that it will not merge or consolidate with, or sell or convey all or substantially all of its assets to any other Person unless:

(i) Either the University will be the successor corporation, or if the successor corporation is not the University, such successor corporation shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor corporation to assume the due and punctual payment of the principal of, premium, if any, and interest on all Outstanding Obligations issued under the Master Indenture according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Master Indenture and any Supplement to the Master Indenture; and

(ii) The University immediately after such merger or consolidation, or such sale or conveyance, would not be in default in the performance or observance of any covenant or condition of the Master Indenture; and

(iii) If all amounts due or to become due on any Related Bond which bears interest which is not includable in the gross income of the recipient thereof under the Internal Revenue Code have not been fully paid to the holder thereof, there shall have been delivered to the Master Trustee and each Related Bond Issuer an Opinion of Bond Counsel, in form and substance satisfactory to the Master Trustee, to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance, whether or not contemplated on any date of the delivery of such Related Bond, would not adversely affect the exclusion of interest payable on such Related Bond from the gross income of the holder thereof for purposes of federal income taxation; and

(iv) There is delivered to the Master Trustee an Officer's Certificate demonstrating that if such merger, consolidation or sale of assets had occurred at the end of the most recent period of twelve (12) full consecutive calendar months for which Audited Financial Statements are available (which period of twelve (12) full consecutive months shall have ended not more than eighteen calendar months prior to the date of the Officer's Certificate), the then applicable Debt Service Coverage Ratio taking into account all Long-Term Indebtedness incurred after such period plus an additional one dollar (\$1.00) of Additional Indebtedness, shall be satisfied.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor as the University. Such successor corporation thereupon may cause to be signed, and may issue in its own name Obligations issuable under the Master Indenture; and upon the order of such successor corporation and subject to all the terms, conditions and limitations in the Master Indenture prescribed, the Master Trustee shall authenticate and shall deliver Obligations that such successor corporation shall have caused to be signed and delivered to the Master Trustee. All Outstanding Obligations so issued by such successor corporation under the Master Indenture shall in all respects have the same security position and benefit under the Master Indenture as Outstanding Obligations theretofore or thereafter issued in accordance with the terms of the Master Indenture as though all of such Obligations had been issued under the Master Indenture without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued under the Master Indenture as may be appropriate.

(d) In the event that the Officer's Certificate summarized in subparagraph (a)(iv) above, has been delivered, the Master Trustee may accept an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with those provisions of the Master Indenture summarized under the caption "Consolidation, Merger, Sale or Conveyance" and that it is proper for the Master Trustee under this provision of the Master Indenture to join in the execution of any instrument required to be executed and delivered by the Master Indenture.

(e) All references in the Master Indenture to successor corporations shall be deemed to include the surviving corporation in a merger.

*(Section 3.07)*

### **Permitted Releases and Permitted Modifications with Respect to the Mortgages**

(a) Each Mortgage delivered by the University in accordance with the Master Indenture shall be held by the Master Trustee for the benefit of the Holders from time to time of all of the Obligations secured by such Mortgage in order to secure the performance by the University of its

obligations under the Master Indenture, and the prompt payment of all amounts due on all Obligations secured by such Mortgage in accordance with the Master Indenture, and all proceeds realized under all of the Mortgages shall be held by the Master Trustee for the equal and ratable benefit of the Holders from time to time of all Obligations secured by a Mortgage. The University covenants that except for Permitted Releases summarized under paragraph (b) below, the University shall not release or allow the release of any of the real estate portion of the Mortgaged Property encumbered by a Mortgage from the Lien of such Mortgage. The University also covenants that, except for Permitted Modifications summarized under paragraph (c) below, the University shall not modify or amend any of the Mortgages.

(b) Permitted Releases shall include only the following:

(i) a release made with respect to the Mortgaged Property as permitted under that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Transfers of Property”; or

(ii) a sale and leaseback with respect to machinery, equipment, fixtures or other personal property located on the Pleasantville Campus portion of the Mortgaged Property; provided, that such sale and leaseback will not have a Material Adverse Effect.

(c) Permitted Modifications shall include only the following:

(i) a modification or amendment to a Mortgage to cure any ambiguity or formal defect or omission therein; or

(ii) a modification or amendment to a Mortgage to correct or supplement any provision therein which may be inconsistent with any other provision therein, or to make any other modifications or amendments with respect to matters or questions arising under such Mortgage which shall not have a Material Adverse Effect; or

(iii) a modification or amendment to a Mortgage to grant or confer ratably upon all of the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon the Holders; or

(iv) a modification or amendment to a Mortgage to make any necessary or appropriate changes to reflect the issuance of additional Obligations in accordance with the provisions of Article II of the Master Indenture or the granting of a Permitted Lien under the Master Indenture; or

(v) a modification or amendment to a Mortgage, or a consent with respect thereto, to implement any necessary or appropriate changes to reflect matters relating to zoning, land use, environmental and other real property laws, ordinances, rules or regulations that in substance do not alter the security provided pursuant to such Mortgage or that shall not have a Material Adverse Effect; or

(vi) a modification or amendment to a Mortgage covering a portion of the Mortgaged Property so long as such modification or amendment will not have a Material Adverse Effect.

(d) The Master Trustee, at the direction of the University as set forth in an Officer’s Certificate, shall cooperate with the University and execute any and all documents or instruments in order to promptly implement any such Permitted Release or Permitted Modification.

*(Section 3.09)*

*Upon satisfaction of the conditions required to be satisfied in order for the Proposed Amendments to become effective as set forth in “PART 2 – SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2024BC BONDS – Proposed Amendments to the Master Indenture,” Section 3.09(c) of the Master Indenture will be amended to add a new clause (vii) that will read as follows:*

*(vii) a modification or amendment to a Mortgage and the execution and recording of any related documentation to provide for the subordination of such Mortgage to any Permitted Covenant.*

## **Events of Default**

Event of Default, as used in the Master Indenture, shall mean any of the following events:

(a) The University shall fail to make any payment of the principal of, the premium, if any, or interest on any Obligations issued and Outstanding under the Master Indenture when and as the same shall become due and payable, whether at maturity, by proceedings for redemption, by acceleration or otherwise, in accordance with the terms thereof, of the Master Indenture or of any Supplement;

(b) The University shall fail duly to perform, observe or comply with any covenant or agreement on its part under the Master Indenture for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the University by the Master Trustee, or to the University and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Obligations then Outstanding; provided, however, that if said failure be such that it cannot be corrected within thirty (30) days after the receipt of such notice, it shall not constitute an Event of Default if corrective action is instituted within such 30-day period and diligently pursued until the Event of Default is corrected;

(c) An event of default shall occur under a Related Bond Indenture, under a Related Loan Agreement, upon a Related Bond or under a Mortgage;

(d) (i) The University shall fail to make any required payment with respect to any Indebtedness (other than Obligations issued and Outstanding under the Indenture), which Indebtedness is in an aggregate principal amount greater than \$25,000,000 whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or (ii) there shall occur an event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any Indebtedness, which Indebtedness is in an aggregate principal amount greater than \$25,000,000 whether such Indebtedness now exists or shall hereafter be created, which event of default shall not have been waived by the holder of such mortgage, indenture or instrument, and as a result of such failure to pay or other event of default such Indebtedness shall have been accelerated; provided, however, that such default shall not constitute an Event of Default within the meaning of that section of the Master Indenture, summarized herein under the caption “MASTER TRUST INDENTURE - Events of Default,” if within 30 days written notice is delivered to the Master Trustee, signed by the University, that the University is contesting the payment of such Indebtedness and within the time allowed for service of a responsive pleading if any proceeding to enforce payment of the Indebtedness is commenced, the University in good faith shall commence proceedings to contest the obligation to pay such Indebtedness and if a judgment relating to such Indebtedness has been entered against the University (A) the execution of such judgment has been stayed or (B) sufficient moneys are escrowed with a bank or trust company for the payment of such Indebtedness;

(e) The entry of a decree or order by a court having jurisdiction in the premises for an order for relief against the University, or approving as properly filed a petition seeking reorganization,



arrangement, adjustment or composition of or in respect of the University under the United States Bankruptcy Code or any other similar applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the University or of any substantial part of its Property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days; and

(f) The institution by the University of proceedings for an order for relief, or the consent by it to an order for relief against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement, adjustment, composition or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the University or of any substantial part of its Property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

*(Section 4.01)*

#### **Acceleration; Annulment of Acceleration**

Upon the occurrence and during the continuation of an Event of Default under the Master Indenture, the Master Trustee may and, upon the written request of the Holders of not less than 25% in aggregate principal amount of Obligations Outstanding, shall, by notice to the University declare all Obligations Outstanding immediately due and payable, whereupon such Obligations shall become and be immediately due and payable, anything in the Obligations or in any other section of the Master Indenture to the contrary notwithstanding. In the event Obligations are accelerated there shall be due and payable on such Obligations an amount equal to the total principal amount of all such Obligations, plus all interest accrued thereon to the date of acceleration and, to the extent permitted by applicable law, which accrues to the date of payment.

At any time after the principal of the Obligations 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, if (i) the University has paid or caused to be paid or deposited with the Master Trustee money sufficient to pay all matured installments of interest and interest on installments of principal and interest and principal or redemption prices then due (other than the principal then due only because of such declaration) of all Obligations Outstanding; (ii) the University has paid or caused to be paid or deposited with the Master Trustee money sufficient to pay the charges, compensation, expenses, disbursements, advances, fees and liabilities of the Master Trustee; (iii) all other amounts then payable by the University under the Master Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Master Trustee; and (iv) every Event of Default (other than a default in the payment of the principal of such Obligations then due only because of such declaration) shall have been remedied or waived pursuant to that section of the Master Indenture summarized herein under the caption "MASTER TRUST INDENTURE - Waiver of Event of Default," then the Master Trustee may, and upon the written request of Holders of not less than 25% in aggregate principal amount of the Obligations Outstanding shall, annul such declaration and its consequences with respect to any Obligations or portions thereof not then due by their terms. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

*(Section 4.02)*

## **Application of Moneys After Default**

During the continuance of an Event of Default, subject to the expenditure of moneys to make any payments required to permit the University to comply with any requirement or covenant in any Related Bond Indenture to cause Related Bonds the interest on which, immediately prior to such Event of Default, is excludable from the gross income of the recipients thereof for federal income tax purposes under the Code to retain such status under the Code, all Gross Revenues and other moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of the Master Indenture shall be applied, after (i) the payment of any compensation, expenses, disbursements and advances then owing to the Master Trustee pursuant to the Master Indenture and (ii) in the sole discretion of the Master Trustee (provided, however, that in exercising such discretion the Master Trustee may rely upon the report of a Consultant), the payment of the operating expenses of the University, as follows:

(a) Unless the principal of all Outstanding Obligations shall have become or have been declared due and payable:

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

Second: To the payment to the Persons entitled thereto of the unpaid principal installments of any Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal installments due on such date, to the Persons entitled thereto, without any discrimination or preference; and

Third: To the extent there exists a Facility Provider of any Obligations or Related Bonds, amounts owed to such Facility Provider by the University and not otherwise paid under clauses First and Second of paragraph (a) of that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Application of Moneys After Default.”

(b) If the principal of all Outstanding Obligations shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon Obligations 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 Obligation over any other Obligation, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal of all Outstanding Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of Article IV of the Master Indenture, then, subject to the provisions of paragraph (b) of that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Application of Moneys After Default,” in the event that the principal of all Outstanding Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Application of Moneys After Default.”

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Application of Moneys After Default,” such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Moneys held in the Revenue Fund shall be invested in such investments, as are rated in at least the two highest rating categories by a Nationally Recognized Rating Agency which mature or are redeemable at the option of the holder not later than such times as shall be required to provide moneys needed to make the payments or transfers therefrom. Subject to the foregoing, such investments shall be made in accordance with an Officer’s Certificate directing the Master Trustee to make specific investments. Unless otherwise provided in the Master Indenture, the Master Trustee shall sell or present for redemption, any investment so acquired whenever instructed to do so pursuant to an Officer’s Certificate or whenever it shall be necessary to do so to provide moneys to make payments or transfers from the Revenue Fund. The Master Trustee shall not be liable or responsible for making any such investment in the manner provided above and shall not be liable for any loss resulting from any such investment. Any investment income derived from any investment of moneys on deposit in the Revenue Fund shall be credited to the Revenue Fund and retained therein until applied to approved purposes.

Whenever all Obligations and interest thereon have been paid under the provisions of that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Application of Moneys After Default,” and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the University, their respective successors, or as a court of competent jurisdiction may direct.

*(Section 4.04)*

#### **Waiver of Event of Default**

No delay or omission of the Master Trustee or of any Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by Article IV to the Master Trustee and the Holders, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

The Master Trustee may waive any Event of 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 provisions of the Master Indenture, or before the completion of the enforcement of any other remedy under the Master Indenture.

Notwithstanding anything contained in the Master Indenture to the contrary, the Master Trustee, upon the written request of the Holders of not less than a majority of the aggregate principal amount of Obligations then Outstanding, shall waive any Event of Default under the Master Indenture and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of

that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Acceleration; Annulment of Acceleration,” a default in the payment of the principal of, premium, if any, or interest on any Obligation, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Obligations (with respect to which such payment default exists) at the time Outstanding.

In case of any waiver by the Master Trustee of an Event of Default under the Master Indenture, the University, the Master Trustee and the Holders shall be restored to their former positions and rights under the Master Indenture, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

*(Section 4.09)*

### **Certain Duties and Responsibilities of the Master Trustee**

(a) Except during the continuance of an Event of Default:

(i) The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Master Indenture, and no implied covenants or obligations shall be read into the Master Indenture against the Master Trustee; and

(ii) In the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Master Trustee and conforming to the requirements of the Master Indenture; but in the case of any such certificates or opinions which by any provision of the Master Indenture are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Master Indenture.

(b) In case an Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by the Master Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of the Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this subsection (c) shall not be construed to limit the effect of subsection (a) above;

(ii) the Master Trustee shall not be liable for any error of judgment made reasonably in good faith by a chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice president (however designated), the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer or employee of the Master Trustee customarily performing functions similar to those performed by any of the above designated officers or with respect to a particular matter, any other officer or employee to whom such matter is referred because of his knowledge of and familiarity with the particular subject, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Obligations relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under the Master Indenture, except under the circumstances set forth in subsection (c) of that section of the Master Indenture summarized herein in the third paragraph under the caption “MASTER TRUST INDENTURE - Waiver of Event of Default,” requiring the consent of the Holders of all the Obligations at the time Outstanding; and

(iv) no provision of the Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial or other liability, directly or indirectly, in the performance of any of its duties under the Master Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Whether or not therein expressly so provided, every provision of the Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of that section of the Master Indenture summarized under this caption “MASTER TRUST INDENTURE - Certain Duties and Responsibilities of the Master Trustee.”

*(Section 5.01)*

#### **Separate or Co-Master Trustee**

At any time or times, for the purpose of meeting any legal requirements of any jurisdiction, the Master Trustee shall have power to appoint, and, upon the request of the Holders of at least 25% in aggregate principal amount of Obligations Outstanding, shall appoint, one or more Persons approved by the Master Trustee either to act as co-trustee or co-trustees, jointly with the Master Trustee, or to act as separate trustee or separate trustees, and to vest in such person or persons, in such capacity, such rights, powers, duties, trusts or obligations as the Master Trustee may consider necessary or desirable, subject to the remaining provisions of this section.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Master Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of the Master Indenture. Every such acceptance shall be filed with the Master Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Master Trustee its or his attorney-in-fact and agent, with full power and authority to perform all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Master Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner provided in the Master Indenture.

*(Section 5.07)*

## **Supplements Not Requiring Consent of Holders**

The University and the Master Trustee may, without the consent of the Holders enter into one or more Supplements for one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Master Indenture.
- (b) To correct or supplement any provision in the Master Indenture which may be inconsistent with any other provision in the Master Indenture, or to make any other provisions with respect to matters or questions arising under the Master Indenture and which shall not materially and adversely affect the interests of the Holders.
- (c) To grant or confer ratably upon all of the Holders any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them subject to the provisions of paragraph (a) of that section of the Master Indenture summarized below under the caption “MASTER TRUST INDENTURE – Supplements Requiring Consent of Holders.”
- (d) To qualify the Master Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect.
- (e) To create and provide for the issuance of Indebtedness as permitted under the Master Indenture.
- (f) To obligate a successor to the University as provided in that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE – Consolidation, Merger, Sale or Conveyance.”
- (g) To comply with the provisions of any federal or state securities law.
- (h) To modify, amend or supplement the Master Indenture in any manner that the Master Trustee concludes is not materially adverse to any Holder of an Outstanding Obligation.

The Master Trustee shall provide the Holders of all Obligations then Outstanding with copies of each Supplement entered into pursuant to this section of the Master Indenture.

*(Section 6.01)*

## **Supplements Requiring Consent of Holders**

Other than Supplements referred to in that section of the Master Indenture summarized above under the caption “MASTER TRUST INDENTURE - Supplements Not Requiring Consent of Holders,” and subject to the terms and provisions and limitations contained in the Master Indenture and not otherwise, the Holders of more than 50% in aggregate principal amount of Obligations then Outstanding shall have the right, from time to time, anything contained in the Master Indenture to the contrary notwithstanding, to consent to and approve the execution by the University and the Master Trustee of such Supplements as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture; provided, however, nothing in this section of the Master Indenture, shall permit or be construed as permitting a Supplement which would:

(i) Effect a change in the times, amounts or currency of payment of the principal of, premium, if any, and interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of such Obligation;

(ii) Except as otherwise permitted in the Master Indenture, permit the preference or priority of any Obligation over any other Obligation, without the consent of the Holders of all Obligations then Outstanding; or

(iii) Reduce the aggregate principal amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Obligations then Outstanding.

If at any time the University shall request the Master Trustee to enter into a Supplement pursuant to this section of the Master Indenture and if the Master Trustee shall receive an instrument or instruments purporting to be executed by the Holders of not less than the aggregate principal amount or number of Obligations specified in the first paragraph of this section, for the Supplement in question which instrument or instruments shall refer to the proposed Supplement and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof as on file with the Master Trustee, thereupon, but not otherwise, the Master Trustee may execute such Supplement in substantially such form, without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

Any such consent shall be binding upon the Holder giving such consent and upon any subsequent Holder of such Obligation and of any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Master Trustee, prior to the execution by the Master Trustee of such Supplement, such revocation and, if such Obligation is transferable by delivery, proof that such Obligation is held by the signer of such revocation in the manner permitted by that section of the Master Indenture summarized below under the caption "MASTER TRUST INDENTURE - Evidence of Acts of Holders." At any time after the Holders of the required principal amount or number of Obligations shall have filed their consents to the Supplement, the Master Trustee shall make and file with the University a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

If the Holders of the required principal amount of the Obligations Outstanding shall have consented to and approved the execution of such Supplement as provided in the Master Indenture, no Holder shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the University from executing the same or from taking any action pursuant to the provisions thereof.

*(Section 6.02)*

### **Satisfaction and Discharge of Indenture**

If (i) the University shall deliver, or cause to be delivered, to the Master Trustee for cancellation all Obligations theretofore authenticated (other than any Obligations which shall have been mutilated, destroyed, lost or stolen and which shall have been replaced or paid as provided in the Supplement) and not theretofore cancelled, or (ii) all Obligations not theretofore cancelled or delivered to the Master Trustee for cancellation shall have become due and payable and money sufficient to pay the same shall

have been deposited with the Master Trustee, or (iii) all Obligations that have not become due and payable and have not been cancelled or delivered to the Master Trustee for cancellation shall be Defeased Obligations, and if in all cases the University shall also pay or cause to be paid all other sums payable under the Master Indenture by the University or any thereof, then the Master Indenture shall cease to be of further effect, and the Master Trustee, on demand of the University and at the cost and expense of the University, shall execute proper instruments acknowledging satisfaction of and discharging the Master Indenture. The University agrees by the Master Indenture to reimburse the Master Trustee for any costs or expenses theretofore and thereafter reasonably and properly incurred by the Master Trustee in connection with the Master Indenture or such Obligations.

*(Section 7.01)*

### **Evidence of Acts of Holders**

(a) In the event that any request, direction or consent is requested or permitted under the Master Indenture of the Holders of any Obligation securing an issue of Related Bonds, the bond trustees for the Related Bonds (unless otherwise provided in the indenture or resolution authorizing such Related Bonds) then outstanding shall be deemed to be such Holders for the purpose of any such request, direction or consent in the proportion that the aggregate principal amount of such series of Related Bonds then outstanding under each such indenture or resolution authorizing such Related Bonds bears to the aggregate principal amount of all Related Bonds then outstanding; provided however that if any portion of such Related Bonds is secured by a Liquidity Facility that is also secured by a separate Obligation issued under the Master Indenture, the principal amount of the Obligation that secures the Liquidity Facility deemed outstanding for purposes of any such request, direction or consent shall be reduced by the amount of Related Bonds that are secured by such Liquidity Facility for the purpose of any such request, direction or consent and the Facility Provider of the Related Bonds that are secured by such Liquidity Facility shall not be consulted or counted.

(b) As to any request, direction, consent or other instrument provided by the Master Indenture to be signed and executed by the Holders, such action may be in any number of concurrent writings, shall be of similar tenor, and may be signed or executed by such Holders in person or by agent appointed in writing.

(c) Proof of the execution of any such request, direction, consent or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of the Master Indenture and shall be conclusive in favor of the Master Trustee and the University, with regard to any action taken by them, or either of them, under such request, direction or consent or other instrument, namely:

(i) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(ii) The ownership of Related Bonds may be proved by the registration books for such Related Bonds maintained pursuant to the Related Bond Indenture.

(d) Nothing in this section shall be construed as limiting the Master Trustee to the proof specified in the Master Indenture, it being intended that the Master Trustee may accept any other evidence of the matters stated in the Master Indenture which it may deem sufficient.



(e) Any action taken or suffered by the Master Trustee pursuant to any provision of the Master Indenture upon the request or with the assent of any person who at the time is the Holder of any Obligation, shall be conclusive and binding upon all future Holders of the same Obligation.

(f) In the event that any request, direction or consent is requested or permitted under the Master Indenture of the Holders of an Obligation that constitutes a Guaranty, for purposes of any such request, direction or consent, the principal amount of such Obligation shall be deemed to be the stated principal amount of such Obligation.

*(Section 8.01)*

### **Instruments Executed by Holders Bind Future Holders**

At any time prior to (but not after) the Master Trustee takes action in reliance upon evidence, as provided in that section of the Master Indenture summarized above under the caption “MASTER TRUST AGREEMENT - Evidence of Acts of Holders,” of the taking of any action by the Holders of the percentage in aggregate principal amount of Obligations specified in the Master Indenture in connection with such action, any Holder of such an Obligation or Related Bond that is shown by such evidence to be included in Obligations the Holders of which have consented to such action may, by filing written notice with the Master Trustee and upon proof of holding as provided in that section of the Master Indenture summarized above under the caption “MASTER TRUST AGREEMENT - Evidence of Acts of Holders,” revoke such action so far as concerns such Obligation or Related Bond. Except upon such revocation any such action taken by the Holder of an Obligation or Related Bond in any direction, demand, request, waiver, consent, vote or other action of the Holder of such Obligation or Related Bond which by any provision of the Master Indenture is required or permitted to be given shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Obligation or Related Bond, and of any Obligation or Related Bond issued in lieu thereof, whether or not any notation in regard thereto is made upon such Obligation or Related Bond. Any action taken by the Holders of the percentage in aggregate principal amount of Obligations specified in the Master Indenture in connection with such action shall be conclusively binding upon the University, the Master Trustee and the Holders of all of such Obligations or Related Bonds.

*(Section 8.03)*

## **SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 6**

### **Mortgage**

To secure, among other things, the prompt payment of the principal of and the interest on Obligation No. 6, a mortgage has been granted to DASNY, and DASNY has in turn assigned such mortgage to the Master Trustee (such mortgage, as so assigned, being a Mortgage as defined in the Master Indenture). Said Mortgage securing Obligation No. 6 shall be held by the Master Trustee for the benefit of the Holders from time to time of all of the Obligations secured by such Mortgage in order to secure the performance by the University of its obligations under the Master Indenture, and the prompt payment of all amounts due on all Obligations secured by such Mortgage in accordance with the Master Indenture, and all proceeds realized under all of the Mortgages shall be held by the Master Trustee for the equal and ratable benefit of the Holders from time to time of all Obligations secured by a Mortgage. The lien of the Mortgage securing Obligation No. 6 shall be of equal priority with the lien of all other Mortgages, whether now existing or hereafter created. Such priorities shall be applicable irrespective of (i) the time or order in which any such Mortgage was entered into or dated, or any Obligation was issued; (ii) the time or order of recording or filing of any Mortgage; (iii) any provision of any recording statute or

any other applicable laws or decisions to the contrary; or (iv) the provision of any other document or agreement between the parties hereto to the contrary. The Master Trustee may modify, release or grant a parity interest in the lien of the Mortgage securing Obligation No. 6 in accordance with the provisions of the Master Indenture; provided, however, that no release of Mortgaged Property shall occur without the prior written consent of DASNY.

*(Section 3)*

### **Payments on Obligation No. 6; Credits**

(a) Payments on Obligation No. 6 are payable in any coin or currency of the United States of America which on the payment date is legal tender for the payment of public and private debts. Except as provided in subsections (b) and (c) below, with respect to credits, payments on Obligation No. 6 shall be made at the times and in the amounts specified in Obligation No. 6 in immediately available funds by the University depositing the same with or to the account of the Bond Trustee (as defined in the Supplemental Indenture for Obligation No. 6) on or prior to the day such payments shall become due or payable (or the next preceding Business Day (as defined in the Related Bond Indenture) if such date is not a Business Day) and giving notice to the Master Trustee of each payment on Obligation No. 6, specifying the amount paid and identifying such payment as a payment on Obligation No. 6. In no event shall payments made from a debt service reserve fund on Related Bonds, except to the extent such payment may be made to redeem all outstanding Related Bonds in accordance with the terms of the Related Bond Indenture, be treated as credits under subsections (b) and (c) for payment of Obligation No. 6.

(b) The University shall receive credit for payment on Obligation No. 6, in addition to any credits resulting from payment or prepayment from other sources, for payments made directly to the Bond Trustee by the University pursuant to Obligation No. 6.

(c) The University shall receive credit for payment on Obligation No. 6, in addition to any credits resulting from payment or prepayment from other sources, as follows:

(i) On installments of interest on Obligation No. 6 in an amount equal to moneys deposited in the Debt Service Fund created under the Related Bond Indenture which amounts are available to pay interest on the Series 2024B Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 6.

(ii) On installments of principal on Obligation No. 6 in an amount equal to moneys deposited in the Debt Service Fund created under the Related Bond Indenture which amounts are available to pay principal of the Series 2024B Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 6.

(iii) On installments of principal of and interest on Obligation No. 6 in an amount equal to the principal amount of Series 2024B Bonds which have been called by the Bond Trustee for redemption prior to maturity and for the redemption of which sufficient amounts in cash are on deposit in the Debt Service Fund created under the Related Bond Indenture to the extent such amounts have not been previously credited against payments on Obligation No. 6, and interest on such Series 2024B Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal of and interest on Obligation No. 6, and interest on such Series 2024B Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal of and interest on Obligation No. 6 which would be due, but for such call for redemption, to pay principal of and interest on such Series 2024B Bonds when due at maturity.

(iv) On installments of principal of and interest, respectively, on Obligation No. 6 in an amount equal to the principal amount of Series 2024B Bonds acquired by the University and delivered to the Bond Trustee and cancelled. Such credits shall be made against the installments of principal of and interest on Obligation No. 6 which would be due, but for such cancellation, to pay principal of and interest on Series 2024B Bonds at maturity.

*(Section 4)*

### **Prepayment of Obligation No. 6**

(a) So long as all amounts which have become due under Obligation No. 6 have been paid, the University may from time to time pay in advance all or part of the amounts to become due under Obligation No. 6. Prepayment may be made by payments of cash and/or surrender of Series 2024B Bonds, as contemplated by that section of the Supplemental Indenture for Obligation No. 6 summarized above under the caption “SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 6 – Payments on Obligation No. 6; Credits.” All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of Series 2024B Bonds) shall, upon receipt, be deposited with the Bond Trustee in the Debt Service Fund and, at the request of an Authorized Representative, used for the redemption or purchase of Outstanding Series 2024B Bonds in the manner and subject to the terms and conditions set forth in the Related Bond Indenture. Notwithstanding any such prepayment or surrender of Series 2024B Bonds, as long as any Series 2024B Bonds remain Outstanding or any additional payments required to be made under the Supplemental Indenture for Obligation No. 6 remain unpaid, the University shall not be relieved of its obligations under the Supplemental Indenture for Obligation No. 6.

(b) Prepayments made under subsection (a) above, shall be credited against amounts to become due on Obligation No. 6 as provided in that section of the Supplemental Indenture for Obligation No. 6 summarized above under the caption “SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 6 – Payments on Obligation No. 6; Credits.”

(c) The University may also prepay all of its Indebtedness under Obligation No. 6 by providing for the payment of Series 2024B Bonds in accordance with Article 5 of the Related Bond Indenture.

*(Section 5)*

### **Right to Redeem**

Obligation No. 6 shall be subject to redemption, in whole or in part, prior to the maturity, in an amount equal to the principal amount of any Series 2024B Bond (i) called for redemption pursuant to the Related Bond Indenture or (ii) purchased for cancellation by the Bond Trustee. Obligation No. 6 shall be subject to redemption on the date any Series 2024B Bond shall be so redeemed or purchased, and in the manner provided in the Supplemental Indenture for Obligation No. 6.

*(Section 9)*

### **Partial Redemption of Obligation No. 6**

Upon the call for redemption, and the surrender, of Obligation No. 6 for redemption in part only, the University shall cause to be executed and the Master Trustee shall authenticate and deliver to or upon the written order of the Holder thereof, at the expense of the University, a new Obligation No.

6 in principal amount equal to the unredeemed portion of Obligation No. 6, which old Obligation No. 6 so surrendered to the Master Trustee pursuant to this section shall be cancelled by it and delivered to, or upon the order of, the University.

The University may agree with the Holder of Obligation No. 6 that such Holder may, in lieu of surrendering Obligation No. 6 for a new fully registered Obligation No. 6, endorse on Obligation No. 6 a notice of such partial redemption, which notice shall set forth, over the signature of such Holder, the payment date, the principal amount redeemed and the principal amount remaining unpaid. Such partial redemption shall be valid upon payment of the amount thereof to the registered owner of Obligation No. 6, and the University and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of Obligation No. 6 by the owner thereof and irrespective of any error or omission in such endorsement.

*(Section 10)*

### **Effect of Call for Redemption**

On the date designated for redemption of the Series 2024B Bonds, Obligation No. 6 shall become and be due and payable in an amount equal to the redemption or purchase price to be paid on the Series 2024B Bonds on such date. If on the date fixed for redemption of Obligation No. 6 moneys for payment of the redemption or purchase price and accrued interest on the Series 2024B Bonds are held by the Bond Trustee, interest on Obligation No. 6 shall cease to accrue and said Obligation No. 6 shall cease to be entitled to any benefit or security under the Master Indenture to the extent of said redemption and the amount of Obligation No. 6 so called for redemption shall be deemed paid and no longer Outstanding.

*(Section 11)*

### **Discharge of Supplement**

Upon payment by the University of a sum, in cash or Defeasance Securities (as defined in the Related Bond Indenture), or both, sufficient, together with any other cash and Defeasance Securities held by the Bond Trustee and available for such purpose, to cause all Outstanding Series 2024B Bonds to be deemed to have been paid within the meaning of the Related Bond Indenture and to pay all other amounts referred to in the Related Bond Indenture, accrued and to be accrued to the date of discharge of the Related Bond Indenture, Obligation No. 6 shall be deemed to have been paid and to be no longer Outstanding under the Master Indenture and the Supplemental Indenture for Obligation No. 6 shall be discharged.

*(Section 12)*

## **SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 7**

### **Mortgage**

To secure, among other things, the prompt payment of the principal of and the interest on Obligation No. 7, a mortgage has been granted to DASNY, and DASNY has in turn assigned such mortgage to the Master Trustee (such mortgage, as so assigned, being a Mortgage as defined in the Master Indenture). Said Mortgage securing Obligation No. 7 shall be held by the Master Trustee for the benefit of the Holders from time to time of all of the Obligations secured by such Mortgage in order to secure the performance by the University of its obligations under the Master Indenture, and the prompt

payment of all amounts due on all Obligations secured by such Mortgage in accordance with the Master Indenture, and all proceeds realized under all of the Mortgages shall be held by the Master Trustee for the equal and ratable benefit of the Holders from time to time of all Obligations secured by a Mortgage. The lien of the Mortgage securing Obligation No. 7 shall be of equal priority with the lien of all other Mortgages, whether now existing or hereafter created. Such priorities shall be applicable irrespective of (i) the time or order in which any such Mortgage was entered into or dated, or any Obligation was issued; (ii) the time or order of recording or filing of any Mortgage; (iii) any provision of any recording statute or any other applicable laws or decisions to the contrary; or (iv) the provision of any other document or agreement between the parties hereto to the contrary. The Master Trustee may modify, release or grant a parity interest in the lien of the Mortgage securing Obligation No. 7 in accordance with the provisions of the Master Indenture; provided, however, that no release of Mortgaged Property shall occur without the prior written consent of DASNY.

*(Section 3)*

### **Payments on Obligation No. 7; Credits**

(a) Payments on Obligation No. 7 are payable in any coin or currency of the United States of America which on the payment date is legal tender for the payment of public and private debts. Except as provided in subsections (b) and (c) below, with respect to credits, payments on Obligation No. 7 shall be made at the times and in the amounts specified in Obligation No. 7 in immediately available funds by the University depositing the same with or to the account of the Bond Trustee (as defined in the Supplemental Indenture for Obligation No. 7) on or prior to the day such payments shall become due or payable (or the next preceding Business Day (as defined in the Related Bond Indenture) if such date is not a Business Day) and giving notice to the Master Trustee of each payment on Obligation No. 7, specifying the amount paid and identifying such payment as a payment on Obligation No. 7. In no event shall payments made from a debt service reserve fund on Related Bonds, except to the extent such payment may be made to redeem all outstanding Related Bonds in accordance with the terms of the Related Bond Indenture, be treated as credits under subsections (b) and (c) for payment of Obligation No. 7.

(c) The University shall receive credit for payment on Obligation No. 7, in addition to any credits resulting from payment or prepayment from other sources, for payments made directly to the Bond Trustee by the University pursuant to Obligation No. 7.

(c) The University shall receive credit for payment on Obligation No. 7, in addition to any credits resulting from payment or prepayment from other sources, as follows:

(i) On installments of interest on Obligation No. 7 in an amount equal to moneys deposited in the Debt Service Fund created under the Related Bond Indenture which amounts are available to pay interest on the Series 2024C Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 7.

(ii) On installments of principal on Obligation No. 7 in an amount equal to moneys deposited in the Debt Service Fund created under the Related Bond Indenture which amounts are available to pay principal of the Series 2024C Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 7.

(iii) On installments of principal of and interest on Obligation No. 7 in an amount equal to the principal amount of Series 2024C Bonds which have been called by the Bond Trustee for redemption prior to maturity and for the redemption of which sufficient amounts in cash are on deposit in the Debt Service Fund created under the Related Bond Indenture to the extent such amounts

have not been previously credited against payments on Obligation No. 7, and interest on such Series 2024C Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal of and interest on Obligation No. 7, and interest on such Series 2024C Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal of and interest on Obligation No. 7 which would be due, but for such call for redemption, to pay principal of and interest on such Series 2024C Bonds when due at maturity.

(iv) On installments of principal of and interest, respectively, on Obligation No. 7 in an amount equal to the principal amount of Series 2024C Bonds acquired by the University and delivered to the Bond Trustee and cancelled. Such credits shall be made against the installments of principal of and interest on Obligation No. 7 which would be due, but for such cancellation, to pay principal of and interest on Series 2024C Bonds at maturity.

*(Section 4)*

### **Prepayment of Obligation No. 7**

(a) So long as all amounts which have become due under Obligation No. 7 have been paid, the University may from time to time pay in advance all or part of the amounts to become due under Obligation No. 7. Prepayment may be made by payments of cash and/or surrender of Series 2024C Bonds, as contemplated by that section of the Supplemental Indenture for Obligation No. 7 summarized above under the caption "SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 7 – Payments on Obligation No. 7; Credits." All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of Series 2024C Bonds) shall, upon receipt, be deposited with the Bond Trustee in the Debt Service Fund and, at the request of an Authorized Representative, used for the redemption or purchase of Outstanding Series 2024C Bonds in the manner and subject to the terms and conditions set forth in the Related Bond Indenture. Notwithstanding any such prepayment or surrender of Series 2024C Bonds, as long as any Series 2024C Bonds remain Outstanding or any additional payments required to be made under the Supplemental Indenture for Obligation No. 7 remain unpaid, the University shall not be relieved of its obligations under the Supplemental Indenture for Obligation No. 7.

(b) Prepayments made under subsection (a) above, shall be credited against amounts to become due on Obligation No. 7 as provided in that section of the Supplemental Indenture for Obligation No. 7 summarized above under the caption "SUPPLEMENTAL INDENTURE FOR OBLIGATION NO. 7 – Payments on Obligation No. 7; Credits."

(c) The University may also prepay all of its Indebtedness under Obligation No. 7 by providing for the payment of Series 2024C Bonds in accordance with Article 5 of the Related Bond Indenture.

*(Section 5)*

### **Right to Redeem**

Obligation No. 7 shall be subject to redemption, in whole or in part, prior to the maturity, in an amount equal to the principal amount of any Series 2024C Bond (i) called for redemption pursuant to the Related Bond Indenture or (ii) purchased for cancellation by the Bond Trustee. Obligation No. 7 shall be subject to redemption on the date any Series 2024C Bond shall be so redeemed or purchased, and in the manner provided in the Supplemental Indenture for Obligation No. 7.

*(Section 9)*

## **Partial Redemption of Obligation No. 7**

Upon the call for redemption, and the surrender, of Obligation No. 7 for redemption in part only, the University shall cause to be executed and the Master Trustee shall authenticate and deliver to or upon the written order of the Holder thereof, at the expense of the University, a new Obligation No. 7 in principal amount equal to the unredeemed portion of Obligation No. 7, which old Obligation No. 7 so surrendered to the Master Trustee pursuant to this section shall be cancelled by it and delivered to, or upon the order of, the University.

The University may agree with the Holder of Obligation No. 7 that such Holder may, in lieu of surrendering Obligation No. 7 for a new fully registered Obligation No. 7, endorse on Obligation No. 7 a notice of such partial redemption, which notice shall set forth, over the signature of such Holder, the payment date, the principal amount redeemed and the principal amount remaining unpaid. Such partial redemption shall be valid upon payment of the amount thereof to the registered owner of Obligation No. 7, and the University and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of Obligation No. 7 by the owner thereof and irrespective of any error or omission in such endorsement.

*(Section 10)*

## **Effect of Call for Redemption**

On the date designated for redemption of the Series 2024C Bonds, Obligation No. 7 shall become and be due and payable in an amount equal to the redemption or purchase price to be paid on the Series 2024C Bonds on such date. If on the date fixed for redemption of Obligation No. 7 moneys for payment of the redemption or purchase price and accrued interest on the Series 2024C Bonds are held by the Bond Trustee, interest on Obligation No. 7 shall cease to accrue and said Obligation No. 7 shall cease to be entitled to any benefit or security under the Master Indenture to the extent of said redemption and the amount of Obligation No. 7 so called for redemption shall be deemed paid and no longer Outstanding.

*(Section 11)*

## **Discharge of Supplement**

Upon payment by the University of a sum, in cash or Defeasance Securities (as defined in the Related Bond Indenture), or both, sufficient, together with any other cash and Defeasance Securities held by the Bond Trustee and available for such purpose, to cause all Outstanding Series 2024C Bonds to be deemed to have been paid within the meaning of the Related Bond Indenture and to pay all other amounts referred to in the Related Bond Indenture, accrued and to be accrued to the date of discharge of the Related Bond Indenture, Obligation No. 7 shall be deemed to have been paid and to be no longer Outstanding under the Master Indenture and the Supplemental Indenture for Obligation No. 7 shall be discharged.

*(Section 12)*

## **SUPPLEMENTS TO MASTER INDENTURE RELATING TO SERIES 2024BC BONDS**

(a) For so long as any of the Series 2024BC Bonds remain Outstanding, the Master Indenture is supplemented by the Supplemental Indenture for Obligation No. 6 and the Supplemental Indenture for Obligation No. 7 with a new Section 3.11 of the Master Indenture as follows:

Section 3.11 Limitations on Indebtedness. The University covenants and agrees that it will not incur any Additional Indebtedness if, after giving effect to all other Indebtedness incurred by the University, such Indebtedness could not be incurred pursuant to any one of subsections (a) through (g), inclusive, of this Section 3.11. Any Indebtedness may be incurred only in the manner and pursuant to the terms set forth in such subsections. For purposes of this Section 3.11, the Debt Service Coverage Ratio shall be calculated as the ratio determined by dividing Operating Income Available for Debt Service by Maximum Annual Debt Service.

(a) Long-Term Indebtedness may be incurred if prior to incurrence of the Long-Term Indebtedness there is delivered to the Master Trustee and DASNY:

(i) An Officer's Certificate certifying that the Debt Service Coverage Ratio for the most recent Fiscal Year for which there are Audited Financial Statements available taking all Long-Term Indebtedness incurred after such period and the proposed Long-Term Indebtedness into account as if such Long-Term Indebtedness had been incurred at the beginning of such period, is not less than 1.10, or

(ii) An Officer's Certificate demonstrating that the Debt Service Coverage Ratio for the period mentioned in subsection (a)(i) of this Section 3.11, excluding the proposed Long-Term Indebtedness, is (A) at least 1.10 and (B) a written report of a Consultant demonstrating that the forecasted Debt Service Coverage Ratio is not less than 1.20 for (1) in the case of Long-Term Indebtedness (other than a Guaranty) to finance capital improvements, each of the two full Fiscal Years succeeding the date on which such capital improvements are forecasted to be in operation or (2) in the case of Long-Term Indebtedness not financing capital improvements or in the case of a Guaranty, each of the two full Fiscal Years succeeding the date on which the Indebtedness is incurred, as shown by pro forma financial statements for the University for each such period, accompanied by a statement of the relevant assumptions upon which such pro forma financial statements are based, or

(iii) Evidence that the existing Long-Term Indebtedness then outstanding (excluding Non-Recourse Indebtedness or Subordinated Debt), including the Long-Term Indebtedness proposed to be issued, is rated at least BBB-/Baa3 from at least one Nationally Recognized Rating Agency.

(b) Refunding Debt may be incurred if, prior to the incurrence of such Long-Term Indebtedness, there is delivered to the Master Trustee an Officer's Certificate demonstrating that Maximum Annual Debt Service will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof.

(c) Short-Term Indebtedness may be incurred by the University at any time; provided however, that there shall be a period of at least fifteen (15) consecutive calendar days during each Fiscal Year during which no Short-Term Indebtedness shall be outstanding. For purposes of this Section 3.11(c), Short-Term Indebtedness shall include any Guaranty of Short-Term Indebtedness.

(d) Non-Recourse Indebtedness may be incurred without limit.

(e) Subordinated Debt may be incurred without limit.



(f) Short-Term Indebtedness secured by accounts receivable may be incurred within the limitations imposed on the pledge or sale of accounts receivable by the last paragraph of this Section 3.11.

(g) Indebtedness may be incurred in an amount limited to the cost of completion for the purpose of financing the completion of the acquisition or construction of a Capital Addition with respect to which Indebtedness has theretofore been incurred, provided there shall be delivered to the Master Trustee an Officer's Certificate to the effect that (a) the University did reasonably expect at the time the initial Indebtedness was incurred that the proceeds of such Indebtedness, together with other available funds, would be sufficient to complete the Capital Addition, and (b) such additional Indebtedness is expected to be sufficient to complete the Capital Addition.

Accounts receivable of the University may be sold, pledged, assigned or otherwise disposed or encumbered in accordance with the Supplemental Indenture for Obligation No. 6 and Supplemental Indenture for Obligation No. 7 in an aggregate amount not exceeding 50% of the three month average outstanding accounts receivable of the University that are ninety days old or less as calculated in accordance with GAAP. The three month average shall be calculated based on the month end available balances for the three (3) full calendar months immediately preceding the date on which such accounts receivable are sold, pledged, assigned or otherwise disposed or encumbered.

(b) For so long as any of the Series 2024BC Bonds remain Outstanding, the Master Indenture is supplemented by the Supplemental Indenture for Obligation No. 6 and the Supplemental Indenture for Obligation No. 7 with a new Section 3.12 of the Master Indenture as follows:

Section 3.12 Debt Service Coverage Ratio.

(a) The University covenants to maintain a Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, of not less than 1.10 and shall annually, not later than 150 days after the end of each Fiscal Year, deliver to the Master Trustee and DASNY, an Officer's Certificate stating whether or not the University is in compliance with this covenant and shall include the calculation of the Debt Service Coverage Ratio on which the statement is based.

(b) If as of the end of two consecutive Fiscal Years the Debt Service Coverage Ratio is less than 1.10, the University covenants to retain a Consultant within thirty (30) days of the delivery of the aforementioned Audited Financial Statements to make recommendations to increase such Debt Service Coverage Ratio in the following Fiscal Year to the level required or, if in the opinion of the Consultant the attainment of such level is impracticable, to the highest level attainable. Any Consultant so retained shall be required to submit such recommendations within ninety (90) days after being so retained. The University agrees that it will, to the extent permitted by Governmental Restrictions, follow the recommendations of the Consultant. So long as a Consultant shall be retained and the University shall follow such Consultant's recommendations to the extent permitted by Governmental Restrictions, this Section 3.12 shall be deemed to have been complied with even if the Debt Service Coverage Ratio for the following Fiscal Year is below the required level; provided, however, that the University shall not be required to retain a Consultant to make recommendations pursuant to this subsection (b) more frequently than biennially.

(c) Notwithstanding subsections (a) and (b) of this Section 3.12, the University covenants that in no event shall the Debt Service Coverage Ratio be less than 1.00 on any calculation date. It shall be an Event of Default under the Master Indenture if the Debt Service Coverage Ratio is less than 1.00 as of any calculation date.

(c) For so long as any of the Series 2024BC Bonds remain Outstanding, the Master Indenture is supplemented by the Supplemental Indenture for Obligation No. 6 and the Supplemental Indenture for Obligation No. 7 with a new Section 3.06(d) of the Master Indenture as follows:

Section 3.06 Transfers of Property.

(d) No Transfer of Mortgaged Property shall be permitted under this Section 3.06 without the prior written consent of DASNY; provided, however, that the prior written consent of DASNY shall not be required for any Transfer of machinery, equipment, fixtures or other personal property located on the Pleasantville Campus or machinery, equipment or other personal property located on One Pace Plaza so long as such Transfer does not have a Material Adverse Effect.

*(Section 18)*

**APPENDIX F**  
**PROPOSED FORM OF APPROVING OPINIONS OF**  
**CO-BOND COUNSEL**

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**APPENDIX F**  
**PROPOSED FORM OF APPROVING OPINIONS OF**  
**CO-BOND COUNSEL**

August 29, 2024

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

Re: \$144,630,000 Dormitory Authority of the State of New York  
Pace University Revenue Bonds, Series 2024B and Series 2024C

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Ladies and Gentlemen:

We have acted as bond counsel to the Dormitory Authority of the State of New York (the “Authority”) in connection with the issuance of \$84,630,000 aggregate principal amount of Pace University Revenue Bonds, Series 2024B and \$60,000,000 aggregate principal amount of Pace University Revenue Bonds, Series 2024C (collectively, the “Bonds”), issued pursuant to the provisions of the Dormitory Authority Act, as amended, constituting Chapter 524 of the Laws of 1944 of New York, as amended (constituting Title 4 of Article 8 of the New York Public Authorities Law) (the “Act”), and the Authority’s Pace University Revenue Bond Resolution, adopted May 8, 2024 (the “Bond Resolution”), as supplemented and amended by the Series Resolution 2024 Authorizing Pace University Revenue Bonds, Series 2024 In An Amount Not Exceeding \$330,000,000, adopted May 8, 2024 (the “Series Resolution 2024” and, together with the Bond Resolution, the “Resolution”). The Authority has entered into a Loan Agreement with Pace University (the “Institution”), dated August 29, 2024 (the “Loan Agreement”), providing, among other things, for a loan to the Institution for the purposes permitted thereby and by the Resolution. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, the Loan Agreement, the Tax Certificate and Agreement dated as of the date hereof (the “Tax Certificate”) between the Authority and the Institution, opinions of counsel to the Authority, the Trustee and the Institution, certificates of the Authority, the Trustee, the Institution and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of Nixon Peabody LLP, counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization

described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) and the use of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the Institution within the meaning of Section 513 of the Code. We note that such opinion is subject to a number of qualifications and limitations. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service’s requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use by the Institution of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of the Institution within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to above. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution, the Loan Agreement and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Loan Agreement and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official

Statement, dated August 7, 2024 (the “Official Statement”), or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Authority has been duly created and is validly existing as a body corporate and politic constituting a public benefit corporation of the State of New York.

2. The Bonds have been duly and validly authorized to be issued and constitute the valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Resolution, will be payable solely from the sources provided therefor in the Resolution and will be entitled to the benefit of the Resolution and the Act.

3. The Resolution is in full force and effect, has been duly adopted by, and constitutes the valid and binding obligation of, the Authority. The Resolution creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and any other amounts (including the proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to the Resolution, except the Arbitrage Rebate Fund, the Series 2024B Bonds Bond Purchase Fund and the Series 2024C Bonds Purchase and Remarketing Fund, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

4. The Loan Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery thereof by the Institution, constitutes a valid and binding agreement of the Authority in accordance with its terms.

5. The Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of New York or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of New York, and the State of New York is not liable for the payment thereof.

6.\* Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

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\* This opinion is being given by Orrick, Herrington & Sutcliffe LLP only.



**APPENDIX G**  
**FORM OF AGREEMENT TO PROVIDE CONTINUING DISCLOSURE**

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**AGREEMENT TO PROVIDE CONTINUING DISCLOSURE**  
**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**  
**PACE UNIVERSITY REVENUE BONDS,**  
**SERIES 2024B AND SERIES 2024C**

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the “*Disclosure Agreement*”), dated as of August 29, 2024, is executed and delivered by Pace University (the “*Obligated Person*”), The Bank of New York Mellon, as bond trustee (the “*Trustee*”) and Digital Assurance Certification, L.L.C. (“*DAC*”), as exclusive Disclosure Dissemination Agent (the “*Disclosure Dissemination Agent*”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Dormitory Authority of the State of New York (the “*Issuer*” or “*DASNY*”) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “*Rule*”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute “advice” within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the “*Act*”). DAC is not obligated hereunder to provide any advice or recommendation to the Issuer, the Obligated Person or anyone on the Issuer’s or the Obligated Person’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

“*Annual Filing Date*” means the date, set in Sections 2(a) and 2(f) of this Disclosure Agreement, by which the Annual Report is to be filed with the MSRB.

“*Annual Financial Information*” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“*Annual Report*” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“*Audited Financial Statements*” means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“*Bonds*” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“*Certification*” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

*“Disclosure Dissemination Agent”* means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

*“Disclosure Representative”* means the chief financial officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

*“Failure to File Event”* means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date.

*“Financial Obligation”* means a (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

*“Force Majeure Event”* means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

*“Holder”* means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

*“Information”* means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

*“Issuer”* means the Dormitory Authority of the State of New York, as conduit issuer of the Bonds.

*“MSRB”* means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

*“Notice Event”* means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

*“Obligated Person”* means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

*“Official Statement”* means that Official Statement prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

*“Resolution”* means DASNY’s bond resolution(s) pursuant to which the Bonds were issued.

“*Trustee*” means The Bank of New York Mellon and its successors and assigns.

“*Voluntary Event Disclosure*” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“*Voluntary Financial Disclosure*” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

## SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 150 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2024, 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 “APPENDIX A — CERTAIN INFORMATION REGARDING THE UNIVERSITY” under the headings “OPERATING INFORMATION” and “FINANCIAL INFORMATION” relating to: (1) *student admissions*, similar to that set forth under the heading “Admissions and Student Enrollment” in the tables under the heading “ADMISSION STATISTICS”, including information for the fall term of the then current academic year; (2) *student enrollment*, similar to that set forth under the heading “Admissions and Student Enrollment” in the tables under the heading “ENROLLMENT SUMMARY”, including information for the fall term of the then current academic year; (3) *tuition and other student charges*, similar to that set forth under the heading “Tuition and Fees” in the table titled “STUDENT TUITION CHARGES;” (4) *financial aid*, similar to that set forth under the heading “Financial Aid” in the table titled “SOURCES OF FINANCIAL AID;” (5) *faculty*, similar to that set forth under the heading “Faculty” in the table titled “FACULTY PROFILE;” (6) *employee relations*, including material information about union contracts and, unless such information is included in the Audited Financial Statements, retirement plans; (7) *endowment and similar funds*, unless such information is included in the Audited Financial Statements; (8) *plant values*, unless such information is included in the Audited Financial Statements; and (9) *outstanding long-term indebtedness*, unless such information is included in the Audited Financial Statements; together with such narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of financial and operating data concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) or alternate accounting principles as described in the Official Statement will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance



under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Official Statement, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or are available from the MSRB Internet Website. If the document incorporated by reference is a Final Official Statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

#### SECTION 4. Reporting of Notice Events.

Event: (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the security or other material events affecting the tax status of the security;
7. Modifications to rights of the security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

**Note to subsection (a)(12) of this Section 4:** For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify the Trustee and the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, the Trustee shall promptly notify the Obligated Person and also shall notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct 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 the MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that neither the Issuer nor the Obligated Person is obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Obligated Person hereby appoints DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT, THE ISSUER AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS

NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and it shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement other than those notices required under Section 4 hereof, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures other than those notices required under Section 4 hereof. DASNY (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Trustee and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to each of the Obligated Person, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person or the Trustee and the assumption by any such successor of the covenants of the Obligated Person or the Trustee hereunder;

(iv) to add to the covenants of the Obligated Person or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person or the Disclosure Dissemination Agent;

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 16. Counterparts.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[remainder of page left intentionally blank]

The Disclosure Dissemination Agent, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.,**  
as Disclosure Dissemination Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PACE UNIVERSITY,**  
as Obligated Person

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE BANK OF NEW YORK MELLON**  
as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT A

### NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Dormitory Authority of the State of New York
Obligated Person(s):	Pace University
Name of Bond Issue:	Pace University Revenue Bonds, Series 2024B and 2024C
Date of Issuance:	August 29, 2024
Date of Official Statement:	August 7, 2024

#### Series 2024B Bonds

<u>Maturity</u>	<u>CUSIP No.</u>
2025	65000B5A2
2026	65000B5B0
2027	65000B5C8
2028	65000B5D6
2029	65000B5E4
2030	65000B5F1
2031	65000B5G9
2032	65000B5H7
2033	65000B5J3
2034	65000B5K0
2035	65000B5L8
2036	65000B5M6
2037	65000B5N4
2038	65000B5P9
2039	65000B5Q7
2040	65000B5R5
2041	65000B5S3
2042	65000B5T1

#### Series 2024C Bonds

<u>Maturity</u>	<u>CUSIP No.</u>
2044	65000B5U8



**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): Pace University  
Name of Bond Issue: Pace University Revenue Bonds, Series 2024B and 2024C  
Date of Issuance: August 29, 2024

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 August 29, 2024, by and among the Obligated Person, The Bank of New York Mellon, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

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

\_\_\_\_\_

cc: Obligated Person

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

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

Issuer's and Obligated Person's Names:

Six-Digit CUSIP Number:

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

Number of pages attached: \_\_\_\_\_

Description of Notice Events (Check One):

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

☐ Failure to provide annual financial information as required.

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

Signature:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Digital Assurance Certification, L.L.C.  
315 E. 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 Continuing Disclosure Agreement dated as of August 29, 2024 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 E. 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 Continuing Disclosure Agreement dated as of August 29, 2024 by and among the Obligated Person, the Trustee and DAC.

Issuer’s and Obligated Person’s Names:

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Six-Digit CUSIP Number:

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

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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 E. Robinson Street  
Suite 300  
Orlando, FL 32801  
407-515-1100

Date:

## APPENDIX H

### SUMMARY OF REFUNDED BONDS AND REFUNDED DEBT

The following is a list of the bonds that DASNY and the University propose to refund with a portion of the proceeds of the Series 2024BC Bonds, together with other available funds. All of the bonds listed below are the Refunded Bonds and the Refunded Debt as described in “PART 4—THE REFUNDING PLAN.”

Series	Dated Date	Outstanding Principal Amount	Defeased Principal Amount	Interest Rate	Maturity	CUSIP <sup>†</sup>	Refunding Series	Redemption Date	Redemption Price <sup>(1)</sup>
DASNY, Pace University Revenue Bonds, Series 2013A	3/7/2013	\$5,490,000	\$5,490,000	5.00%	5/1/2025	64990BZC0	Series 2024B Bonds	11/25/2024	100%
	3/7/2013	5,765,000	5,765,000	5.00	5/1/2026	64990BZD8	Series 2024B Bonds	11/25/2024	100
	3/7/2013	6,055,000	6,055,000	5.00	5/1/2027	64990BZE6	Series 2024B Bonds	11/25/2024	100
	3/7/2013	6,350,000	6,350,000	5.00	5/1/2028	64990BZF3	Series 2024B Bonds	11/25/2024	100
	3/7/2013	6,675,000	6,675,000	5.00	5/1/2029	64990BZG1	Series 2024B Bonds	11/25/2024	100
	3/7/2013	5,770,000	5,770,000	4.00	5/1/2033	649907HZ8	Series 2024B Bonds	11/25/2024	100
	3/7/2013	8,780,000	8,780,000	5.00	5/1/2038	649907JA1	Series 2024B Bonds	11/25/2024	100
	3/7/2013	8,645,000	8,645,000	4.25	5/1/2042	649907JB9	Series 2024B Bonds	11/25/2024	100
Westchester County LDC, Pace University Revenue Bonds, Series 2014A	4/3/2014	22,815,000	22,815,000	5.00	5/1/2034	95737TBB1	Series 2024B Bonds	11/25/2024	100
	4/3/2014	62,850,000	17,330,000	5.50	5/1/2042	95737TBC9	Series 2024B Bonds <sup>(2)</sup>	11/25/2024	100
	4/3/2014	62,850,000	45,520,000	5.50	5/1/2042	95737TBC9	Series 2024C Bonds <sup>(3)</sup>	10/1/2024	100
Westchester County LDC, Pace University Revenue Bonds, Series 2014B	4/3/2014	14,925,000	14,925,000	Variable	5/1/2044	95737TBD7	Series 2024C Bonds	10/1/2024	100

<sup>†</sup> CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above have been assigned by an independent company not affiliated with DASNY and are being provided solely for the convenience of owners of the Refunded Bonds and the Refunded Debt. Neither DASNY nor the Underwriter makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future.

<sup>(1)</sup> Redemption Price does not include accrued interest.

<sup>(2)</sup> The Series 2024B Bonds will refund sinking funds from 2035 and 2036, and partially refund the 2037 sinking fund.

<sup>(3)</sup> The Series 2024C Bonds will refund the remaining 2037 sinking fund and the 2038 through 2042 sinking funds.

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