

In the opinion of Hodgson Russ LLP, Bond Counsel to the Issuer, under existing statutes, regulations, rulings and court decisions and assuming compliance with certain covenants and the accuracy of certain representations, interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the individual and corporate alternative minimum taxes imposed by the Code, except that (a) the Institution (as hereinafter defined) or another Person, by failing to comply with certain restrictions contained in the Code, may cause interest on the Series 2016A Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Series 2016A Bonds is subject to certain alternative minimum taxes imposed on corporations, and certain other taxes. Bond Counsel is further of the opinion that, so long as interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2016A Bonds is exempt under existing law from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). The interest on the Series 2016B Bonds is not excludable from gross income for federal income tax purposes and interest on the Series 2016B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). For a more complete discussion, including certain other tax considerations, see “TAX MATTERS” herein.

CITY OF ALBANY CAPITAL RESOURCE CORPORATION

\$36,675,000

**Tax-Exempt Revenue Bonds
(Empire Commons Student Housing, Inc.
Refunding Project),
Series 2016A**

\$4,120,000

**Taxable Revenue Bonds
(Empire Commons Student Housing, Inc.
Refunding Project),
Series 2016B**

Dated: Date of Delivery

Due: As shown on inside cover

The City of Albany Capital Resource Corporation Tax-Exempt Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016A (the “Series 2016A Bonds”) and Taxable Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016B (the “Series 2016B Bonds”, and together with the Series 2016A Bonds being referred to hereinafter as the “Series 2016 Bonds”) will be issued pursuant to the terms of a Trust Indenture dated as of September 1, 2016 (the “Indenture”), by and between City of Albany Capital Resource Corporation (the “Issuer”) and Manufacturers and Traders Trust Company, as bond trustee for the Series 2016 Bonds (the “Bond Trustee”). The Series 2016 Bonds are special obligations of the Issuer and will be payable from and secured by a pledge of the payments to be made by Empire Commons Student Housing, Inc. (formerly known as University at Albany Foundation Student Housing Corporation) (the “Institution”) under a Loan Agreement dated as of September 1, 2016 (the “Loan Agreement”) by and between the Issuer and the Institution and the funds and accounts (except the Rebate Fund) held by the Bond Trustee under the Indenture.

The Series 2016 Bonds are issuable only as fully registered bonds without coupons in minimum denominations of \$5,000 plus any integral multiple of \$5,000. When issued, the Series 2016 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2016 Bonds. Purchases of the Series 2016 Bonds will be made in book-entry form. Purchasers will not receive certificates representing their interest in Series 2016 Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series 2016 Bonds.

Principal will be payable on May 1 of each year as set forth on the inside cover page. Interest will be payable on November 1, 2016 and semiannually thereafter on each May 1 and November 1. Principal and semiannual interest on the Series 2016 Bonds will be paid by the Bond Trustee. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made to Cede & Co., which in turn will remit such payments to the DTC Participants (as defined herein) and DTC Indirect Participants (as defined herein) for subsequent disbursement to the beneficial owners of the Series 2016 Bonds. The Series 2016 Bonds will be subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2016 BONDS - Redemption Provisions” herein.

The Series 2016 Bonds will be secured by a Series 2016 Bond (the “Institution Bond”) issued under a Master Trust Indenture dated as of September 1, 2009, as amended (the “Master Indenture”) and a Third Supplemental Indenture dated as of September 1, 2016 (the “Third Supplemental Indenture”), each between the Institution and Manufacturers and Traders Trust Company, as master trustee (the “Master Trustee”). The debt service payments due with respect to the Institution Bond are identical in amount and the timing of payment as the debt service payments due with respect to the Series 2016 Bonds. As security for the Series 2016 Bonds and the Institution Bond and all other obligations issued by the Institution under the Master Indenture (collectively, the “Institution Obligations”), (A) the Institution will execute and deliver to the Issuer a Mortgage and Security Agreement dated as of September 1, 2016 (the “Mortgage”) from the Institution to the Issuer, which Mortgage, among other things, grants to the Issuer a leasehold mortgage lien on, and a security interest in, among other things, the Project Facility (as defined herein), and (B) in consideration of the delivery by the Master Trustee of the Institution Bond, the Issuer will execute and deliver to the Master Trustee a Mortgage Assignment dated as of September 1, 2016 (the “Mortgage Assignment”) from the Issuer to the Master Trustee, pursuant to which the Issuer will assign the Mortgage to the Master Trustee.

THE SERIES 2016 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER. THE SERIES 2016 BONDS AND THE INTEREST THEREON ARE PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS PLEDGED THEREFOR OR OTHERWISE AVAILABLE TO THE BOND TRUSTEE FOR THE PAYMENT THEREOF, INCLUDING REVENUES DERIVED UNDER THE LOAN AGREEMENT. THE SERIES 2016 BONDS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK, THE CITY OF ALBANY, NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE CITY OF ALBANY, NEW YORK NOR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE SERIES 2016 BONDS. THE ISSUER HAS NO TAXING POWER.

The Series 2016 Bonds are offered when, as and if issued by the Issuer and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of certain legal matters relating to the issuance of the Series 2016 Bonds by Hodgson Russ LLP, Albany, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by John J. Reilly, Esq., Corporation counsel, and certain legal matters will be passed upon for the Institution by Bond, Schoeneck & King, PLLC, Syracuse, New York, counsel to the Institution. Certain legal matters will be passed upon for the Underwriter by Barclay Damon, LLP, Albany, New York, counsel to the Underwriter. The Series 2016 Bonds are expected to be available for delivery in definitive form through DTC in Jersey City, New Jersey on or about September 22, 2016.

RBC Capital Markets

AMOUNTS, MATURITIES, INTEREST RATES, AND PRICES OR YIELDS

\$36,675,000 SERIES 2016A

<u>Maturity (May 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>	<u>Maturity (May 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2018	\$ 195,000	3.000%	0.860%	012432BX7	2026	\$2,615,000	5.000%	1.890%	012432CF5
2019	1,895,000	4.000	0.980	012432BY5	2027*	2,745,000	5.000	2.000	012432CG3
2020	1,965,000	4.000	1.090	012432BZ2	2028*	2,885,000	5.000	2.110	012432CH1
2021	2,050,000	5.000	1.220	012432CA6	2029*	3,025,000	5.000	2.190	012432CJ7
2022	2,155,000	5.000	1.390	012432CB4	2030*	3,185,000	5.000	2.240	012432CK4
2023	2,255,000	5.000	1.540	012432CC2	2031*	3,335,000	5.000	2.270	012432CL2
2024	2,370,000	5.000	1.660	012432CD0	2032*	3,505,000	5.000	2.320	012432CM0
2025	2,495,000	5.000	1.770	012432CE8					

\$4,120,000 SERIES 2016B

<u>Maturity (May 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP⁽¹⁾</u>
2017	\$2,445,000	1.200%	100%	012432CN8
2018	1,675,000	1.450	100	012432CP3

⁽¹⁾ CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Series 2016 Bonds. Neither the Issuer nor the Underwriter is responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2016 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2016 Bonds.

* Priced at the stated yield to the May 1, 2026 optional redemption date at a redemption price of 100%.

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Institution or the Underwriter to give any information or to make any representations with respect to the Series 2016 Bonds, other than the information and representations contained in this Official Statement. If given or made, such information or representations must not be relied upon as having been authorized by either of the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2016 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

The Series 2016 Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2016 Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2016 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2016 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

All information contained herein has been obtained from the Issuer, the Institution and other sources which are believed to be reliable. Such other information is not guaranteed as to accuracy or completeness by, and is not to be relied upon as or construed as a promise or representation by the Institution or the Issuer.

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 guaranty the accuracy or completeness of such information.

References in this Official Statement to the Indenture, the Loan Agreement, the Mortgage, the Master Indenture and the Third Supplemental Indenture do not purport to be complete. Refer to the Indenture, the Loan Agreement, the Mortgage, the Master Indenture and the Third Supplemental Indenture for full and complete details of their provisions. Copies of the Indenture, the Loan Agreement, the Mortgage, the Master Indenture and the Third Supplemental Indenture are on file with the Bond Trustee.

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 BONDS AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. CAUTIONARY STATEMENTS REGARDING PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions and “THE INSTITUTION and “BONDHOLDER’S RISK”.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Institution does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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OFFICIAL STATEMENT

relating to

CITY OF ALBANY CAPITAL RESOURCE CORPORATION

\$36,675,000	\$4,120,000
Tax-Exempt Revenue Bonds	Taxable Revenue Bonds
(Empire Commons Student Housing, Inc. Refunding Project), Series 2016A	(Empire Commons Student Housing, Inc. Refunding Project), Series 2016B

INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, which includes the cover page and the inside cover page hereof and the Appendices hereto, is to provide information about the City of Albany Capital Resource Corporation (the “Issuer”) and Empire Commons Student Housing, Inc. (formerly known as University at Albany Foundation Student Housing Corporation) (the “Institution”) in connection with the issuance and sale by the Issuer of its \$36,675,000 Tax-Exempt Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016A (the “Series 2016A Bonds”) and its \$4,120,000 Taxable Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016B (the “Series 2016B Bonds”) (collectively, the “Series 2016 Bonds”).

The following is a brief description of certain information concerning the Series 2016 Bonds, the Issuer and the Institution. A more complete description of such information and additional information that may affect decisions to invest in the Series 2016 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain capitalized terms not otherwise defined herein are defined in Appendix A hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

Authorization of the Issuance

The Series 2016 Bonds are authorized to be issued pursuant to the purposes and powers contained within Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Act”), the certificate of incorporation of the Issuer (the “Certificate”), and a resolution of the Issuer adopted on August 18, 2016 (the “Bond Resolution”). The Series 2016 Bonds will be issued by the Issuer pursuant to a Trust Indenture dated as of September 1, 2016 (the “Indenture”), by and between the Issuer and Manufacturers and Traders Trust Company, as bond trustee (the “Bond Trustee”). The Bond Trustee also is acting as Bond Registrar and Paying Agent for the Series 2016 Bonds.

Purpose of the Issue

Series 2016A Bonds

The proceeds of the Series 2016A Bonds will be made available to the Institution and, together with other available funds, will be used to undertake the following project (the “Series 2016A Project”): (A) the refunding of the following outstanding revenue bonds issued by the City of Albany Industrial Development Agency (the “Prior Issuer”): (1) Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons East Project), Series 2001A in the original aggregate principal amount of \$14,070,000, (2) Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons West Project), Series 2001B in the original aggregate principal amount of \$14,140,000, (3) Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons North Project), Series 2001C in the original aggregate principal amount of \$14,275,000, and (4) Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons South Project), Series 2001D in the original aggregate principal amount of \$18,205,000 (the “Series 2001D Bonds”, and collectively with the Series 2001A Bonds, the Series 2001B Bonds and the Series 2001C Bonds, the “Series 2001 Bonds”).

The Series 2001A Bonds were issued to finance a project (the “East Project”) consisting of: (A)(1) the acquisition by the Issuer of a sub-leasehold interest in an approximately 5.87 acre parcel in the City of Albany (the “City”) on the uptown campus (the “Campus”) of the University at Albany, State University of New York (the “University”) fronting on West University Drive (the “East Land”); (2) (i) the construction of five three-story apartment buildings to house approximately 237 students and two University staff members, (ii) an approximately 13,000 square foot building containing office space, general meeting and gathering areas, an exercise facility and mail facility available for residents of such apartments and other campus housing, and (iii) necessary roadways, sidewalks and pedestrian pathways, parking for approximately 125 vehicles, greenspace and hardcourt recreation areas (the “East Facility”); and (3) the acquisition and installation of certain machinery and equipment (the “East Equipment”); collectively with the East Land and the East Facility, the “East Project Facility”).

The Series 2001B Bonds were issued to finance a project (the “West Project”) consisting of: (A)(1) the acquisition by the Issuer of a sub-leasehold interest in an approximately 5.57 acre parcel in the City on the Campus bounded on the north by Washington Avenue and on the west by Fuller Road (the “West Land”); (2) (i) the construction of six three-story apartment buildings to house approximately 285 students and two University staff members, and (ii) necessary roadways, sidewalks and pedestrian pathways, parking for approximately 155 vehicles, greenspace and hardcourt recreation areas (the “West Facility”); and (3) the acquisition and installation of certain machinery and equipment (the “West Equipment”); collectively with the West Land and the West Facility, the “West Project Facility”).

The Series 2001C Bonds were issued to finance a project (the “North Project”) consisting of: (A)(1) the acquisition by the Issuer of a sub-leasehold interest in an approximately 6.06 acre parcel in the City on the Campus bounded on the north by Washington Avenue and to the east by West University Drive (the “North Land”); (2) (i) the construction of six three-story apartment buildings to house approximately 285 students and two University staff members, (ii) an approximately 2,100 square foot maintenance building, and (iii) necessary roadways, sidewalks and pedestrian pathways, parking for approximately 189 vehicles, greenspace and hardcourt recreation areas (the “North Facility”); and (3) the acquisition and installation of certain machinery and equipment (the “North Equipment”); collectively with the North Land and the North Facility, the “North Project Facility”).

The Series 2001D Bonds were issued to finance a project (the “South Project”) consisting of: (A)(1) the acquisition by the Issuer of a sub-leasehold interest in an approximately 7.60 acre parcel in the City of Albany on the Campus bounded on the south by Tricentennial Drive and to the west by Fuller Road (the “South Land”); (2) (i) the construction of eight three-story apartment buildings to house approximately 381 students and two University staff members, and (ii) necessary roadways, sidewalks and pedestrian pathways, parking for approximately 219 vehicles, greenspace and hardcourt recreation areas (the “South Facility”); and (3) the acquisition and installation of certain machinery and equipment (the “South Equipment”); collectively with the South Land and the South Facility, the “South Project Facility” and, collectively with the East Project Facility, the West Project Facility and the North Project Facility, the “Project Facility”).

Series 2016B Bonds

The proceeds of the Series 2016B Bonds will be made available to the Institution and, together with other available funds, will be used to undertake the following project (the “Series 2016B Project”): the refunding of the Institution’s \$5,358,000 Taxable Revenue Bonds (Empire Commons Project), Series 2009A (the “Institution Series 2009A Bonds”). The Institution Series 2009A Bonds were issued pursuant to the Master Indenture and a First Supplemental Trust Indenture dated as of September 1, 2009 by and between the Master Trustee and the Institution.

The proceeds of the Institution Series 2009A Bonds were used to finance the following costs: (A) the costs of terminating the swap agreement that was executed in connection with the issuance of the Series 2001 Bonds, including but not limited to the termination payment, (B) the amount of any debt service reserve fund required in order to market and sell the Institution Series 2009A Bonds and to remarket the Series 2001 Bonds, (C) the amount of any bond insurance premiums or credit enhancement fees for any insurance policies or letters of credit to insure or support the Institution Series 2009A Bonds and the remarketing of the Series 2001 Bonds, (D) the amount of any original issue discount utilized in connection with the offering or sale of the Institution Series 2009A Bonds and the remarketing of the Series 2001 Bonds, and (E) all legal and other costs associated with the conversion of the interest rates on the Series 2001 Bonds and the issuance of the Institution Series 2009A Bonds.

The Issuer

The Issuer was established by the City of Albany, New York in accordance with the provisions of Section 1411 of the Act as a local development corporation pursuant to the Act and the Certificate as a public instrumentality of the City of Albany, New York to carry out essential governmental functions for the public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest. See “THE ISSUER” herein.

The Institution

The Institution is a not-for-profit corporation organized and existing under the laws of the State of New York that is exempt from federal income tax under section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Section 501(c)(3) of the Code. See “THE INSTITUTION” herein.

The Series 2016 Bonds

The Series 2016 Bonds will be issued in book-entry form as fully registered bonds without coupons and when issued will be registered to Cede & Co., as nominee of the Depository Trust Company (the “DTC”), New York, New York, which will act as the securities depository. Purchases will be made in denominations of \$5,000 or any integral multiple thereof.

The Series 2016 Bonds will be dated the date of delivery, and interest thereon will be payable on May 1 and November 1 of each year, commencing November 1, 2016. So long as Cede & Co. is the registered owner of the Series 2016 Bonds, principal and premium, if any, will be payable by the Bond Trustee to Cede & Co., as nominee for DTC. The Series 2016 Bonds are subject to extraordinary, optional and mandatory redemption and to acceleration prior to maturity, all as described herein. See “THE SERIES 2016 BONDS” herein.

Sources of Payment and Security for the Series 2016 Bonds

Payment of the Series 2016 Bonds

The Series 2016 Bonds will be special obligations of the Issuer payable solely from: (A) all loan payments made or to be made by or on behalf of the Institution under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts pledged to the Bond Trustee by the Issuer or the Institution to secure the Series 2016 Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (C) all payments received by the Bond Trustee under the Institution Bond (as hereinafter defined), (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (E) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except (1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Bond Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, (3) unclaimed funds held under Section 409 of the Indenture, and (4) as specifically otherwise provided in the Indenture, and (F) all other moneys received or held by the Bond Trustee for the benefit of the Series 2016 Bondholders pursuant to the Indenture (collectively, the “Trust Revenues”). See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS – Payment of the Series 2016 Bonds” herein.

Security for the Series 2016 Bonds

As security for the Series 2016 Bonds, the Issuer will execute and deliver to the Bond Trustee a Pledge and Assignment dated as of September 1, 2016 (the “Pledge and Assignment”) from the Issuer to the Bond Trustee, and acknowledged by the Institution, which Pledge and Assignment will assign to the Bond Trustee certain of the Issuer’s rights under the Loan Agreement. Pursuant to the Pledge and Assignment, basic Loan Payments made by the Institution under the Loan Agreement are to be paid directly to the Bond Trustee.

As further security for the Series 2016 Bonds, the Institution has previously executed a Master Trust Indenture dated as of September 1, 2009, as amended (the “Master Indenture”), and the board of directors of the Institution has authorized the Institution to execute a Third Supplemental Trust Indenture dated as of September 1, 2016 (the “Third Supplemental Indenture”; the Master Indenture and the Third Supplemental Indenture being sometimes collectively referred to as the “Initial Institution Indenture”), each between the Institution and Manufacturers and Traders Trust Company, as master trustee (the “Master Trustee”), pursuant to which the Institution will issue its Series 2016 Bond (the “Institution Bond”) to secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds. The debt service payments due with respect to the Institution Bond are identical in amount and the timing of payment as the debt service payments due with respect to the Series 2016 Bonds.

As security for the Series 2016 Bonds, the Institution Bond and all other obligations issued by the Institution under the Master Indenture (collectively, the “Institution Obligations”), (A) the Institution will execute and deliver to the Issuer a mortgage and security agreement dated as of September 1, 2016 (the “Mortgage”) from the Institution to the Issuer, which Mortgage, among other things, grants to the Issuer a leasehold mortgage lien on, and a security interest in, among other things, the Project Facility, and (B) in consideration of the delivery by the Master Trustee of the Institution Bond, the Issuer will execute and deliver to the Master Trustee a mortgage assignment dated as of September 1, 2016 (the “Mortgage Assignment”) from the Issuer to the Master Trustee, pursuant to which the Issuer will assign the Mortgage to the Master Trustee.

As additional security for the Institution Bond and any other Institution Obligations, the Institution will execute and deliver to the Master Trustee an environmental compliance and indemnification agreement dated as of September 1, 2016 (the “Environmental Compliance Agreement”) from the Institution to the Master Trustee, pursuant to which, among other things, the Institution will indemnify the Master Trustee against certain environmental liabilities related to the Project Facility.

See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS – Security for the Series 2016 Bonds” herein.

Limited Obligations of the Issuer

THE SERIES 2016 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER. THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2016 BONDS SOLELY FROM THE TRUST REVENUES AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE AND AVAILABLE FOR SUCH PAYMENT. THE SERIES 2016 BONDS ARE NOT AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR THE CITY OF ALBANY, NEW YORK AND NEITHER THE STATE, NOR THE CITY OF ALBANY, NEW YORK SHALL BE LIABLE THEREON. THE SERIES 2016 BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR THE CITY OF ALBANY, NEW YORK. THE ISSUER HAS NO TAXING POWERS.

Master Indenture

The Institution currently causes and will continue to cause all Revenues received by it pursuant to the licenses, leases and agreements with respect to the occupancy of the Project Facility (the “Occupancy Agreements”) to be paid to the Master Trustee bi-monthly, who promptly upon receipt deposits the same in the Revenue Fund created under the Master Indenture. The Master Indenture requires that all Revenues be used first to pay debt service payments (the “Debt Service Payments”) due with respect to the Institution Bond. The debt service payments due with respect to the Institution Bond are identical in amount and the timing of payment as the debt service payments due with respect to the Series 2016 Bonds. See “MASTER INDENTURE” herein.

THE ISSUER

City of Albany Capital Resource Corporation (the “Issuer”) was created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”), and pursuant to the

provisions of the Enabling Act, Revenue Ruling 57-187, and Private Letter Ruling 200936012, the Common Council of the City adopted a resolution (A) authorizing the incorporation of the Issuer under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer. Subsequently, a certificate of incorporation was filed with the New York Secretary of State's Office (the "Certificate") creating the Issuer as a public instrumentality of the City.

The Issuer is authorized and empowered by the provisions of the Enabling Act to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions.

To accomplish its stated purposes, the Issuer is authorized and empowered under the Enabling Act to acquire real and personal property; to borrow money and issue negotiable bonds, notes and other obligations therefore; to lease, sell, mortgage or otherwise dispose of or encumber any of its real or personal property upon such terms as it may determine; and otherwise to carry out its corporate purposes in the territory in which the operations of the Issuer are principally to be conducted.

The City is the sole member of the Issuer. Pursuant to the certificate of incorporation of the Issuer, the members of the board of directors of the Issuer are appointed by resolution of the Common Council of the City of Albany.

THE SERIES 2016 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE THEREBY SOLELY OUT OF CERTAIN FUNDS PLEDGED THEREFOR. NOTHING IN THE SERIES 2016 BONDS, THE INDENTURE OR THE LOAN AGREEMENT SHALL BE CONSIDERED AS PLEDGING OR COMMITTING ANY OTHER FUNDS OR ASSETS OF THE ISSUER TO THE PAYMENT OF THE SERIES 2016 BONDS OR THE SATISFACTION OF ANY OTHER OBLIGATION OF THE ISSUER UNDER THE SERIES 2016 BONDS, THE INDENTURE OR THE LOAN AGREEMENT. NEITHER THE ISSUER NOR ITS MEMBERS, DIRECTORS, OFFICERS, AGENTS (OTHER THAN THE INSTITUTION), SERVANTS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE SERIES 2016 BONDS SHALL BE LIABLE PERSONALLY WITH RESPECT TO THE SERIES 2016 BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. ACCORDINGLY, NO FINANCIAL INFORMATION REGARDING THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED HEREIN.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE CITY OF ALBANY, NEW YORK) IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE, IF APPLICABLE, OF OR INTEREST ON THE SERIES 2016 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR THE CITY OF ALBANY, NEW YORK IS PLEDGED TO SUCH PAYMENT. THE ISSUER HAS NO TAXING POWER.

THE SERIES 2016 BONDS

Description of the Series 2016 Bonds

The Series 2016 Bonds will be issued pursuant to the Indenture. The Series 2016 Bonds will be dated the date of delivery, and will bear interest from such date (payable on November 1, 2016 and on each May 1 and November 1 thereafter until final maturity thereof) at the rates, and mature on the dates and in the amounts, set forth on the inside cover page of this Official Statement.

The Series 2016 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Series 2016 Bonds will be registered in the name of Cede & Co., as nominee of DTC, pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2016 Bonds will be made in book-entry form, without certificates. If at any time the Book-Entry Only System is discontinued for the Series 2016

Bonds, the Series 2016 Bonds will be exchangeable for other fully registered certificated Series 2016 Bonds in any authorized denominations, maturity and interest rate. See “– Book-Entry Only System” herein. The Bond Trustee may impose a charge sufficient to reimburse the Issuer or the Bond Trustee for any tax, fee or other governmental charge required to be paid with respect to such exchange or any transfer of a Series 2016 Bond. The cost, if any, of preparing each new Series 2016 Bond issued upon such exchange or transfer, and any other expenses of the Issuer or the Bond Trustee incurred in connection therewith, will be paid by the person requesting such exchange or transfer.

Payment of the principal of, premium, if any, on and interest on the Series 2016 Bonds shall be made in lawful money of the United States of America. As long as the Series 2016 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “– Book-Entry Only System” herein.

Any interest and any Sinking Fund Payment or principal payment due prior to maturity on any Series 2016 Bond which is payable, but is not punctually paid or duly provided for, on any Bond Payment Date (herein called “Defaulted Payments”) shall forthwith cease to be payable to the Person appearing on the bond register as the registered Owner of such Bond on the relevant Regular Record Date solely by virtue of such Person having been such registered Owner; and the Bond Trustee shall make payment of any Defaulted Payments on the Series 2016 Bonds to the Persons in whose names such Series 2016 Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Payments, which shall be fixed in the following manner. The Bond Trustee shall determine the amount of Defaulted Payments to be paid on each Series 2016 Bond and establish the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and money in the aggregate amount of the proposed Defaulted Payments shall be segregated by the Bond Trustee to be held in trust for the benefit of the Persons entitled to such Defaulted Payments as in this subsection provided and not to be deemed part of the Trust Revenues. Thereupon, the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Payments, which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Bond Trustee shall promptly notify the Issuer and the Institution of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Payments and the Special Record Date therefor to be mailed one time, first-class postage prepaid, to each registered Owner of a Series 2016 Bond at his address as it appears in the bond register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Payments and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Payments shall be paid to the Persons in whose names the Series 2016 Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date. As long as the Series 2016 Bonds are registered in the name of Cede & Co., as nominee of DTC, such payments will be made directly to DTC. See “– Book-Entry Only System” herein.

Redemption Provisions

Extraordinary Redemption Without Premium

The Series 2016 Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility and election by the Institution to redeem the Series 2016 Bonds in accordance with the Loan Agreement, (b) damage to or destruction of part or all of the Project Facility and election by the Institution to redeem the Bonds in accordance with the Loan Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Institution to redeem the Series 2016 Bonds in accordance with the Loan Agreement, or (2) as a whole, without premium, in the event that (a) the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court or administrative body, or (b) the Authorized Representative of the Institution certifies that unreasonable burdens or excessive liabilities have been imposed on the Institution or its property, including, without limitation, taxes not being imposed on the date of the Loan Agreement, or (3) in part, without premium, (a) in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Institution, and (ii) such excess moneys are not paid to the Institution as provided in the Indenture, in the event that excess moneys remain in the related account in the Project Fund after the Completion Date, (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Series 2016 Bonds pursuant to the Loan Agreement,

or (d) in the event that amounts are transferred to the Bond Trustee for deposit in the Bond Fund pursuant to the Loan Agreement, in each case to the extent of such excess or such payment. In any such event, the Series 2016 Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Bond Trustee can give notice of redemption pursuant to the Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Bond Trustee shall call the applicable Series 2016 Bonds for redemption pursuant to the paragraph above within sixty (60) days of the Bond Trustee's receipt of notice from the Institution pursuant to the Loan Agreement directing such redemption.

Optional Redemption

The Series 2016A Bonds maturing on or after May 1, 2027 are also subject to redemption prior to maturity on or after May 1, 2026 at the option of the Institution by exercise of its right to prepay the Loan Payments payable under the Loan Agreement, as a whole or in part at any time, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, at a Redemption Price equal, on any particular date, to the percentage of the principal amount to be redeemed applicable to such date, as set forth in the table below, plus accrued interest to the Redemption Date:

<u>REDEMPTION DATES</u>	<u>REDEMPTION PRICE</u>
May 1, 2026 and thereafter	100%

The Series 2016B Bonds are not subject to redemption prior to maturity.

The Bond Trustee shall call the applicable Series of the Series 2016 Bonds for redemption pursuant to the Indenture upon receipt of notice from the Issuer, or the Institution on behalf of the Issuer, directing such redemption, which notice shall be sent to the Bond Trustee at least sixty (60) days prior to the Redemption Date and shall specify (i) the principal amount of the Series 2016 Bonds to be called for redemption and (ii) the Redemption Price. The Issuer shall direct the Bond Trustee to call the Series 2016 Bonds for optional redemption when and only when it shall have been notified by the Institution to do so, the Institution has itself notified the Bond Trustee of a corresponding prepayment under the Loan Agreement and the amount of such prepayment shall have been delivered to the Bond Trustee for deposit into the Bond Fund.

Notice of Redemption

Notice of the intended redemption of each Series 2016 Bond subject to redemption shall be given by the Bond Trustee one time by first class mail postage prepaid to the registered Owner of such Bond at the address of such Owner shown on the bond register maintained by the Bond Trustee as Bond Registrar. All such redemption notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. A follow-up notice shall be given by the Bond Trustee by registered or certified mail to each registered Owner who has not submitted a Series 2016 Bond subject to redemption within ninety (90) to one hundred twenty (120) days following the Redemption Date. Each notice shall specify the Redemption Price, the principal amount of the Series 2016 Bonds to be redeemed, the numbers of the Series 2016 Bonds to be redeemed if less than all of the Series 2016A Bonds or Series 2016B Bonds, as the case may be, are to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable. Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the Redemption Date will be made upon presentation and surrender of the Series 2016 Bonds or portions thereof to be redeemed; that upon presentation and surrender to the Bond Trustee of any Bond being redeemed in part, a new Series 2016 Bond in the principal amount of the unredeemed portion of such Series 2016 Bond will be issued; and that the Series 2016 Bonds or portions thereof so called for redemption will be deemed redeemed and will cease to bear interest on the specified Redemption Date, provided that moneys for their redemption have been duly deposited in the Bond Fund; and, except for the purpose of payment, that such Series 2016 Bonds will no longer be protected by the Indenture. The failure to give any such notice, or any defect therein, shall not affect the validity of any proceeding for the

redemption of any Series 2016 Bond with respect to which no such failure to give notice, or defect therein, has occurred.

Any notice of optional redemption may provide (and shall provide if the Institution does not deposit with the Bond Trustee moneys in an amount equal to the Redemption Price of the Series 2016 Bonds being redeemed at the time the Institution delivers to the Bond Trustee its notice of its election to cause the redemption of such Series 2016 Bonds) that if, on the redemption date set forth in any such notice, there is on deposit with the Bond Trustee and available therefor insufficient funds to pay the Redemption Price of all Series 2016 Bonds scheduled to be redeemed, such redemption may be rescinded (in which case the Bond Trustee shall promptly so notify the Holders of such Series 2016 Bonds in the same manner in which notice of redemption was given), and if such redemption is rescinded, the Series 2016 Bonds scheduled to be redeemed shall remain Outstanding as if the notice of redemption had not been sent.

Notice of any redemption under the Indenture with respect to Series 2016 Bonds held under a Book-Entry system shall be given by the Bond Registrar or the Bond Trustee only to the Depository, or its nominee, as the Holder of such Series 2016 Bonds. Selection of Book-Entry interests in the Series 2016 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 contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Series 2016 Bonds.

Payment of Redeemed Series 2016 Bonds

After notice shall have been given in the manner provided in the Indenture, the Series 2016 Bonds or portions thereof called for redemption shall become due and payable on the Redemption Date so designated. Upon presentation and surrender of such Series 2016 Bonds at the Office of the Bond Trustee, such Series 2016 Bonds shall be paid at the Redemption Price for such Series 2016 Bonds, plus accrued interest (if any) to the Redemption Date. If there shall be selected for redemption less than all of a Series 2016 Bond, the Issuer shall, upon the surrender of such Series 2016 Bond and with no charge to the Owner thereof, (1) pay the Redemption Price of the principal amount thereof called for redemption, and (2) cause the Bond Trustee to authenticate and deliver for the unredeemed balance of the principal amount of such Series 2016 Bond so surrendered a fully registered Series 2016 Bond of like maturity in any of the Authorized Denominations.

If, on the Redemption Date, moneys for the redemption of all Series 2016 Bonds or portions thereof to be redeemed, in an amount equal to the principal of such Series 2016 Bonds or portions thereof to be redeemed, together with any premium due thereon and interest thereon to the Redemption Date, shall be held by the Bond Trustee so as to be available therefor on such date, the Series 2016 Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2016 Bonds or portions thereof shall no longer be Outstanding under the Indenture or be secured by or be entitled to the benefits of the Indenture. If such moneys shall not be so available on the Redemption Date, such Series 2016 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall remain Outstanding under this Indenture and shall continue to be secured by and be entitled to the benefits of the Indenture until paid.

Book-Entry Only System

The information under this heading has been furnished by The Depository Trust Company (“DTC”), New York, New York. Neither the Issuer nor the Institution makes any representations as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as the securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully-registered securities registered 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 2016A Bond certificate and one fully-registered Series 2016B Bond certificate will be issued for each maturity of the Series 2016A Bonds and the Series 2016B Bonds, each in the aggregate the principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 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 2016 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 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2016 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 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2016 Bonds of a particular Series 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 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2016 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 the Issuer 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 Bond Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer 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.

DTC may discontinue providing its services as securities depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the Issuer or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2016 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2016 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 the Issuer believes to be reliable, but neither the Issuer nor the Institution takes any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Series 2016 Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2016 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2016 Bonds.

THE ISSUER, THE INSTITUTION AND THE BOND TRUSTEE WILL HAVE NO 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 2016 BONDS UNDER THE INDENTURE; (iii) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2016 BONDS; (iv) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE SERIES 2016 BONDS; (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2016 BONDS; OR (vi) ANY OTHER MATTER RELATING TO DTC OR THE OPERATION OF THE BOOK-ENTRY SYSTEM.

SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS

Payment of the Series 2016 Bonds

The Series 2016 Bonds will be special obligations of the Issuer payable solely from: (A) all loan payments made or to be made by or on behalf of the Institution under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts pledged to the Bond Trustee by the Issuer or the Institution to secure the Series 2016 Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (C) all payments received by the Bond Trustee under the Institution Bond, (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (E) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except (1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Bond Trustee for the redemption of Series 2016 Bonds, notice of the redemption of which has been duly given, (3) unclaimed funds held under Section 409 of the Indenture, and (4) as specifically otherwise provided in the Indenture, and (F) all other moneys received or held by the Bond Trustee for the benefit of the Series 2016 Bondholders pursuant to the Indenture (collectively, the "Trust Revenues").

Security for the Series 2016 Bonds

As security for the Series 2016 Bonds, the Issuer will execute and deliver to the Bond Trustee the Pledge and Assignment from the Issuer to the Bond Trustee, and acknowledged by the Institution, which Pledge and Assignment will assign to the Bond Trustee certain of the Issuer's rights under the Loan Agreement. Pursuant to the Pledge and Assignment, basic Loan Payments made by the Institution under the Loan Agreement are to be paid to the Bond Trustee.

Pursuant to the Initial Institution Indenture, the Institution will issue the Institution Bond to secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds. The debt service payments due with respect to the Institution Bond are identical in amount and the timing of payment as the debt service payments due with respect to the Series 2016 Bonds.

As security for the Series 2016 Bonds, the Institution Bond and any other Institution Obligations, (A) the Institution will execute and deliver to the Issuer the Mortgage from the Institution to the Issuer, which, among other things, grants to the Issuer a leasehold mortgage lien on, and a security interest in, among other things, the Project Facility, and (B) in consideration of the delivery by the Master Trustee of the Institution Bond, the Issuer will execute and deliver to the Master Trustee the Mortgage Assignment from the Issuer to the Master Trustee, pursuant to which the Issuer will assign the Mortgage to the Master Trustee.

As additional security for the Institution Bond and the Institution Obligations, the Institution will execute and deliver to the Master Trustee the Environmental Compliance Agreement from the Institution to the Master Trustee, pursuant to which, among other things, the Institution will indemnify the Master Trustee against certain environmental liabilities related to the Project Facility.

MASTER INDENTURE

The Institution currently causes and will continue to cause all Revenues received by it pursuant to the Occupancy Agreements to be paid to the Master Trustee bi-monthly, who promptly upon receipt deposits the same in the Revenue Fund created under the Master Indenture.

On the third Business Day prior to each date that debt service payments (the "Debt Service Payments") are due with respect to the Institution Bond (each a "Bond Payment Date"), the Master Trustee will withdraw from the Revenue Fund and transfer to the Debt Service Fund an amount equal to the Debt Service Payments due on the Institution Bond on such Bond Payment Date.

On the second Business Day prior to each Bond Payment Date (or other Bond Payment Date in the case of paragraph (1) below), the Master Trustee will withdraw from the Revenue Fund, and transfer to the Persons, Funds and Accounts identified below, in order of priority as listed, the amounts described below:

- (1) To the Debt Service Fund, the additional amount, if any, required for the balance therein to equal the Debt Service Payment on the Series of Bonds on the immediately following Bond Payment Date;
- (2) To the Institution's Operating Account or the Operating Fund, as the case may be as provided in Section 516(C) of the Master Indenture, the amount required to cause the balance therein to equal the budgeted operating expenses for the Project Facility through the end of the next calendar month, as shown on the Annual Budget then in effect plus a base level of \$50,000, as shown on a certificate to be provided to the Master Trustee by the Institution, including payment of fees and expenses then due, if any, of the Master Trustee;
- (3) To the Repair and Replacement Fund, the Repair and Replacement Requirement then in effect; and

(4) To the Subordinated Indebtedness Fund, the amount required for the balance thereon to equal the Debt Service Payment for the Subordinated Indebtedness (if any).

Other than as described in the preceding paragraph, all Revenues deposited in the Revenue Fund during any Fiscal Year are required to remain in the Revenue Fund subsequent to such Fiscal Year-end until receipt by the Master Trustee of (i) audited financial statements of the Institution for such prior Fiscal Year; and (ii) a certificate of an Authorized Representative of the Institution affirming that (a) no Event of Default exists under the Master Indenture, (b) the financial statements referred to in (i) above demonstrate that the Maximum Aggregate Debt Service Coverage Ratio for such prior Fiscal Year was not less than 1.2:1.0, (c) the Institution reasonably projects the Revenues received or expected to be received in the current Fiscal Year will produce Net Revenues Available for Debt Service in the current Fiscal Year sufficient (without consideration of any undisbursed portion of the prior Fiscal Year's Net Revenues Available for Debt Service) to produce a Maximum Aggregate Debt Service Coverage Ratio of not less than 1.2:1.0, whereupon the Master Trustee will release to the Institution, free of the lien of the Master Indenture and for any use by the Institution within its corporate purposes, so much of the remaining Revenues from such prior Fiscal Year as the Institution requests in writing. As a condition precedent to the release of any such Revenues remaining in the Revenue Fund from the prior Fiscal Year to the Institution, all amounts required to have been deposited to the Repair and Replacement Fund must have been so deposited. If any Revenues remain in the Revenue Fund subsequent to the Fiscal Year-end due to the failure of the Institution to produce a Maximum Aggregate Debt Service Coverage Ratio of not less than 1.2:1.0 of the prior Fiscal Year, such Revenues will be released to the Institution only upon receipt by the Master Trustee of unaudited financial statements for a period of two consecutive subsequent fiscal quarters (which unaudited financial statements must be submitted with the certificate referred to in (ii) above) demonstrating that the Maximum Aggregate Debt Service Coverage Ratio for such period was not less than 1.2:1.0 and the provisions set forth under (a) and (c) above have been satisfied. The Institution's financial projections calculated under (c) above must at all times be based upon reasonable assumptions, which assumptions shall be set forth in the certificate furnished to the Master Trustee in accordance with (ii) above.

For a discussion of the Repair and Replacement Fund and the Repair and Replacement Requirement, see "THE PROJECT FACILITY" herein.

PLAN OF FINANCE

Simultaneously with the issuance and delivery of the Series 2016A Bonds, a portion of the proceeds of the Series 2016A Bonds will be deposited in an escrow with the Manufacturers and Traders Trust Company, as trustee and escrow agent for the Series 2001 Bonds (the "Prior Bond Trustee"), and, together with other available funds, will be used to acquire direct non-callable obligations of the United States of America (the "Defeasance Securities"), the maturing principal and interest on which will be sufficient, together with any uninvested cash, to pay the redemption price of and interest due on the Series 2001 Bonds to their redemption date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." At or prior to the making of such deposit, the Prior Issuer, the Prior Bond Trustee and the Institution will enter into a Defeasance Escrow Agreement dated as of September 1, 2016 pursuant to which the Prior Issuer and the Institution will give the Prior Bond Trustee irrevocable instructions to give notice of the redemption of the Series 2001 Bonds, and to apply the maturing principal of and interest on the Defeasance Securities, together with any uninvested cash held in escrow, to the payment of the redemption price of and interest coming due on the Series 2001 Bonds to their redemption date.

In the opinion of defeasance counsel to the Prior Issuer upon (a) the deposit with the Prior Bond Trustee of a portion of the proceeds of the Series 2016A Bonds and the purchase of the Defeasance Securities, together with any uninvested cash, and (b) the giving of the irrevocable instructions described above, the Series 2001 Bonds will be deemed to have been paid under the terms of the indenture under which such Series 2001 Bonds were issued.

Simultaneously with the issuance and delivery of the Series 2016B Bonds, a portion of the proceeds of the Series 2016B Bonds will be used to redeem the Institution Series 2009A Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations was independently verified by Causey Demgen & Moore P.C. (the “Verification Agent”). These computations, which were provided by RBC Capital Markets, LLC (the “Underwriter”), indicate (A) the sufficiency of the receipts from the Defeasance Securities, together with an initial cash deposit, to pay the redemption price of and interest on the Series 2001 Bonds to their redemption date, and (B) the yields to be considered in determining that the Series 2016A Bonds are not “arbitrage bonds” under Section 148 of the Code. The Verification Agent relied upon assumptions and information supplied by the Underwriter on behalf of the Prior Issuer and the Verification Agent has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Series 2001 Bonds will be paid as described in its report.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds (exclusive of accrued interest) related to the Series 2016 Bonds:

<u>Sources of Funds</u>	<u>Series 2016A Bonds</u>	<u>Series 2016B Bonds</u>
Principal Amount of the Series 2016 Bonds	\$36,675,000.00	\$4,120,000.00
Original Issue Premium	8,037,835.45	--
Transfer from Prior Debt Service Reserve Fund	4,020,677.69	439,478.07
Transfer from Prior Debt Service Fund	17.05	--
Total Sources of Funds	<u>\$48,733,530.19</u>	<u>\$4,559,478.07</u>
<u>Uses of Funds</u>		
Deposit to Escrow Fund	\$48,159,663.78	--
Redemption of Institution 2009A Bond	--	\$4,475,309.36
Costs of Issuance ⁽¹⁾	<u>573,866.41</u>	<u>84,168.71</u>
Total Uses of Funds	<u>\$48,733,530.19</u>	<u>\$4,559,478.07</u>

⁽¹⁾ Includes, but is not limited to, costs of issuance for the Issuer, counsel fees, printing, Bond Trustee fees, Master Trustee fees, Underwriter’s discount and related expenses.

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each respective year ending June 30, the amounts required to be made available for such year for payment of principal and interest by the Institution with respect to the Series 2016 Bonds, and the total estimated debt service required for such year for the Series 2016 Bonds. Principal on the Series 2016 Bonds is payable on May 1 of each year.

Fiscal Year Ending June 30	<u>Series 2016A</u>			<u>Series 2016B</u>			Combined Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	
2017	\$ -	\$ 1,089,677	\$ 1,089,677	\$2,445,000	\$32,623	\$2,477,623	\$ 3,567,300
2018	195,000	1,791,250	1,986,250	1,675,000	24,288	1,699,288	3,685,538
2019	1,895,000	1,785,400	3,680,400	-	-	-	3,680,400
2020	1,965,000	1,709,600	3,674,600	-	-	-	3,674,600
2021	2,050,000	1,631,000	3,681,000	-	-	-	3,681,000
2022	2,155,000	1,528,500	3,683,500	-	-	-	3,683,500
2023	2,255,000	1,420,750	3,675,750	-	-	-	3,675,750
2024	2,370,000	1,308,000	3,678,000	-	-	-	3,678,000
2025	2,495,000	1,189,500	3,684,500	-	-	-	3,684,500
2026	2,615,000	1,064,750	3,679,750	-	-	-	3,679,750
2027	2,745,000	934,000	3,679,000	-	-	-	3,679,000
2028	2,885,000	796,750	3,681,750	-	-	-	3,681,750
2029	3,025,000	652,500	3,677,500	-	-	-	3,677,500
2030	3,185,000	501,250	3,686,250	-	-	-	3,686,250
2031	3,335,000	342,000	3,677,000	-	-	-	3,677,000
2032	<u>3,505,000</u>	<u>175,250</u>	<u>3,680,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,680,250</u>
Total	<u>\$36,675,000</u>	<u>\$17,920,177</u>	<u>\$54,595,177</u>	<u>\$4,120,000</u>	<u>\$56,911</u>	<u>\$4,176,911</u>	<u>\$58,772,088</u>

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THE INSTITUTION

The Institution was incorporated in March 2001 as a not-for-profit corporation under the laws of the State of New York and is exempt from federal income tax under section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code. The purpose of the Institution is to develop student housing and the related services for students at the University. The Institution is governed by a three member Board of Directors. The sole member of the Corporation is the President or Interim President of the University.

The Directors and officers of the Institution are as follows:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Peter K. Cosgrove	President	Senior Vice President, First Niagara Bank
Leanne Wirkkula	Vice President	Chief of Staff, University at Albany
Michael Bossert	Secretary	Retired
Kevin Wilcox (Ex Officio)	Executive Director	Associate Vice President and Controller, University at Albany

See Appendix C – FINANCIAL STATEMENTS, June 30, 2015 and 2014 (With Independent Auditors' Report Thereon). Cusack & Company, LLC, the Institution's independent auditor, has not been engaged to perform and has not performed, since the date of its report included in Appendix C, any procedures on the financial statements addressed in that report. Cusack & Company, LLC also has not performed any procedures relating to this Official Statement.

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FINANCIAL INFORMATION

Selected Financial Data

The following table summarizes the consolidated revenue, expenses and changes in net assets for the Institution for each of the last five years. For a complete statement of financial activities for the Institution for the fiscal years ended June 30, 2015 and 2014, see the financial statements and accompanying notes included in Appendix C.

Empire Commons Student Housing, Inc.					
Statement of Activities					
Years Ended June 30,					
	2011	2012	2013	2014	2015
Revenue, Gains and Other Support					
Rental Income	\$12,066,048	\$12,073,908	\$12,214,375	\$12,447,812	\$12,642,054
Investment Income	4,134	3,218	2,120	1,397	554
Total Revenue, Gains and Other Support	12,070,182	12,077,126	12,216,495	12,449,209	12,642,608
Operating Expenses					
Contracted Services	3,169,103	3,317,424	3,378,045	3,204,180	3,395,903
Insurance	204,167	202,585	213,342	217,912	217,334
Utilities	761,370	603,721	639,018	714,293	577,231
Professional Fees	28,806	14,858	15,525	49,759	16,436
Office and Other Expenses	34,691	30,779	15,022	31,408	58,430
Loss on Disposal of Equipment	11,269	0	0	0	0
Interest Expense	2,766,881	2,712,003	2,620,022	2,561,143	2,511,306
Depreciation and Amortization	2,129,917	2,203,070	2,141,500	2,114,222	2,190,273
Total Operating Expenses	9,106,204	9,084,440	9,022,474	8,892,917	8,966,913
Change in Net Assets from Operating Activities	2,963,978	2,992,686	3,194,021	3,556,292	3,675,695
Other Changes in Net Assets					
Transfers to University at Albany	(909,000)	(1,987,149)	(909,000)	(1,958,995)	(1,958,995)
Total Other Changes in Net Assets	(909,000)	(1,987,149)	(909,000)	(1,958,995)	(1,958,995)
Increase in Net Assets	2,054,978	1,005,537	2,285,021	1,597,297	1,716,700
Net Assets, Beginning of Year	(5,335,197)	(3,280,219)	(2,274,682)	10,339	1,607,636
Net Assets, End of Year	\$(3,280,219)	\$(2,274,682)	\$10,339	\$1,607,636	\$3,324,336

The Institution estimates that the total operating revenues for the year ending June 30, 2016 were \$12,872,406. Estimated total operating expenses were \$9,146,251. Occupancy for the Project Facility was 99.2%.

Institution Management expects final operating results for the year ended June 30, 2016 to be positive and similar to the last few fiscal years. The Project Facility generated income at the level budgeted for the 2015-16 fiscal year and expenses were lower than estimates due primarily to lower than anticipated energy costs. The Project Facility continues to generate sufficient revenue to allow for continued funding of the Project Facility furniture and equipment rolling replacement plan from operating income. The Institution continued to generate a net surplus at the end of the 2016 fiscal year which will be used to fund the cost of larger capital projects, including roof replacement and furnaces. The occupancy level remains near 100%.

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The following table summarizes the financial position of the Institution for each of the last five years.

Empire Commons Student Housing, Inc.
Balance Sheets
Years Ended June 30,

Assets	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	-	-	-	-	-
Current Assets					
Cash	\$ 3,827,036	\$ 1,264,101	\$ 5,292,030	\$ 2,867,372	\$ 2,774,794
Current portion of funds held by Trustee	5,010,314	8,357,445	5,796,195	8,648,994	9,910,624
Rent Receivable, Net	576,281	338,626	411,407	418,023	428,010
Prepaid Expenses	-	-	-	-	-
Total Current Assets	\$9,413,631	\$9,960,172	\$11,499,632	\$11,934,389	\$13,113,428
Funds Held by Bond Trustee					
Cash and Cash Equivalents	\$11,668,174	\$15,277,679	\$12,985,398	\$16,110,451	\$17,649,056
Guaranteed Investment Contracts	-	-	-	-	-
	\$11,668,174	\$15,277,679	\$12,985,398	\$16,110,451	\$17,649,056
Less Portion Classified as Current	(5,010,314)	(8,357,445)	(5,796,195)	(8,648,994)	(9,910,624)
	\$6,657,860	\$6,920,234	\$7,189,203	\$7,461,457	\$7,738,432
Deferred Expenses Net of Accumulated Amortization	\$2,830,950	\$2,699,278	\$2,567,605	\$2,435,933	\$2,304,261
Property and Equipment, Net	36,374,507	35,063,667	33,903,578	32,830,633	31,311,788
	\$55,276,948	\$54,643,351	\$55,160,018	\$54,662,412	\$54,467,909
	\$55,276,948	\$54,643,351	\$55,160,018	\$54,662,412	\$54,467,909
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	\$55,276,948	\$54,643,351	\$55,160,018	\$54,662,412	\$54,467,909
	\$55,276,948	\$54,643,351	\$55,160,018	\$54,662,412	\$54,467,909
	\$55,276,948				

(collectively, the “Empire Commons Sublease” or the “Sublease”). The Sublease provides for a rental payment of \$1.00 per year. The term of the Ground Lease commenced on May 11, 2001 and continues for a period of forty years thereafter and may be renewed at the option of SUNY for a period of nine additional years. The term of the Empire Commons Sublease is coincident with the term of the Empire Commons Ground Lease.

The Project Facility consists of four bedroom apartments which are leased or licensed on a per bed (“dwelling unit”) basis for a nine and a half month lease/license term during the academic year and leased or licensed on a weekly basis during the summer session for students and conferences. The monthly/weekly lease/license rate includes all utility costs, high speed internet access, cable television, 24 hour maintenance and security, washers and dryers in each apartment, and access and use privileges to the Commons Building complete with exercise, recreation, and audio/visual facilities. Upper-class undergraduate students occupy the majority of the dwelling units. However, a total of 32 bedrooms are occupied by graduate students.

Occupancy of the Project Facility is determined based on a lottery system conducted by the University to award housing in all University owned or controlled housing to interested students. The particular lottery governing occupancy of the Project Facility is annually the first lottery conducted by the University in order to ensure compliance with the first fill covenants contained in the Management Agreement. Historically, the Project Facility has been the most sought after University owned or managed housing available. As such, occupancy, as noted, has been highly concentrated among Juniors and Seniors who have priority status in the lottery system. The occupancy percentage for the Project Facility for the last five academic years is as follows:

2015-2016	-	99.2%
2014-2015	-	99.3%
2013-2014	-	98.6%
2012-2013	-	98.9%
2011-2012	-	99.0%

As of August 1, 2016, all 1,196 beds in the Project Facility are to be occupied for the 2016-2017 academic year.

The per-bed rental rates for the 2016 -2017 academic year are as follows:

Academic year (9.5 months), 4 bedroom/2bath	\$11,678
Academic year (9.5 months), 4 bedroom/4bath	\$12,101

Payment for each dwelling unit is collected through the University’s Office of Student Accounts in up to eight payments per year depending on each student’s payment arrangements. A housing deposit is required at the time a dwelling unit lease/license is executed, which is typically several months prior to commencement of occupancy. Further installments of payments are due at the same times as tuition and fees for the coinciding academic semester or session. To the extent a dwelling unit installment is unpaid, in addition to its rights at law and pursuant to the dwelling unit lease/license agreement, the Manager, acting through the University’s Office of Student Accounts, has the same rights with respect to such payment as does the University for other unpaid student accounts, which include withholding of grades, transcripts and degrees, rescission of registration privileges and, ultimately, collection efforts by the State Attorney General and private collection agencies. The University historically collects approximately 98% of room rental revenue during the fiscal year in which it is billed. Pursuant to the Management Agreement, the University is obligated to promptly remit all dwelling unit installment payments to the Institution, without offset, not later than two weeks after the end of each of the University’s semi-monthly revenue accounting periods. In practice, the University transfers all revenue collections directly to the Bond Trustee on behalf of the Institution every two weeks.

To provide funds for maintenance and repair of the Project Facility, the Master Indenture requires that a monthly amount is to be paid by the Institution to the Master Trustee for deposit into the Repair and Replacement Fund equal to one-twelfth (1/12) times \$175 times the number of student beds at the Project Facility (the “Repair and Replacement Fund Requirement”). The Master Indenture requires that the deposit amount per bed be adjusted

annually by the increase in the Consumer Price Index over the amount in effect for the immediately preceding year. For the fiscal year ended June 30, 2016, the annual Repair and Replacement Fund Requirement was \$231.58 per bed. To date, no amounts have been withdrawn from the Repair and Replacement Fund and the balance in the account as of June 30, 2016 was \$3,556,923 and no funds have been withdrawn from this account since that date. To date all repairs and maintenance have been funded from annual operating funds.

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The following table sets forth the Institution's aggregate projected combined operating cash flows for the Project Facility for fiscal years 2017 through 2026:

10-YEAR CASH FLOW										
	<u>FY</u> <u>2017</u>	<u>FY</u> <u>2018</u>	<u>FY</u> <u>2019</u>	<u>FY</u> <u>2020</u>	<u>FY</u> <u>2021</u>	<u>FY</u> <u>2022</u>	<u>FY</u> <u>2023</u>	<u>FY</u> <u>2024</u>	<u>FY</u> <u>2025</u>	<u>FY</u> <u>2026</u>
Revenue										
Gross Rent	\$14,230,027	\$14,656,928	\$15,096,636	\$15,549,535	\$16,016,021	\$16,496,501	\$16,991,396	\$17,501,138	\$18,026,172	\$18,566,958
Investment										
Income	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Conference										
Room/Meetings	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Concessions	(315,077)	(324,529)	(334,265)	(344,293)	(354,622)	(365,261)	(376,218)	(387,505)	(399,130)	(411,104)
Academic										
Vacancy & Uncol.	<u>(702,121)</u>	<u>(723,185)</u>	<u>(744,880)</u>	<u>(767,227)</u>	<u>(790,243)</u>	<u>(813,951)</u>	<u>(838,369)</u>	<u>(863,520)</u>	<u>(889,426)</u>	<u>(916,109)</u>
Total Revenue	\$13,243,829	\$13,640,214	\$14,048,490	\$14,469,015	\$14,902,155	\$15,348,290	\$15,807,809	\$16,281,113	\$16,768,616	\$17,270,745
Operating Expenses:										
Management Fee	\$264,877	\$274,148	\$283,743	\$293,674	\$303,952	\$314,591	\$325,601	\$336,998	\$348,792	\$361,000
General &										
Administrative	622,995	644,800	667,368	690,726	714,901	739,923	765,820	792,624	820,365	849,078
Residence Life	609,524	630,857	652,937	675,790	699,443	723,923	749,261	775,485	802,627	830,719
Security	421,559	436,314	451,585	467,390	483,749	500,680	518,204	536,341	555,113	574,542
Repairs &										
Maintenance	2,066,582	2,138,912	2,213,774	2,291,256	2,371,450	2,454,451	2,540,357	2,629,269	2,721,294	2,816,539
Utilities	875,000	905,625	937,322	970,128	1,004,083	1,039,226	1,075,598	1,113,244	1,152,208	1,192,535
Info Technology	<u>248,093</u>	<u>256,776</u>	<u>265,763</u>	<u>275,065</u>	<u>284,692</u>	<u>294,657</u>	<u>304,970</u>	<u>315,644</u>	<u>326,691</u>	<u>338,125</u>
Total Operating Expenses	\$5,108,630	\$5,287,432	\$5,472,492	\$5,664,029	\$5,862,270	\$6,067,450	\$6,279,811	\$6,499,604	\$6,727,090	\$6,962,538
Deposit to Repair and Replacement Fund	<u>279,519</u>	<u>289,302</u>	<u>299,428</u>	<u>309,908</u>	<u>320,754</u>	<u>331,981</u>	<u>343,600</u>	<u>355,626</u>	<u>368,073</u>	<u>380,956</u>
Total Expenses	<u>\$5,388,149</u>	<u>\$5,576,734</u>	<u>\$5,771,920</u>	<u>\$5,973,937</u>	<u>\$6,183,025</u>	<u>\$6,399,431</u>	<u>\$6,623,411</u>	<u>\$6,855,230</u>	<u>\$7,095,163</u>	<u>\$7,343,494</u>
Net Operating Income	\$7,855,680	\$8,063,480	\$8,276,570	\$8,495,078	\$8,719,131	\$8,948,859	\$9,184,398	\$9,425,883	\$9,673,453	\$9,927,251
Debt Service										
Principal &										
Interest	\$3,677,588	\$3,685,538	\$3,680,400	\$3,674,600	\$3,681,000	\$3,683,500	\$3,675,750	\$3,678,000	\$3,684,500	\$3,679,750
Debt Service Coverage	2.14	2.19	2.25	2.31	2.37	2.43	2.50	2.56	2.63	2.70
Residual Project Cash Flow	\$4,178,092	\$4,377,942	\$4,596,170	\$4,820,478	\$5,038,131	\$5,265,359	\$5,508,648	\$5,747,883	\$5,988,953	\$6,247,501

The projections set forth in the foregoing table are forward-looking statements, as such term is defined in the Securities Act of 1933, as amended, and reflect certain significant assumptions concerning future events and circumstances. Such assumptions are material in the development of the financial projections, and variations in the assumptions may produce substantially different financial results.

Because there is no assurance that actual events will correspond with the assumptions made, no assurance can be given and no guaranty can be made that the projected operating cash flows will correspond with future results. Actual operating results may be affected by many uncontrollable factors, including, but not limited to, increased costs, lower than anticipated revenues, employee relations, taxes, governmental controls, changes in applicable governmental regulations, changes in demographic trends and general economic conditions.

THE MANAGER

Generally

SUNY acts as the manager of the Project Facility (in such capacity, the “Manager”). SUNY is comprised of 29 state-operated campuses, including the University, plus five statutory colleges located at two private universities, and 30 community colleges. Over 442,000 students studied at SUNY campuses in the 2015-2016 academic year. Today SUNY is the nation’s largest comprehensive system of public higher education and is believed to be the largest single, multi-campus university in the world.

System-wide, SUNY is responsible for the operation of over 2,500 buildings on its various campuses. The University is one of four University Centers in the SUNY system (the other three are located in Binghamton, Buffalo, and Stony Brook). The University was founded in 1844 and joined the SUNY system at its inception in 1948. The University is the oldest state-chartered public institution of higher education in New York. See “THE UNIVERSITY AT ALBANY, STATE UNIVERSITY OF NEW YORK” herein.

The Office of Residential Life at the University manages the Project Facility on behalf of SUNY. In addition to the Project Facility, the Office of Residential Life at the University also currently manages one 400-bed apartment complex, one 500 bed apartment complex and 40 residence halls together serving 7,700 University students. Each residence hall has a full-time Hall Director who is charge of the building and the Residence Advisors assigned to the hall. The Office of Residential Life also helps coordinate the maintenance and cleaning of the residence halls by University employees.

Management Agreement

The Institution and the Manager, on behalf of the University, have entered into a Facility Management Agreement dated as of July 31, 2001, (the “Management Agreement”) pursuant to which the Manager has agreed to provide for the operation, maintenance and management of the Project Facility. The term of the Management Agreement is coincidental with the term of the Ground Lease. The Institution may terminate the Management Agreement for cause at any time, by giving to the University and the Manager notice that the Management Agreement shall cease immediately upon receipt of such notice. Termination for cause shall consist of the Manager’s or the University’s (or the Manager’s or the University’s employees’) gross negligence, willful misconduct, malfeasance or fraud. In the event of such breach, the Institution is required to give the Manager notice of such breach and opportunity to cure such breach within thirty (30) days after receipt of such notice. If such breach continues following such thirty (30) day period, such breach shall constitute grounds for termination for cause.

To assure the continued economic viability of the Project Facility, the Manager agreed to cause to be licensed on behalf of the Institution, units in the Project Facility until the occupancy of the Project Facility has attained occupancy levels at least sufficient to generate aggregate Project Revenues in an amount which will allow the Institution to fund all reserves for capital repair, replacement, alteration or improvement of the Project Facility (collectively, the “Capital Reserves”), to pay all operating expenses of the Project Facility, to make all principal and interest payments due with respect to the Series 2016 Bonds (the “Debt Service Payments”), to pay all University

Expenses (as defined in the Agreement) and to make all other payments required under the Indenture, the Ground Lease and the Sublease. Such licensing shall be managed on a first priority basis such that prior to the start of the Fall and Spring semesters each year the University reaches the occupancy level required by the preceding sentence. The student referral obligation created by the Management Agreement is on a parity with any other student referral obligation created as a result of new student housing developed by the Institution or University subsequent to the execution of the Management Agreement; provided, however, that in no event shall the total number of units, including units in the Project Facility, subject to a comparable referral obligation exceed a number equivalent to 50% of the total number of units on the Campus not subject to such a referral obligation. To date, the University has developed 500 additional residential beds in an apartment style facility on the uptown campus named Liberty Terrace which may be leased/licensed on a parity basis with the Project Facility. The University has no immediate plans to develop additional student housing at this time.

Pursuant to the Management Agreement, no later than the first day of February prior to the commencement of each academic year as announced by the University, the Manager is required to cause the University to establish and submit to the Management Committee a schedule setting forth the license rates to be charged at the Project Facility for the applicable academic year, which rates are to be sufficient at historic occupancy levels to generate aggregate Project Revenues in an amount at least equal to (a) 120% of all Debt Service Payments scheduled to become due during that year plus (b) the total sum needed by the Institution in such year to fund all Capital Reserves, to pay all Operating Expenses, to pay all University Expenses and to make all other required payments.

The Manager also agreed that licensing of the Project Facility be managed on a first priority basis such that prior to the start of the Fall and Spring semesters each year the Project Facility reaches the occupancy level required. Spaces in the Project Facility are to be made available in the following manner: 1) each semester, the University permits all students associated with the Campus who desire, or are required by the University's current or future housing policy to occupy housing on the Campus ("On-Campus Occupants"), to apply for occupancy at the Project Facility; and 2) based upon the limited availability of units in the Project Facility, the University has the right to designate certain applicants as priority occupants based upon criteria established by the University.

The Management Agreement provides for the creation of a Management Committee, comprised of three (3) persons, one (1) to be appointed by the Institution and two (2) to be appointed by the University. The Management Committee has jurisdiction over, among other things, approval of the annual budget and general operating policies for the Project Facility. No later than February 1 of each year, the Management Committee is required to submit the Annual Budget to the University for its approval. If at any time during the academic year, the amounts set forth in the Annual Budget require significant adjustment, the University is required to submit a revised Annual Budget to the Management Committee for its approval.

The Management Agreement also provides that all staff necessary or appropriate to the implementation of the terms of the Management Agreement shall be under the control, direction and/or supervision of the University.

THE UNIVERSITY AT ALBANY, STATE UNIVERSITY OF NEW YORK

The University was founded in 1844 as the New York State Normal School and today is the senior campus of the SUNY system. The University became part of the SUNY system upon its inception in 1948 and was named a University Center in 1962. As one of four University Centers in the SUNY system, the University Albany offers undergraduate and graduate education in a broad range of academic fields at the bachelor's, masters and doctoral degree levels. With approximately 17,300 students enrolled in 256 programs in nine degree-granting schools and colleges, the University is the largest of 15 colleges in New York State's Capital Region. The University has 4,400 employees, including over 1,000 faculty members. There are currently 170,000 living alumni of the University. The current President of the University, Dr. Robert J. Jones, has announced his resignation from the University at the end of September 2016 to assume the position of Chancellor of the University of Illinois. The SUNY Chancellor and Board of Trustees has announced its plans to name an interim President for the University at the September 2016 Board of Trustees meeting and begin the process of recruiting a new President of the University immediately.

The University is spread across 600 acres on several sites in the Albany area. The "Uptown Campus", opened in 1967, is located at 1400 Washington Avenue and houses the vast majority of the University's academic programs, services, administrative offices, and residential facilities, including the Project Facility. Most of the

undergraduate students attend courses at the Uptown Campus and live in its residential facilities. The “Downtown Campus”, first opened in 1909, is about 4 miles east of the Uptown Campus and consists of two sites in the City of Albany’s mid-town residential neighborhood. The academic site, located at 135 Western Avenue, is a collection of six interconnected traditional buildings on a single city block. It serves as the location for certain professional and public service-related schools of the University. The residential site, or “Alumni Quad”, is located at 325 Western Avenue and is comprised of five traditional residential quadrangle buildings containing approximately 720 residential beds on a single block parcel of land. The “East Campus”, acquired in 1996, is located in East Greenbush, about 8 miles away from the Uptown Campus. This site is largely devoted to University biotech research business incubator purposes and is shared by the School of Public Health and the University Cancer Research Center. There are no residential facilities at this location.

As the University continues to support the growth and reputation of its academic programs, it is working to provide the necessary facilities and technology infrastructure to support faculty and students. The Governor and New York State Legislature have provided \$13.7 million in project funding for 2016-17 and \$37.4 million over the 2014-15 and 2015-16 fiscal year periods. These funds will enable the University to provide sufficient high quality, technologically suitable and flexible instructional space for classrooms, laboratories and support areas. The University is completing a \$62 million, 76,000 square foot expansion and 46,000 square foot renovation of its student commons (Campus Center) building; construction is underway to gut renovate the former Health Center into classroom and academic space; and design is in progress to fully gut renovate a 99,000 square foot academic building (Building 27) and all of the University’s large lecture hall classrooms.

The University residential facilities are operating at or in excess of 100% of original design capacity, housing approximately 7,700 students in its available beds. This over capacity status remains, even after steps taken by the University to increase the capacity of the residential facilities such as postponing scheduled renovations, eliminating the ability of single students to rent double rooms at a premium cost (“enhanced singles”) and permanently converting many lounges into bedrooms. The University would like to accelerate its renovation schedule, make enhanced single rooms available again, and return rooms to lounges should future residential occupancy rates allow. The majority of residents, or about 4,850 students, are housed at the Uptown Campus quadrangles. These four quads, built between 1964 and 1971, are largely identical in their design: they are each comprised of a 21 story tower, with approximately 440 beds, ringed by eight interconnected, 3 story “low-rise” buildings with +/-100 beds in each. They are typical of their era with shared bedrooms, baths, and living areas located convenient to dining halls. The University requires freshmen and sophomores to live on-campus, with the exception of those whose home is within 50 miles of the University; and they are largely found on three of these quads. Also located on the Uptown Campus is Liberty Terrace, a 500 bed apartment complex consisting of 4 bedroom, 2 bathroom apartments. Liberty Terrace opened in the fall of 2012 and is occupied by upper class undergraduate students.

Adjacent to the Uptown Campus is Freedom Quad, built in 1988, which houses approximately 400 students in a shared apartment-like setting. Although originally intended for graduate students, market demand, fiscal needs, and apartment design have created a setting which has led to these spaces being largely occupied by upper class undergraduates. The other existing housing site is Alumni Quad. This site, which is located downtown, houses approximately 720 students in dormitory style living quarters built between 1935 and 1961. These spaces are mixed use, and have a high percentage of transfer students as returning undergraduate students generally prefer to live in the uptown facilities closer to classes and student services.

The University has experienced significant growth in its applications and enrollment over the last few years.

APPLICATION TRENDS
Freshmen Total Applications

<u>Fall</u>	<u>Applied</u>	<u>Admitted</u>	<u>Percent Admitted</u>	<u>Registered</u>	<u>Percent Yield</u>
2007	20,249	10,432	51.5%	2,519	24.1%
2008	21,892	11,031	50.4%	2,404	21.8%
2009	22,188	10,442	47.1%	2,332	22.3%
2010	21,960	10,351	47.1%	2,236	21.6%
2011	21,054	10,810	51.3%	2,422	22.4%
2012	21,178	11,744	55.5%	2,558	21.8%
2013	21,591	12,028	55.7%	2,566	21.3%
2014	21,755	12,148	55.8%	2,547	21.0%
2015	22,337	12,608	56.4%	2,590	20.5%
2016 (preliminary)	23,782	12,929	54.4%	2,675	20.7%

Graduate Applications

<u>Fall</u>	<u>Applied</u>	<u>Admitted</u>	<u>Percent Admitted</u>	<u>Registered</u>	<u>Percent Yield</u>
2012	5,174	2,795	54.0%	1,383	49.5%
2013	4,976	2,612	52.5%	1,333	51.3%
2014	4,838	2,580	53.3%	1,251	48.5%
2015	4,415	2,480	53.3%	1,269	51.2%
2016	4,226	2,252	53.3%	1,153	51.2%

ENROLLMENT TRENDS

Matriculated Undergraduate and Graduate Headcount, Fall 2009-2016

<u>Year</u>	<u>Matriculated Undergraduate</u>	<u>All Graduate</u>	<u>Total</u>
Fall 2009	13,114	4,906	18,020
Fall 2010	12,611	4,666	17,637
Fall 2011	12,755	4,359	17,114
Fall 2012	12,875	4,441	17,316
Fall 2013	12,819	4,521	17,340
Fall 2014	12,927	4,353	17,280
Fall 2015	12,905	4,265	17,170
Fall 2016	13,113	4,240	17,353

Given the recent increase in enrollment and the limitations of its housing and academic plan, the University has determined, at this time, to hold undergraduates at the following forecasted levels:

**Projected Fall Matriculated Undergraduate Headcount
2017 through 2021**

Fall 2017	13,384
Fall 2018	13,725
Fall 2019	14,090
Fall 2020	14,874
Fall 2021	14,874

Growing enrollment coupled with an increased desire among students to live in University owned or sponsored housing has created occupancy levels near or in excess of 100% in residency facilities (occupancy levels greater than 100% are created by triple bunk arrangements and the use of student lounges as temporary housing). Accordingly, the University has had to decline some student housing requests and generally does not provide housing for graduate students. The University's residence facilities were historically configured with certain designed single-bed rooms and lounges. Due to the current student demand for on-campus housing, the University now regularly configures designed single-bed rooms and lounges as double and triple-occupancy units.

The capacity figures in the following table reflect the historical occupancy of the University's housing facility as compared to the normally configured occupancy. Occupancy rates for University owned or sponsored housing for the three most recent academic years are as follows:

	Fall, 2013			Fall, 2014			Fall, 2015		
	Normal Occupancy	Actual Occupancy	Occupancy	Normal Occupancy	Actual Occupancy	Occupancy	Normal Occupancy	Actual Occupancy	Occupancy
Residence Halls	5,349	5,598	104.7%	5,760	5,570	96.7%	5,631	5,663	100.6%
Apartments									
Empire Commons	1,196	1,179	98.6%	1,196	1,188	99.3%	1,196	1,186	99.2%
Freedom Quad	399	393	98.5%	402	382	95.0%	402	385	95.8%
Liberty Terrace	504	501	99.4%	504	494	98.0%	504	496	98.4%
Total	7,448	7,671	103.0%	7,862	7,634	97.1%	7,733	7,730	100.0%

Note: Occupancy statistics reflect the ratio of actual occupied beds to normally-configured occupancy. Other occupancy statistics in this Official Statement refer to the ratio of occupied beds to maximum occupancy.

The current residential capture rates for students at the University are approximately as follows:

CLASS YEAR YIELDS IN STUDENT HOUSING

Matriculated undergraduates, Fall Headcount in On-Campus Housing, 2008 through 2015

	Freshman	Sophomore	Junior	Senior
Fall 2008	2,493	2,379	1,449	969
Fall 2009	2,383	2,218	1,567	1,008
Fall 2010	2,241	2,331	1,514	1,073
Fall 2011	2,458	2,206	1,482	1,058
Fall 2012	2,617	2,341	1,442	1,032
Fall 2013	2,609	2,388	1,544	967
Fall 2014	2,489	2,470	1,581	984
Fall 2015	2,474	2,572	1,689	994

The University generally does not make its housing available for graduate students except for those already residing on Campus at that time. This decision was made as a result of a shortage in University housing and could be reversed if additional on-campus housing becomes available. As shown by the housing yield chart above the on-campus housing yields for every undergraduate class at the University has remained nearly steady or grown over the last few years. In 2001-02, the academic year prior to the opening of the Project Facility, approximately 1,600 junior and senior level students resided in on campus housing. In the 2015-16 academic year, nearly 2,700 juniors and seniors resided on-campus. This 69% increase in the number of juniors and seniors housed in University residential facilities is in part a direct result of the opening of the Project Facility and Liberty Terrace apartments on Campus.

Students living off-campus typically live in the Pine Hills section of Albany, near the University's Downtown Campus, in aging, former single family housing that has been converted into multi-bedroom units. Often three or four students will share one bathroom in these houses. It was the University's desire to retain more upper-class students on Campus in University housing for academic, student life, and safety reasons that led to the construction of the Project Facility. This continues to be a University goal.

A private entity is in the process of developing two phases of apartment style housing on the opposite side of Washington Avenue from the University totaling approximately 524 beds. The first of these projects, named Aspen Heights, totals 232 beds in 1, 2, 3 and 4 bedroom apartments and is scheduled to open for the fall 2016 semester. The price per bed in these privately owned apartments, once all amenities included in the standard price per bed for the Project Facility are added in, will be slightly less than the per bed cost at the Project Facility. However, these apartments are not on campus or on a campus shuttle route and require crossing Washington Avenue to access the University Uptown Campus. In addition, the apartments are being marketed to all area college students, not just the University. Finally, this private housing does not satisfy the University's requirement that freshmen and sophomores reside on campus. As such, the University has not experienced any impact on the occupancy rate for any of its apartment style housing for the fall 2016 semester from this additional private sector housing. The same private developer also has submitted plans to the City of Albany for a second project with 292 apartment style beds to be developed across Washington Avenue from the University. This second project is being marketed not only to college students from across the Capital District, but also young professionals. The potential opening date for the second project is unknown. It is the expectation that this private sector apartment development is most likely to attract students who had been living off campus in private sector housing in the Albany Pine Hills area versus students living in apartment style housing on Campus and fall 2016 semester Campus housing occupancy figures support this conclusion.

RISK FACTORS

Purchase of the Series 2016 Bonds involves a degree of risk. Prospective purchasers of the Series 2016 Bonds should give careful consideration to the matters referred to in the following summary. Such summary should not be considered exhaustive, but rather informational only.

No Obligation of State or the City of Albany, New York

The Series 2016 Bonds are not obligations of the State of New York or the City of Albany, New York, and neither the State of New York nor the City of Albany, New York has any liability thereunder. The Series 2016 Bonds are special revenue bonds payable solely from the sources described in this Official Statement and the Indenture.

Default by the Institution or the Issuer

No representations or assurances can be given that the Institution or the Issuer will not default in performing their respective obligations under the Loan Agreement or the Indenture. If an Event of Default occurs under the Indenture, the Bond Trustee may accelerate the maturity of all Bonds Outstanding, notwithstanding the fact that the Series 2016 Bondholders may not receive notice of such acceleration until after such date. In addition, no premium will be received upon an acceleration of the Series 2016 Bonds due to a default.

No Debt Service Reserve Fund

The payment of principal of, redemption price of and interest on the Series 2016 Bonds will not be secured by a debt service reserve fund.

Loss of Federal Tax Exemption

The exclusion of the interest on the Series 2016A Bonds for federal income tax purposes may be lost if certain events occur subsequent to the date of issuance of the Series 2016A Bonds that violate the requirements and limitations prescribed by the Code. Although the Institution has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Series 2016A Bonds may be deemed to be taxable from the date of issuance. Even if such an event is the result of a default by the Issuer or the Institution, the Series 2016A Bonds will not be automatically subject to redemption as a result of such default or change in status. No premium or other compensation will be paid to the Series 2016 Bondholders to compensate the Series 2016A Bondholders for any losses they may incur as a result of an Event of Taxability.

Additional Bonds

So long as the Loan Agreement is in effect and no Event of Default exists thereunder or under the Indenture (and no event exists which upon notice or lapse of time or both, would become an Event of Default thereunder), the Issuer may, upon request from the Institution complying with the provisions of the Indenture and the Master Indenture, issue one or more series of Additional Bonds. Each series of Additional Bonds will be equally and ratably secured under the Indenture with the Series 2016 Bonds and with all other series of Additional Bonds, if any, previously issued under the Indenture, without performance, priority or distinction of any Bond over any other. The consent of the Series 2016 Bondholders is not required prior to the issuance of Additional Bonds.

Additional Institution Obligations under the Master Indenture

So long as the Master Indenture is in effect and no Event of Default exists thereunder (and no event exists which upon notice or lapse of time or both, would become an Event of Default thereunder), the Master Trustee may, upon request from the Institution complying with the provisions of the Master Indenture, issue one or more Institution Obligations. (See “Appendix B - SUMMARY OF MASTER INDENTURE AND THIRD SUPPLEMENTAL TRUST INDENTURE - Summary of Certain Provisions of the Master Indenture – Conditions Precedent to Delivery of Institution Obligations” herein.) Each additional Institution Obligation issued under the Master Indenture may be equally and ratably secured with the Institution Bond, without performance, priority or distinction of any Note over any other. In certain circumstances, the consent of the Series 2016 Bondholders are not required prior to the issuance of additional Institution Obligations under the Master Indenture.

Operation of the Project Facility

The Institution is dependent upon the successful operation of the Project Facility to meet its obligations with respect to the Series 2016 Bonds. A summary of the Institution’s revenues and expenses related to the Project Facility since the completion of the Project Facility and forecast of the Institution’s revenues and expenses for the years 2017 through 2026 appears under “THE PROJECT FACILITY” herein. The forecast is based on numerous assumptions. Although the Institution believes such assumptions to be reasonable, there is no assurance that the Project Facility will continue to generate revenues sufficient to provide for the payment of debt service on the Series 2016 Bonds and the Institution’s other obligations under the Financing Documents.

The ability of the Project Facility to continue to generate revenues sufficient to provide for the payment of debt service on the Series 2016 Bonds and the Institution’s other obligations under the Financing Documents is subject to, among other things, the continued viability of the Manager, which ability in turn may be affected by factors such as the level of enrollment at the University and future economic and other conditions which are unpredictable and may not be determinable at this time.

Competing Facilities

Other non-University owned or sponsored facilities may be developed, constructed and operated which could compete with the Project Facility for tenants, and some such facilities already exist and others are in the planning stage. Any competing facilities could adversely affect occupancy and revenues at the Project Facility.

Termination of Ground Lease or Sublease

The East Land, the North Land, the West Land and the South Land are leased by SUNY to the Alumni Association pursuant to the Ground Lease by and between SUNY, as landlord, and the Alumni Association, as tenant. The term of the Ground Lease commenced on May 11, 2001 and continues for a period of forty years thereafter and may be renewed at the option SUNY for a period of nine additional years. Upon the occurrence of an “event of default” under the Ground Lease, SUNY may terminate the Ground Lease upon sixty days notice. An event of default under the Ground Lease includes (A) bankruptcy or insolvency of the Alumni Association, or (B) default by the Alumni Association in fulfilling any of the material terms of the Ground Lease. Pursuant to the Ground Lease, a mortgagee of the Institution is entitled to notice of the occurrence of an event of default under the Ground Lease and an opportunity to cure same.

The Alumni Association has in turn subleased the Land to the Institution pursuant to the Sublease by and between the Alumni Association, as landlord, and the Institution, as tenant. The term of the Sublease is coincident with the term of the Ground Lease. Upon the occurrence of an “event of default” under the Sublease, the Alumni Association may terminate the Sublease upon ten days notice. An event of default under the Sublease includes (A) default by the Institution in fulfilling any of the material terms of the Ground Lease, or (B) default by the Institution in fulfilling any of the terms of the Sublease, or (C) bankruptcy or insolvency of the Institution.

In the event that either the Ground Lease or the Sublease is terminated, the Institution will have no source of revenue for payment of debt service on the Series 2016 Bonds. Further, if either the Ground Lease or the Sublease is terminated, there is no assurance that a successor not-for-profit organization will be established to assume the Institution’s obligations, including its obligations with respect to the Series 2016 Bonds.

Insufficient Collateral

The Series 2016 Bonds are payable solely from amounts payable by the Institution under the Loan Agreement. The Mortgage gives the Master Trustee a first priority leasehold mortgage lien on or security interest in the interest of the Institution in the Project Facility. However, as indicated above under “RISK FACTORS - Termination of Ground Lease or Sublease”, the interest of the Institution in the Project Facility is a sub-leasehold interest subject to termination as indicated thereunder. In the event that either the Ground Lease or the Sublease is terminated, the Master Trustee would no longer have a mortgage lien on the Project Facility.

If neither the Ground Lease nor the Sublease has been terminated, then in the event of a foreclosure by the Master Trustee of the mortgage lien created by the Mortgage and a subsequent sale of the Institution’s leasehold interest in the Land and the Facility and the sale of the Equipment, insufficient funds may be realized to pay the entire amount of principal and interest owing on the Series 2016 Bonds and the other amounts payable under the Financing Documents. Additionally, in such a situation, payment of the principal of and interest on the Series 2016 Bonds could be subject to, among other things, delays in the litigation process and other conditions which are unpredictable and which may adversely affect the ability of the Bond Trustee to obtain sufficient funds to pay the principal of and interest on the Series 2016 Bonds in full.

Geographic Concentration

The occupancy rates in the Project Facility may be adversely affected by regional and local economic conditions, competitive conditions, applicable local laws and regulations, and general real estate market conditions, including the supply and proximity of apartment communities in the area.

Insurance and Legal Proceedings

The Institution carries property and general liability insurance in amounts deemed adequate by management and consistent with industry practices and in compliance with the requirements of the Financing Documents. However, there can be no assurance that any current or future claims will be covered by or not exceed applicable insurance coverage. A claim against the Institution not covered by, or in excess of, the Institution’s insurance could have a material adverse effect upon the Institution.

Secondary Market for the Series 2016 Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2016 Bonds. From time to time there may be no market for the Series 2016 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 Institution’s capabilities and the financial condition and results of operations of the Institution.

Rating

There is no assurance that the rating assigned to the Series 2016 Bonds at the time of issuance will not be lowered or withdrawn. Either of such events could adversely affect the market price and the market for the Series 2016 Bonds. See “RATING” herein.

TAX MATTERS

All quotations from and summaries and explanations of provisions of laws appearing under this caption do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Opinion of Bond Counsel

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law and assuming compliance with certain covenants and the accuracy of certain representations, (1) interest on the Series 2016A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed by the Code; except that (a) the Institution or another Person, by failing to comply with the requirements contained in the Code, may cause interest on the Series 2016A Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Series 2016A Bonds is included in the tax base for purposes of computing the alternative minimum tax on corporations under Section 56 of the Code and the branch profits tax under Section 884 of the Code; and (2) so long as interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2016A 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). The interest on the Series 2016B Bonds is not excludable from gross income for federal income tax purposes and interest on the Series 2016B Bonds is not 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 as to any other tax consequences regarding the Series 2016 Bonds.

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Series 2016A Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145, 147, 148 and 149 of the Code and the regulations thereunder (collectively, the “Tax Requirements”). In the opinion of Bond Counsel, the Tax Regulatory Agreement and the other Financing Documents establish requirements and procedures, compliance with which will satisfy the Tax Requirements. Bond Counsel will not independently verify the accuracy of the certifications and representations of the Issuer and the Institution, or the continuing compliance with the covenants by the Issuer and the Institution.

Bond Counsel does note that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016A Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Institution. The Issuer and the Institution have each covenanted to take the actions required of it for the interest on the Series 2016A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2016A Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of the interest paid or payable on the Series 2016A Bonds or the market value of the Series 2016A Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Series 2016A Bonds from gross income for federal income tax purposes, but is not a guaranty of that conclusion. The opinion is not binding upon the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (1) the effect of future changes in the Code and the applicable regulations under the Code or (2) the interpretation and enforcement of the Code or such regulations by the IRS.

Tax Requirements

The Tax Requirements referred to above, which must be complied with in order that interest on the Series 2016A Bonds remain excluded from gross income for federal income tax purposes, include, but are not limited to:

(1) The requirement that (a) all property financed or refinanced with proceeds of the Series 2016A Bonds be owned by a 501(c)(3) organization or by a state or local governmental unit, and (b) no more than five percent (5%) of the proceeds of the Series 2016A Bonds be used for any private business use, treating as private use (i) use (directly or indirectly) in a trade or business carried on by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization in a trade or business related to such Section 501(c)(3) organization's purposes and (ii) possession of certain interests in the property financed or refinanced with proceeds of the Series 2016A Bonds by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization. The Institution has indicated in the Tax Regulatory Agreement that (x) all property financed or refinanced with proceeds of the Series 2016A Bonds will be owned by a 501(c)(3) organization or by a state or local governmental unit, and (y) no more than five percent (5%) of the proceeds of the Series 2016A Bonds will be used for any private business use.

(2) The requirement that not more than two percent (2%) of the proceeds of the Series 2016A Bonds be utilized to finance the costs of the issuance of the Series 2016A Bonds. The Institution has indicated in the Tax Regulatory Agreement that not more than two percent (2%) of the proceeds of the Series 2016A Bonds will be utilized to finance the costs of issuance of the Series 2016A Bonds.

(3) The requirements contained in Section 148 of the Code relating to arbitrage bonds, including but not limited to the requirement that, unless the Institution satisfies one of the applicable exceptions provided by Section 148 of the Code, the excess of all amounts earned on the investment of the Gross Proceeds of the Series 2016A Bonds over that which would have been earned on such Gross Proceeds had such Gross Proceeds been invested at a Yield equal to that on the Series 2016A Bonds, and any investment income earned on such excess, be rebated to the United States. The Institution has agreed in the Tax Regulatory Agreement and in the Loan Agreement to comply with the requirements of Section 148 of the Code.

(4) The requirement that the Project Facility not be used for a purpose prohibited under Section 147(e) of the Code (relating to, among others, any facility primarily used for gambling, or store, the principal business of which is the sale of alcoholic beverages for consumption off premises).

(5) The requirement contained in Section 149(b) of the Code that payment of principal or interest on the Series 2016A Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Certain Collateral Federal Tax Consequences

You should also be advised that the Series 2016A Bonds are subject to, among others, the following provisions contained in the Code:

(1) a portion of the interest on the Series 2016A Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax;

(2) interest on the Series 2016A Bonds may also be subject to a branch profits tax imposed upon certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations;

(3) interest paid by certain financial institutions on debt allocable to the cost of acquiring and carrying the Series 2016A Bonds is not deductible from Federal income taxation; and

(4) a property and casualty insurance company's deduction for losses incurred is reduced by 15% on tax-exempt income received from the Series 2016A Bonds.

Prospective purchasers of the Series 2016A Bonds should also be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2016A Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Series 2016A Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2016A Bonds. Bond Counsel will express no opinion regarding these consequences.

Information Reporting and Backup Withholding

Interest paid on the Series 2016A Bonds will be subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2016A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Future Legislation or Other Post-Issuance Events

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority, and represents Bond Counsel's judgment as to the proper treatment of the Series 2016A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, or administrative actions or court decisions, at either the federal or state level, may cause interest on the Series 2016A Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to State or local income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2016A Bonds for federal or state income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the New York State Legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of the Series 2016A Bonds. There can be no assurance that legislation enacted or proposed or actions by a court after the date of issuance of the Series 2016A Bonds will not have an adverse effect on the tax status of the interest on the Series 2016A Bonds or the market value or marketability of the Series 2016A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in benefit) of the exclusion of the interest on the Series 2016A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. The introduction or enactment of any such legislative proposals, administrative actions, or court decisions may also affect, perhaps significantly, the value or marketability of the Series 2016A Bonds.

For example, various proposals have been made in Congress and by the President (the "Proposed Legislation"), which if enacted, could limit the exclusion from gross income of interest on obligations like the Series 2016A Bonds for taxpayers who are individuals and whose income is subject to higher marginal tax rates, could

subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Series 2016A Bonds, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of thresholds specified in the Proposed Legislation, or that could otherwise significantly reduce the benefit of the exclusion from gross income of interest on obligations like the Series 2016A Bonds. It is unclear if the Proposed Legislation would be enacted, whether in its current or an amended form, or if other legislation that could subject interest on the Series 2016A Bonds to a tax or cause interest on the Series 2016A Bonds to be included in the computation of a tax, will be introduced or enacted.

No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the market value or the marketability of the Series 2016A Bonds or the tax consequences of ownership of the Series 2016A Bonds. Similarly, it is not possible to predict whether any other legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Series 2016A Bonds may occur.

Prospective purchasers of the Series 2016A Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2016A Bonds at other than their original issuance at the respective prices set indicated on the inside cover of this Official Statement should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2016A Bonds ends with the issuance of the Series 2016A Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Series 2016A Bonds may affect the tax status of interest on the Series 2016A Bonds. Unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the owners of the Series 2016A Bonds regarding the tax status of the interest thereon in the event of an audit examination by the IRS. If the IRS does audit the Series 2016A Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Series 2016A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. 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 the Issuer legitimately disagrees may not be practicable. Any action by the IRS, including but not limited to the selection of the Series 2016A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may alter the market value for, or the marketability of, the Series 2016A Bonds, and may cause the Issuer, the Institution or the Bondholders to incur significant expense.

Premium Bonds

The excess, if any, of the tax adjusted basis of a maturity of any of the Series 2016A Bonds purchased as part of the initial public offering by a purchaser (other than a purchaser who holds such Series 2016A Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Owners of a maturity of the Series 2016A Bonds with bond premium (a "Premium Bond") will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring such Premium Bonds. In general, bond premium is amortized over the term of a Premium Bond for Federal income tax purposes in accordance with constant yield principles based on the owner's yield over the remaining term of such Premium Bond (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). The Owner of a Premium Bond is required to decrease such Owner's adjusted basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year such Premium Bond is held. The amortizable bond premium on such Premium Bond attributable to a taxable year is not deductible for federal income tax purposes; however, bond premium is treated as an offset to qualified stated interest received on such Premium Bond.

Prospective purchasers of any Premium Bond should consult their tax advisors with respect to the determination for purposes of federal income taxation of the treatment of bond premium upon the sale or other

disposition of such Premium Bond and with respect to the state and local tax consequences of acquiring, owning, and disposing of such Premium Bond.

New York State Taxes

In the opinion of Bond Counsel, so long as interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2016A Bonds is exempt, under existing law, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The interest on the Series 2016B Bonds is not excludable from gross income for federal income tax purposes and interest on the Series 2016B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Tax Risks - Loss of Federal Tax Exemption

As described above, interest on the Series 2016A Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2016A Bonds that violate the requirements and limitations prescribed by the Code. Although the Institution has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Series 2016A Bonds may be deemed to be taxable from the date of issuance. The Series 2016A Bonds are not subject to mandatory redemption or acceleration in the event of such an occurrence, nor is there any provision for additional interest to be paid to the Series 2016A Bondholders or former Series 2016A Bondholders to compensate such Bondholders for any losses they may incur as a result of the interest on the Series 2016A Bonds becoming subject to federal income taxation.

Form of Opinion of Bond Counsel

The form of the approving opinion of Bond Counsel is attached hereto as APPENDIX D. See “Form of Opinion of Bond Counsel” in Appendix D.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2016 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE SERIES 2016 BONDS.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (“Rule 15c2-12”), the Institution will undertake in a written agreement for the benefit of the holders of the Series 2016 Bonds (the “Continuing Disclosure Agreement”) to provide to the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board (the “MSRB”), as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12, on an annual basis not later than the later to occur of one hundred eighty (180) days following the end of each fiscal year commencing with the fiscal year ended June 30, 2016, or sixty (60) days after receipt of their annual statutory basis financial statements (but in no event later than the last business day of the following fiscal year) financial and operating data concerning referred to herein as “Annual Information” and described in more detail below). In addition, the Institution will undertake, for the benefit of the holders and beneficial owners of the Series 2016 Bonds, to provide to the MSRB through EMMA, in a timely manner not in excess of ten business days, notices of any of the specified events enumerated in the Rule (the “Notices”).

The Annual Information shall consist of (a) financial and operating data of the type included herein under the captions “THE INSTITUTION”, “FINANCIAL INFORMATION”, “THE PROJECT FACILITY”, “THE MANAGER” and “THE UNIVERSITY AT ALBANY, STATE UNIVERSITY OF NEW YORK”; (b) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the

presentation of financial and operating data concerning the Institution; and (c) the Institution's audited financial statements and independent auditor's report.

The Notices that the Institution will undertake to provide as described above, include notices of any of the following events with respect to the Series 2016 Bonds: (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 IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016 Bonds, or other material events affecting the tax-exempt status of the Series 2016 Bonds; (7) modifications to the rights of the holders of the Series 2016 Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2016 Bonds, if material; (11) rating changes, (12) bankruptcy, insolvency, receivership or similar event of the Institution; (13) the consummation of a merger, consolidation, or acquisition involving the Institution or the sale of all or substantially all of the assets of the Institution, 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; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

In addition, the Institution will undertake, for the benefit of the holders of the Series 2016 Bonds, to provide to the MSRB, in a timely manner, notice of any failure by the Institution to provide the Annual Information and financial statements by the date required in the Institution's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertakings of the Institution and no person, including a holder of the Series 2016 Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Indenture. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

Copies of the Continuing Disclosure Agreement will be on file at the office of the Bond Trustee.

A continuing disclosure agreement was executed by the Institution in connection with the remarketing of the Series 2001 Bonds in 2009 (the "2009 Continuing Disclosure Agreement") and requires the Institution to file with the MSRB on an annual basis not later than the later to occur of one hundred eighty (180) days following the end of each fiscal year, or sixty (60) days after receipt of their annual statutory basis financial statements (but in no event later than the last business day of the following fiscal year) annual financial information and operating data and audited financial statements. The Institution filed its annual financial information and operating data for the years ended June 30, 2011 and June 30, 2012 one (1) and ten (10) days late, respectively. The Institution filed its annual financial information and operating data and its audited financial statements for the year ended June 30, 2014 283 days late.

The 2009 Continuing Disclosure Agreement also requires the Institution to file with EMMA notice of certain events, including rating changes on a timely basis no later than ten (10) business days after the occurrence of one of the listed events. On November 30, 2011, S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") downgraded the insurer of the Series 2001 Bonds (the "Series 2001 Bond Insurer") from AA+ to AA- and on March 18, 2014 S&P upgraded the Series 2001 Bond Insurer from AA- to AA on March 18, 2014. In addition, on May 1, 2013, S&P upgraded the underlying rating of the Series 2001 Bonds from A- to A.

The Institution filed notice of the foregoing late filings of its annual financial information and operating data and rating changes with the MSRB on August 22, 2016.

RATING

S&P will assign the Series 2016 Bonds a rating of “A”. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished it and on investigations, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. The Underwriter has undertaken no responsibility either to bring to the attention of the holders of the Series 2016 Bonds any proposed revision or withdrawal of the ratings of the Series 2016 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Series 2016 Bonds. Such rating should not be taken as a recommendation to buy or hold the Series 2016 Bonds.

UNDERWRITING

RBC Capital Markets, LLC, as underwriter (the “Underwriter”), has agreed to purchase the Series 2016 Bonds at an aggregate purchase price of \$48,604,417.83, reflecting an original issue premium of \$8,037,835.45 and an underwriter’s discount of \$228,417.62. The Underwriter may offer and sell the Series 2016 Bonds to certain dealers (including dealers depositing Series 2016 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The purchase of the Series 2016 Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all the Series 2016 Bonds, if any are purchased. The public offering prices set forth on the inside cover page hereof may be changed after the initial offering by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and the Institution. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and the Institution. The Underwriter may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Series 2016A Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale of the Series 2016 Bonds are subject to the approving opinions of Hodgson Russ LLP, Albany, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by John J. Reilly, Esq., Corporation counsel for the Issuer, and certain legal matters will be passed upon for the Institution by Bond, Schoeneck & King, PLLC, Syracuse, New York, counsel to the Institution. Certain legal matters will be passed upon for the Underwriter by Barclay Damon, LLP, Albany, New York, counsel to the Underwriter.

NO LITIGATION

The Issuer

To the knowledge of the Issuer, there is no pending or threatened litigation seeking to restrain or enjoin the issuance of the Series 2016 Bonds or affecting the validity of the Series 2016 Bonds, or any proceedings of the Issuer taken with respect to the issuance thereof, or questioning or affecting the validity of the pledge or application of any monies, revenues or security provided for the payment of the Series 2016 Bonds or the existence or powers of

the Issuer. Neither the creation, organization or existence of the Issuer, nor title of the present directors or other officials of the Issuer to their respective offices, is being contested.

The Institution

To the knowledge of the Institution, there is no pending or threatened litigation seeking to restrain or enjoin the issuance of the Series 2016 Bonds or in any way affecting the validity of the Series 2016 Bonds, or any proceedings of the Institution taken with respect to the issuance thereof, or questioning or affecting the validity of the pledge or application of any monies, revenues or security provided for the payment of the Series 2016 Bonds, nor is there any pending or threatened litigation that (i) in any manner questions the right of the Institution to enter into the Financing Documents to which it is a party or the other instruments and agreements entered into in connection therewith, (ii) could otherwise have a material adverse effect upon the business, operations or properties of the Institution, or (iii) prevents the Institution from consummating the transactions contemplated thereby.

MISCELLANEOUS

The Institution has furnished all information set forth under the captions “THE INSTITUTION”, “FINANCIAL INFORMATION”, “THE PROJECT FACILITY”, “THE MANAGER” and “THE UNIVERSITY AT ALBANY, STATE UNIVERSITY OF NEW YORK”, its financial statement included in Appendix C, and all other information herein concerning the Institution, the Project Facility and litigation affecting the Institution. Bond Counsel has furnished all information in this Official Statement concerning the tax treatment of the Series 2016 Bonds and interest thereon, and all descriptions of the Series 2016 Bonds and the related Financing Documents appearing herein, as well as all information set forth in Appendix A and Appendix D. Institution Counsel has furnished all information all information set forth in Appendix B. The Issuer assumes no responsibility for the accuracy or completeness of such information.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Institution and official and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The Institution has reviewed the information contained herein and has approved this Official Statement, including its execution and distribution.

The execution of this Official Statement by its Chairman has been duly authorized by the Issuer.

CITY OF ALBANY CAPITAL RESOURCE
CORPORATION

By: /s/ Tracy L. Metzger
Authorized Officer

EMPIRE COMMONS STUDENT HOUSING, INC.

By: /s/ Kevin C. Wilcox
Authorized Officer

APPENDIX A

DEFINITIONS AND SUMMARIES OF CERTAIN FINANCING DOCUMENTS

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DEFINITIONS AND SUMMARIES OF CERTAIN FINANCING DOCUMENTS

GLOSSARY

The following terms have the meanings stated herein when used in this Appendix and the documents summarized below:

“Account” means, with respect to any Series of Bonds, an account created within any Fund designated and created pursuant to Section 401 of the Indenture.

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Institution.

“Act” means the Enabling Act.

“Additional Bonds” means any bonds issued by the Issuer pursuant to Section 214 of the Indenture.

“Additional Equipment” means, in connection with any Additional Project, any additional materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of a related Series of Additional Bonds, or intended to be acquired with any payment which the Institution incurred in anticipation of the issuance of such Series of Additional Bonds and for which the Institution will be reimbursed from the proceeds of such Series of Additional Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Loan Agreement.

“Additional Facility” means, in connection with any Additional Project, any buildings, improvements, structures, and other related facilities (A) located on the Land or the Additional Land, (B) financed or refinanced with the proceeds of the sale of a Series of Additional Bonds or any payment made by the Institution pursuant to Section 3.5 of the Loan Agreement or any payment which the Institution incurred in anticipation of the issuance of such Series of Additional Bonds and for which the Institution will be reimbursed from the proceeds of such Series of Additional Bonds, and (C) not constituting a part of the Additional Equipment, all as they may exist from time to time.

“Additional Land” means, with respect to any Series of Additional Bonds, any real estate which will be the site of an Additional Project Facility intended to be financed with the proceeds of such Series of Additional Bonds.

“Additional Institution Bonds” means, with respect to any series of Additional Bonds, any obligation issued pursuant to the Master Indenture in connection with the issuance of such series of Additional Bonds.

“Additional Project” means the purposes for which any Series of Additional Bonds may be issued.

“Additional Project Facility” means any Additional Land, Additional Facility or Additional Equipment acquired by the Issuer in connection with the issuance of any Series of Additional Bonds.

“Applicable Laws” means all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Issuer were the owner of the Project Facility and as if the Institution and not the Issuer were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

“Arbitrage Certificate” means (A) with respect to the Series 2016A Bonds, the Initial Arbitrage Certificate and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar document executed by the Issuer in connection with the issuance and sale of such Series of Additional Bonds.

“Authorized Denominations” means: (A) with respect to the Initial Bonds, \$5,000 and any integral multiple of \$5,000 in excess thereof, except that, if as a result of a redemption, partially redeemed Initial Bonds cannot be issued in such denominations, such partially redeemed Initial Bonds shall be reissued in such other denominations to the extent required to effect such redemption; and (B) with respect to any Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds as set forth in the supplemental indenture relating thereto.

“Authorized Investments” means any of the following: (A) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (B) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (1) U.S. Export-Import Bank (“Eximbank”), (2) Farmers Home Administration (“FmHA”), (3) Federal Financing Bank, (4) Federal Housing Administration Debentures (“FHA”), (5) General Services Administration, (6) Government National Mortgage Association (“GNMA” or “Ginnie Mae”), (7) U.S. Maritime Administration, and (8) U.S. Department of Housing and Urban Development (“HUD”); (C) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (1) Federal Home Loan Bank System, (2) Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”), (3) Federal National Mortgage Association (“FNMA” or “Fannie Mae”), (4) Student Loan Marketing Association (“SLMA” or “Sallie Mae”), (5) Resolution Funding Corp. (“REFCORP”) obligations, and (6) Farm Credit System; (D) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s of “AAAm-G”, “AAA-m”; or “AA-m” and if rated by Moody’s rated “Aaa”, “Aa1” or “Aa2”; (E) certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral; (F) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF; (G) investment agreements, including GIC’s, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the Trustee; (H) commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by Standard & Poor’s; (I) bonds or notes issued by any state or municipality which are rated by Moody’s and Standard & Poor’s in one of the two highest rating categories assigned by such agencies; (J) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by Standard & Poor’s; and (K) repurchase agreements for 30 days or less must follow the following criteria. The criteria is described as follows: (1) Repos must be between the municipal entity and a dealer bank or securities firm (a) primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor’s Corporation and Moody’s Investor Services, or (b) banks rated “A” or above by Standard & Poor’s Corporation and Moody’s Investor Services; (2) the written repo contract must include the following: (a) securities which are acceptable for transfer are: (i) direct U.S. governments, or (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC), (b) the term of the repo may be up to 30 days, (c) the collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities), (d) valuation of collateral - the securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%, and (3) legal opinion which must be delivered to the municipal entity: (a) repo meets guidelines under state law for legal investment of public funds.

“Authorized Representative” means the Person or Persons at the time designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chairman or Vice-Chairman, or such other person as may be authorized by resolution of the Issuer to act on behalf of the Issuer, (B) the Institution by its Executive Director or Associate Executive Director, or such other person as may be authorized by the board of directors of the Institution to act on behalf of the Institution and (C) the Trustee by any Vice President, Assistant Vice President or Trust Officer, or such other person as may be authorized by the board of directors of the Trustee to act on behalf of the Trustee.

“Available Moneys” means any moneys on deposit with the Trustee for the benefit of the Bondholders which are (A) proceeds of the Bonds, or of any bonds issued for the purpose of refunding the Bonds, (B) amounts on deposit for a period of 124 consecutive days during which no petition in bankruptcy under the Bankruptcy Code has been filed against the entity which paid such money, and no similar proceedings have been instituted under state insolvency or other laws affecting creditors’ rights generally, or (C) any moneys with respect to which an unqualified opinion from nationally recognized counsel has been received stating that such payments to Bondholders would not constitute voidable preferences under Section 547 of the Bankruptcy Code, or similar state or federal laws with voidable preferences in the event of the filing of a petition for relief under the Bankruptcy Code, or similar state or federal laws with voidable preference provisions by or against the entity from which the money is received.

“Bankruptcy Code” means the United States Bankruptcy Code, constituting Title 11 of the United States Code, as amended from time to time, and any successor statute.

“Beneficial Owner” means, with respect to a Bond, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a Book Entry System.

“Bond” or “Bonds” means, collectively, (A) the Initial Bonds and (B) any Additional Bonds.

“Bond Counsel” means the law firm of Hodgson Russ LLP, Albany, New York or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer.

“Bond Fund” means the fund so designated established pursuant to Section 401(A)(3) of the Indenture.

“Bondholder” or “Holder” or “Owner of the Bonds” means the registered owner of any Bond, as indicated on the bond register maintained by the Bond Registrar, except that wherever appropriate the term “Owners” shall mean the owners of the Bonds for federal income tax purposes.

“Bond Payment Date” means each Interest Payment Date and each date on which principal or interest or premium, if any, or a Sinking Fund Payment, shall be payable on the Bonds according to their terms and the terms of the Indenture, including without limitation scheduled mandatory Redemption Dates, unscheduled mandatory Redemption Dates, dates of acceleration of the Bonds pursuant to Section 602 of the Indenture, optional Redemption Dates and Stated Maturity, so long as any Bonds shall be Outstanding.

“Bond Proceeds” means (A) with respect to the Initial Bonds, the proceeds of the sale of the Initial Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the Underwriter as the purchase price of the Initial Bonds, and (B) with respect to any Series of Additional Bonds, the proceeds of the sale of such Series of Additional Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers of such Series of Additional Bonds as the purchase price of such Series of Additional Bonds.

“Bond Purchase Agreement” means (A) with respect to the Initial Bonds, the Initial Bond Purchase Agreement, and (B) with respect to any Series of Additional Bonds, any similar document executed by the Issuer and/or the Institution in connection with the issuance and sale of such Series of Additional Bonds.

“Bond Rate” means, with respect to any Bond, the applicable rate of interest on such Bond, as set forth in such Bond.

“Bond Register” means the register maintained by the Bond Registrar in which, subject to such reasonable regulations as the Issuer, the Trustee or the Bond Registrar may prescribe, shall provide for the registration of the Bonds and for the registration of transfers of the Bonds.

“Bond Registrar” means the Trustee, acting in its capacity as bond registrar under the Indenture, and its successors and assigns as bond registrar under the Indenture.

“Bond Resolution” means (A) with respect to the Initial Bonds, the resolution of the members of the board of directors of the Issuer duly adopted on August 18, 2016 authorizing the Issuer to undertake the Project, to issue and sell the Initial Bonds in accordance with the provisions of the Certificate of Determination and to execute and deliver the Initial Financing Documents to which the Issuer is a party, and (B) with respect to any Series of Additional Bonds, any resolution adopted by the members of the board of directors of the Issuer authorizing the issuance of such Series of Additional Bonds.

“Bond Year” (A) with respect to the Initial Bonds, means each one (1) year period ending on the anniversary of the Closing Date relating to the Initial Bonds, or such other bond year as the Institution and the Issuer may select from time to time in a manner complying with the Code, and (B) with respect to any Series of Additional Bonds issued as Tax-Exempt Bonds, shall have the meaning set forth in the supplemental indenture related to such Series of Additional Bonds.

“Book Entry Bonds” means Bonds held in Book Entry Form with respect to which the provisions of Section 213 of the Indenture shall apply.

“Book Entry Form” or “Book Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (A) the Beneficial Ownership Interests may be transferred only through a book entry and (B) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository or a custodian on behalf of the Depository. The Book Entry System which is maintained by and the responsibility of the Depository (and which is not maintained by or the responsibility of the Issuer or the Trustee) is the record that identifies, and records the transfer of the interests of, the Owners of book entry interests in the Bonds.

“Business Day” means any day of the year other than (A) a Saturday or Sunday, (B) a day on which the New York Stock Exchange is closed or (C) a day on which commercial banks in New York, New York, or the city or cities in which the Office of the Trustee is located, are authorized or required by law, regulation or executive order to close.

“Certificate of Authentication” means the certificate of authentication in substantially the form attached to the form of the Initial Bonds attached as Schedule I to the Indenture.

“Certificate of Determination” means, (A) with respect to the Initial Bonds, the certificate of determination executed by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer relating to the Initial Bonds, and (B) with respect to any Series of Additional Bonds, the document by which the Issuer evidences its approval of the terms of such Series of Additional Bonds.

“Closing Date” means (A) with respect to the Initial Bonds, the date on which authenticated Initial Bonds are delivered to or upon the order of the Underwriter and payment is received therefor by the Trustee on behalf of the Issuer, and (B) with respect to any Series of Additional Bonds, the date on which such Additional Bonds of such

Series are authenticated and delivered to the purchaser thereof and payment therefor is received by the Trustee on behalf of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of said Code, and the applicable regulations (whether proposed, temporary or final) of the United States Treasury Department promulgated under said Code and the statutory predecessor of said Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Completion Date” means (A) with respect to the Project, the date of substantial completion of the Project and (B) with respect to any Series of Additional Project, the date of substantial completion of the undertaking of such Additional Project, as evidenced in the manner provided in supplement to the Loan Agreement related to such Series of Additional Bonds.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Period” means, with respect to the Project or any Additional Project, as the case may be, the period (A) beginning on the earlier of the Inducement Date or the Official Action Date relating thereto and (B) ending on the Completion Date relating thereto.

“Continuing Disclosure Agreement” means (A) with respect to the Initial Bonds, the Initial Continuing Disclosure Agreement and (B) with respect to any Series of Additional Bonds, any similar document executed by the Institution in connection with the issuance of such Series of Additional Bonds.

“Cost of the Project” means (A) with respect to the Project, all those costs and items of expense relating thereto enumerated in Section 3.3(A) of the Loan Agreement incurred subsequent to the Inducement Date, including costs which the Institution incurred prior to the Inducement Date with respect to the Project in anticipation of the issuance of the Initial Bonds and for which the Institution may be reimbursed from proceeds of the Initial Bonds pursuant to the provisions of the Initial Tax Regulatory Agreement, and (B) with respect to any Additional Project, all those costs and items of expense relating thereto enumerated in Section 3.3 of the Loan Agreement, including costs which the Institution incurred with respect to such Additional Project in anticipation of the issuance of the related Series of Additional Bonds and for which the Institution will be reimbursed from proceeds of the related Series of Additional Bonds.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bonds on such Bond Payment Date, plus (B) the principal, if any, payable on the Bonds on such Bond Payment Date, plus (C) the premium, if any, payable on the Bonds on such Bond Payment Date, plus (D) the Sinking Fund Payments, if any, payable on the Bonds on such Bond Payment Date.

“Default Interest Rate” means (A) the rate of interest equal to fifteen percent (15%) per annum, or the maximum permitted by law, whichever is less or (B) in the case of Loan Payments under Section 5.1(A) of the Loan Agreement, the interest rate then payable on the Bonds.

“Defaulted Payment” shall have the meaning ascribed to such term in Section 207(C) of the Indenture.

“Defeasance Escrow Agreement” means a defeasance escrow agreement dated as of September 1, 2016 among the Prior Issuer, the Prior Trustee, the Trustee and the Institution, as said agreement may be amended or supplemented from time to time.

“Defeasance Obligations” means (A) cash, or (B) direct obligations of the United States of America or of any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States of America, including, but not limited to, United States Treasury obligations.

“Depository” means, initially, 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 securities depository designated in

any supplemental resolution of the Issuer to serve as securities depository for the Bonds that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Book Entry Bonds.

“Depository Letter” means (A) with respect to the Initial Bonds, the Initial Depository Letter, and (B) with respect to any Series of Additional Bonds issued as Book Entry Bonds, any letter of representations by and among the Issuer, the Trustee and the Depository relating to such Series of Additional Bonds, and any amendments or supplements thereto entered into with respect thereto.

“Direct Participant” means a Participant as defined in the Depository Letter.

“Enabling Act” means Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended.

“Equipment” means, collectively, the Initial Equipment and any Additional Equipment.

“Event of Default” means (A) with respect to the Indenture, any of those events defined as an Event of Default by the terms of Article VI of the Indenture, (B) with respect to the Loan Agreement, any of those events defined as an Event of Default by the terms of Article X of the Loan Agreement, and (C) with respect to any other Financing Document, any of those events defined as an Event of Default by the terms thereof.

“Event of Taxability” means, with respect to any Series of Tax-Exempt Bonds, (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under such Series of Tax-Exempt Bonds, (B) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exemption for interest payable under such Series of Tax-Exempt Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under such Series of Tax-Exempt Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holders of such Series of Tax-Exempt Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on such Series of Tax-Exempt Bonds is not excluded from gross income for federal income tax purposes. For the purposes of clause (B) above, a “final determination by decision or ruling by a duly constituted administrative authority” shall mean (1) the issuance of a ruling (including, but not limited to, a revenue ruling or a letter ruling) by the IRS or any successor thereto, or (2) the issuance of a preliminary notice of proposed deficiency (“30-Day Letter”), a statutory notice of deficiency (“90-Day Letter”), or other written order or directive of similar force and effect by the IRS, or any other United States Governmental Authority having jurisdiction therein. Notwithstanding the foregoing, nothing in this definition of “Event of Taxability” shall be construed (x) to mean or include consideration of the interest payable on a Series of the Tax-Exempt Bonds for purposes of calculating the interest expense which may be deducted by a bank or other Financial Institution, or (y) to mean that the Holder of such Series of the Tax-Exempt Bonds shall have any obligation to contest or appeal any assertion or decision that any interest payable under such Series of the Tax-Exempt Bonds is subject to taxation, or (z) to mean or include the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Holder of a Series of the Tax-Exempt Bonds, in the calculation of which is included the interest paid or payable under the Tax-Exempt Bonds.

“Extraordinary Services” and “Extraordinary Expenses” means all reasonable services rendered and all reasonable expenses incurred by the Trustee or any paying agent under the Indenture, other than Ordinary Services and Ordinary Expenses, including, but not limited to, reasonable attorney fees and any services rendered and any expenses incurred with respect to an Event of Default or with respect to the occurrence of an event which upon the giving of notice or the passage of time would ripen into an Event of Default under any of the Financing Documents.

“Facility” means the Initial Facility and any Additional Facilities.

“Final Maturity” means, with respect to any particular Bond, the final Stated Maturity of the principal due on such Bond, unless such Bond is called for redemption in whole prior to such date, in which case any such term shall mean the Redemption Date relating to such Bond.

“Financing Documents” means (A) with respect to the Initial Bonds, the Initial Financing Documents and (B) with respect to any Series of Additional Bonds, any similar documents executed by the Institution and/or the Issuer in connection with the issuance of such Series of Additional Bonds.

“Financing Statements” means any and all financing statements (including continuation statements) or other instruments filed or recorded from time to time to perfect the security interests created in the Financing Documents.

“Fund” means any Fund designated and created pursuant to Section 401 of the Indenture.

“Government Obligations” means (A) cash, (B) direct obligations of the United States of America, (C) obligations unconditionally guaranteed by the United States of America and (D) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (B) or (C).

“Governmental Authority” means the United States of America, the State, any political subdivision thereof, any other state and any agency, department, commission, board, bureau or instrumentality of any of them.

“Gross Bond Proceeds” means “gross proceeds” as defined in Section 148(f)(6)(B) of the Code, presently including, without limitation, the original proceeds of the Bonds, investment proceeds, amounts held in a sinking fund, amounts invested in a reasonably required reserve or replacement fund, certain investment-type property pledged as security for the Bonds by the Institution or by the Issuer, amounts received with respect to the Loan Agreement, any amounts used to pay Debt Service Payments on the Bonds, and any amounts received as a result of investing any of the foregoing.

“Gross Proceeds” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“Holder” or “holder”, when used with respect to a Bond, means Bondholder.

“Immediate Notice” means notice transmitted through a time-sharing terminal, if operative as between any two parties, or if not operative, same-day notice by telephone, telecopy or telex, followed by prompt written confirmation sent by overnight delivery.

“Indebtedness” means (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from the Institution or the Issuer to the Trustee pursuant to any Financing Document, (C) the performance and observance by the Issuer and the Institution of all of the covenants, agreements, representations and warranties made for the benefit of the Trustee pursuant to any Financing Document, (D) the monetary obligations of the Institution to the Issuer and its members, directors, officers, agents, servants and employees under the Loan Agreement and the other Financing Documents, and (E) all interest, penalties and late charges accruing on any of the foregoing.

“Indemnified Parties” shall mean the Trustee, the Issuer, the Underwriter and the payee and holder of any Initial Bond.

“Indenture” means the trust indenture dated as of September 1, 2016 by and between the Issuer and the Trustee, as said trust indenture may be amended or supplemented from time to time.

“Independent Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and not a full-time employee of the Institution, the Issuer or the Trustee.

“Indirect Participant” means a Person utilizing the Book Entry System of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

“Inducement Date” means (A) with respect to the Project, the date which is sixty (60) days prior to the earlier of (1) July 21, 2016 or (2) the date on which the Institution declared its official intent to reimburse expenditures made with respect to the Project with proceeds of borrowed money, and (B) with respect to any Additional Project, the date which is sixty (60) days prior to the earlier of (1) the date on which the Issuer adopts an inducement resolution with respect to such Additional Project or (2) the date on which the Institution declares its official intent to reimburse expenditures made with respect to such Additional Project with proceeds of borrowed money.

“Initial Arbitrage Certificate” means the certificate dated the Closing Date for the Series 2016A Bonds executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code applicable to the Series 2016A Bonds and the Project.

“Initial Bond Purchase Agreement” means the bond purchase agreement dated September 7, 2016 by and among the Underwriter, the Issuer and the Institution relating to the purchase of the Initial Bonds by the Underwriter, as said bond purchase agreement may be amended or supplemented from time to time.

“Initial Bonds” means, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

“Initial Continuing Disclosure Agreement” means the continuing disclosure agreement dated as of September 22, 2016 by and between the Institution and the Trustee relating to the Initial Bonds, as said continuing disclosure agreement may be amended or supplemented from time to time.

“Initial Depository Letter” means any letter of representations by and among the Issuer and the Depository relating to the Initial Bonds, and any amendments or supplements thereto entered into with respect thereto.

“Initial Equipment” means all materials, machinery, equipment, fixtures or furnishings acquired with the proceeds of the Prior IDA Bonds being refunded with the proceeds of the Initial Bonds, or acquired with any payment which the Institution incurred in anticipation of the issuance of the Prior IDA Bonds and for which the Institution was reimbursed from the proceeds of the Prior IDA Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Loan Agreement, including, without limitation, all of the Property described in Exhibit B attached to the Loan Agreement.

“Initial Facility” means all buildings (or portions thereof), improvements, structures and other related facilities, and improvements thereto, (A) located on the Initial Land, (B) financed or refinanced with the proceeds of the sale of the Initial Bonds or any payment which the Institution incurred in anticipation of the issuance of the Initial Bonds and for which the Institution will be reimbursed from the proceeds of the Initial Bonds or any payment made by the Institution pursuant to Section 3.5 of the Loan Agreement, and (C) not constituting a part of the Initial Equipment, all as they may exist from time to time.

“Initial Financing Documents” means the Initial Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Initial Tax Documents, the Initial Master Indenture Documents, the Initial Underwriter Documents and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holders of the Initial Bonds or the Trustee which affects the rights of the Holders of the Initial Bonds or the Trustee in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Initial Institution Bonds” means the Institution Series 2016 Bond issued to secure the payment of the principal of, premium, if any, and interest on the Initial Bonds issued pursuant to the Initial Institution Indenture.

“Initial Institution Indenture” means, collectively, the Master Indenture, as supplemented by the Third Supplemental Indenture, as the same may be amended or supplemented from time to time.

“Initial Land” means the ground lease estate of the Institution in the real estate described on Exhibit A attached to the Loan Agreement, which is the site of the Project.

“Initial Letter of Representation” means the letter of representation dated September 22, 2016 by and among the Institution, the Issuer and the Underwriter, pursuant to which the Institution will provide indemnification to the Issuer and the Underwriter relating to the issuance and sale of the Initial Bonds.

“Initial Master Indenture Documents” means the Master Indenture, the Third Supplemental Indenture, the Institution Series 2016 Bonds, and the Mortgage.

“Initial Tax Documents” means, collectively, the Initial Arbitrage Certificate and the Initial Tax Regulatory Agreement.

“Initial Tax Regulatory Agreement” means the tax regulatory agreement dated the Closing Date for the Initial Bonds executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2016A Bonds to be and remain excludable from the gross income of the Holders thereof for federal income tax purposes.

“Initial Underwriter Documents” means the Initial Bond Purchase Agreement, the Initial Letter of Representation, the Initial Continuing Disclosure Agreement, the Initial Preliminary Official Statement, the Initial Official Statement and any other document now or hereafter executed by the Issuer or the Institution in connection with the sale of the Initial Bonds by the Underwriter.

“Institution” means Empire Commons Student Housing, Inc., not-for-profit corporation organized and existing under the laws of the New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Loan Agreement.

“Institution Bonds” means, collectively, the Initial Institution Bonds and all Additional Institution Bonds.

“Institution Indenture” means (A) with respect to the Initial Bonds, the Initial Institution Indenture and (B) with respect to any series of Additional Bonds, any similar documents executed by the Institution in connection with the issuance of such series of Additional Bonds.

“Institution Obligations” or “Institution Bonds” means, collectively, all Bonds (as defined in the Master Indenture) and all other obligations issued by the Institution under the Institution Indenture.

“Institution Series 2016 Bond” means the Institution’s Series 2016 Bond in the principal amount equal to \$40,795,000 issued pursuant to the Third Supplemental Indenture.

“Insurance and Condemnation Fund” means the fund so designated established pursuant to Section 401(A)(3) of the Indenture.

“Interest Payment Date” means (A) with respect to the Initial Bonds, May 1 and November 1 of each year, commencing November 1, 2016, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of interest on such Additional Bonds, as set forth in the supplemental Indenture authorizing the issuance of such Series of Additional Bonds. In any case, the final Interest Payment Date of any Series of the Bonds shall be the Maturity Date relating thereto.

“Issuer” means (A) the City of Albany Capital Resource Corporation and its successors and assigns, and (B) any public instrumentality or political subdivision resulting from or surviving any consolidation or merger to which the City of Albany Capital Resource Corporation or its successors or assigns may be a party.

“Land” means the Initial Land and any Additional Land.

“Letter of Representation” means the Initial Letter of Representation.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Loan” means the loan by the Issuer of the proceeds received from the sale of the Bonds to the Institution pursuant to the provisions of the Loan Agreement.

“Loan Agreement” means the loan agreement dated as of September 1, 2016 by and between the Issuer and the Institution, as said loan agreement may be amended or supplemented from time to time.

“Loan Payments” means the amounts required to be paid by the Institution pursuant to the provisions of Section 5.1 of the Loan Agreement.

“Master Indenture” means the master trust indenture dated as of September 1, 2009 by and between the Institution and the Master Trustee, as the same may be supplemented or amended from time to time.

“Master Trustee” means Manufacturers and Traders Trust Company, or any successor trustee or co-trustee, acting as trustee under the Master Indenture.

“Maturity Date” means, with respect to any Bond, the final Stated Maturity of the principal of such Bond.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Institution.

“Mortgage” means the mortgage and security agreement dated as of September 1, 2016 from the Institution to the Issuer, which, among other things, (A) grants to the Issuer a first mortgage lien on, and a security interest in, among other things, the Project Facility and (B) assigns to the Issuer the rents, issues and profits of the Project Facility, as said mortgage and security agreement may be amended or supplemented from time to time.

“Mortgage Assignment” means the assignment of mortgage dated as of September 1, 2016 from the Issuer to the Master Trustee, pursuant to which the Issuer will assign the Mortgage to the Master Trustee, as said assignment of mortgage may be amended or supplemented from time to time.

“Mortgaged Property” means all Property which may from time to time be subject to the Lien of the Mortgage.

“Net Proceeds” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“Nonexempt Person” or “Nonexempt Entity” means any Person other than (A) a state or local governmental entity or (B) a Person described in Section 501(c)(3) of the Code which has been recognized in writing by the Internal Revenue Service as being exempt from taxation under Sections 501(a) and Section 501(c)(3) of the Code.

“Office of the Trustee” means the corporate trust office of the Trustee specified in Section 1103 of the Indenture, or such other address as the Trustee shall designate pursuant to Section 1103 of the Indenture.

“Official Statement” means (A) with respect to the Initial Bonds, the official statement delivered in connection with the sale of the Initial Bonds by the Underwriter, and (B) with respect to any Series of Additional Bonds, any similar document approved by the Issuer and the Institution in connection with the sale by the Underwriter of the related Series of Additional Bonds.

“Optional Redemption Premium” means the premium payable upon an optional redemption of the Bonds, as determined pursuant to Section 301(B) of the Indenture.

“Ordinary Services” and “Ordinary Expenses” means those reasonable services normally rendered with those reasonable expenses, including reasonable attorneys’ fees, normally incurred by a trustee or a paying agent, as the case may be, under instruments similar to the Indenture.

“Outstanding” means, when used with reference to the Bonds as of any date, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(A) Bonds theretofore cancelled or deemed cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(B) Bonds for the payment or redemption of which moneys or Defeasance Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or Redemption Date of any such Bonds) in accordance with the Indenture (whether upon or prior to the maturity or Redemption Date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form and substance to the Trustee shall have been filed with the Trustee; and

(C) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered under the Indenture.

In determining whether the Owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by or on behalf of the Institution (unless all of the outstanding Bonds are then owned by the Institution) shall be disregarded for the purpose of any such determination. If the Indenture shall be discharged pursuant to Article X of the Indenture, no Bonds shall be deemed to be Outstanding within the meaning of this definition.

“Owner” or “owner”, when used with respect to a Bond, means the Registered Owner of such Bond, except that wherever appropriate the term “Owner” shall mean the owner of such Bond for federal income tax purposes.

“Participant” shall have the meaning assigned to such term in Section 213(B) of the Indenture.

“Paying Agent” means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article VII of the Indenture, their respective successors and any other corporation that may at any time be substituted in their respective places pursuant to the Indenture.

“Permitted Encumbrances” means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics’, materialmen’s, warehousemen’s, carriers’

and other similar Liens, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by Section 6.2(B) of the Loan Agreement, or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Financing Document, (E) any Lien on the Project Facility in favor of the Trustee or the Master Trustee, (F) any lease of the Project Facility permitted by the Tax Documents, and (G) any Lien on the Project Facility approved or granted by the Institution.

“Person” means an individual, partnership, corporation, limited liability company, trust, unincorporated organization or Governmental Authority.

“Plans and Specifications” means: (A) with respect to the Project, the description of the Project Facility appearing in the fourth recital clause to the Indenture and the Loan Agreement; and (B) with respect to any Additional Project, (1) as to the Issuer, the description of such Additional Project appearing in the Issuer’s preliminary inducement resolution relating thereto, and (2) as to the Trustee, the plans and specifications for such Additional Project prepared by the Institution, and all amendments and modifications thereof made by approved change orders; and, if an item for the construction of the Additional Facility is not specifically detailed in the aforementioned plans and specifications, but rather is described by way of manufacturer’s or supplier’s or contractor’s shop drawings, catalog references or similar descriptions, the term also includes such shop drawings, catalog references and descriptions.

“Pledge and Assignment” means the pledge and assignment dated as of September 1, 2016 from the Issuer to the Trustee, and acknowledged by the Institution, pursuant to which the Issuer has assigned to the Trustee its rights under the Loan Agreement (except the Unassigned Rights), as said pledge and assignment may be amended or supplemented from time to time.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 205 of the Indenture in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

“Preliminary Official Statement” means (A) with respect to the Initial Bonds, the preliminary official statement delivered in connection with the sale of the Initial Bonds by the Underwriter, and (B) with respect to any Series of Additional Bonds, any similar document approved by the Issuer and the Institution for use in connection with the issuance of the related Series of Additional Bonds.

“Principal Payment Date” means (A) with respect to the Initial Bonds, each Interest Payment Date on which a Sinking Fund Payment is due on the Bonds, and the Maturity Date of each of the Initial Bonds, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of principal due on such Additional Bonds.

“Prior Bonds” shall have the meaning assigned to such term in the fourth recital clause to the Indenture.

“Prior IDA Bonds” shall have the meaning assigned to such term in the fourth recital clause to the Indenture.

“Prior IDA Trustee” means Manufacturers and Traders Trust Company, a banking corporation constituting a trust company organized and existing under the laws of the State of New York, acting as trustee under a trust indenture dated as of December 1, 2001, as amended, by and between the Prior Issuer and the Prior IDA Trustee.

“Prior Institution Bonds” shall have the meaning assigned to such term in the fourth recital clause to the Indenture.

“Prior Institution Trustee” means the Master Trustee.

“Prior Issuer” means the City of Albany Industrial Development Agency.

“Prior Reserve Funds” means, collectively, the reserve funds held by (A) the Prior IDA Trustee with respect to the Prior IDA Bonds and (B) the Prior Institution Trustee with respect to the Prior Institution Bonds.

“Prior Trustee” means, collectively, the Prior IDA Trustee and Prior Institution Trustee.

“Project” (A) with respect to the Initial Bonds, shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement, and (B) with respect to any Series of Additional Bonds, means the Additional Project with respect to which such Series of Additional Bonds were issued.

“Project Costs” means Costs of the Project.

“Project Facility” means, collectively, the Initial Land, the Initial Facility and the Initial Equipment and all Additional Project Facilities.

“Project Fund” means the fund so designated established pursuant to Section 401(A)(1) of the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Rating Agency” means Moody’s, if the Bonds are rated by Moody’s at the time, and Standard & Poor’s, if the Bonds are rated by Standard & Poor’s at the time, and their successors and assigns.

“Rebate Amount” shall have the meaning assigned to such term in the Tax Documents.

“Rebate Fund” means the fund so designated established pursuant to Section 401(A)(5) of the Indenture.

“Rebate Fund Earnings Account” means the special account so designated within the Rebate Fund established pursuant to Section 401(A)(5)(b) of the Indenture.

“Rebate Fund Principal Account” means the account so designated within the Rebate Fund established pursuant to Section 401(A)(5)(a) of the Indenture.

“Record Date” means either a Regular Record Date or a Special Record Date.

“Redemption Date” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the provisions of the Indenture and such Bond.

“Regular Record Date” means, with respect to the interest and any Sinking Fund Payment or principal payment due on the Bonds on or prior to maturity payable on any Bond on any Interest Payment Date, the fifteenth (15th) day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date occurs.

“Request for Disbursement” means a request from the Institution, as agent of the Issuer, signed by an Authorized Representative of the Institution, stating the amount of the disbursement sought and containing the statements, representations and other items required by Article IV of the Indenture and by Section 3.3 of the Loan Agreement, which Request for Disbursement shall be in substantially the form of Exhibit A attached to the Indenture.

“Requirement” or “Local Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority.

“Securities Laws” means the Securities Act of 1933, as amended, and all other securities laws of the United States of America or the State to the extent that such laws may now or hereafter be applicable to or affect the issuance, sale and delivery of the Bonds and any transfer or resale thereof.

“Security Documents” shall have the meaning assigned to such term in Section 4.1 of the Loan Agreement.

“Series” or “Series of Bonds” means all of the Bonds of a single series authenticated and delivered pursuant to the Indenture.

“Series 2016A Bonds” means the Issuer’s Tax-Exempt Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016A in the aggregate principal amount of \$36,675,000 issued pursuant to the Bond Resolution, the Certificate of Determination and Article II of the Indenture and sold to the Underwriter pursuant to the provisions of the Initial Bond Purchase Agreement, in substantially the form attached to the Indenture as Schedule I thereto, and any Series 2016A Bonds issued in exchange or substitution therefor.

“Series 2016B Bonds” means the Issuer’s Taxable Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016B in the aggregate principal amount of \$4,120,000 issued pursuant to the Bond Resolution, the Certificate of Determination and Article II of the Indenture and sold to the Underwriter pursuant to the provisions of the Initial Bond Purchase Agreement, in substantially the form attached to the Indenture as Schedule II thereto, and any Series 2016B Bonds issued in exchange or substitution therefor.

“SEQRA” means Article 8 of the Environmental Conservation Law of the State and the statewide and local regulations thereunder.

“Series 2016A Project Account” means the account so designated within the Project Fund established pursuant to Section 401(A)(1)(a) of the Indenture.

“Series 2016B Project Account” means the account so designated within the Project Fund established pursuant to Section 401(A)(1)(b) of the Indenture.

“Sinking Fund Payments” means (A) with respect to the Initial Bonds, the sinking fund redemption payments due on the Initial Bonds pursuant to Section 301(C) of the Indenture and (B) with respect to any Additional Bonds, the sinking fund redemption payments (if any) required pursuant to the supplemental Indenture authorizing issuance of such Additional Bonds.

“Special Record Date” means a date for the payment of any Defaulted Payment on the Bonds fixed by the Trustee pursuant to Section 207(C) of the Indenture.

“Standard & Poor’s” or “S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Institution.

“State” means the State of New York.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“Substantial User” means any Person constituting a “substantial user” within the meaning ascribed to such term in Section 147(a) of the Code.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture executed by the Issuer in accordance with Article VIII of the Indenture.

“Tax Documents” means, collectively, (A) with respect to the Series 2016A Bonds, the Initial Tax Documents and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Series of Additional Bonds.

“Tax-Exempt Bond” means any Bond issued as an obligation of the Issuer, the interest on which is intended to be excluded from the gross income of the Holder thereof for federal income tax purposes pursuant to Section 103 and Section 145 of the Code, including but not limited to the Series 2016A Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Series 2016A Bonds, the Initial Tax Regulatory Agreement and (B) with respect to any Series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar document executed by the Institution in connection with the issuance and sale of such Series of Additional Bonds.

“Term Bonds” means Bonds having a single stated maturity for which Sinking Fund Installments are specified in Section 301(C) of the Indenture (or, if such Bonds are Additional Bonds, in the supplemental indenture authorizing the issuance of such Bonds).

“Termination of Loan Agreement” means a termination of Loan Agreement by and between the Institution, as borrower, and the Issuer, as lender, intended to evidence the termination of the Loan Agreement, substantially in the form attached as Exhibit C to the Loan Agreement.

“Third Supplemental Indenture” means (A) the Institution’s third supplemental indenture dated as of September 1, 2016 between the Institution and the Master Trustee, authorizing the issuance of the Institution Series 2016 Bond.

“Trust Estate” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Financing Document.

“Trust Revenues” means (A) all payments of loan payments made or to be made by or on behalf of the Institution under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts pledged to the Trustee by the Issuer or the Institution to secure the Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (C) all payments received by the Trustee under the Institution Bonds, (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (E) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except (1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, (3) unclaimed funds held under Section 409 of the Indenture, and (4) as specifically otherwise provided, and (F) all other moneys received or held by the Trustee for the benefit of the Bondholders pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall not be considered Trust Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“Trustee” means Manufacturers and Traders Trust Company, a banking corporation constituting a trust company organized and existing under the laws of the State of New York, or any successor trustee or co-trustee acting as trustee under the Indenture.

“Unassigned Rights” means (A) the rights of the Issuer granted pursuant to Sections 2.2, 3.1, 3.2, 3.3, 3.8, 4.4, 5.1(B)(2), 5.1(C), 6.1, 6.2, 6.3, 6.4, 6.5, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.9, 8.11, 8.14, 8.16, 8.17, 8.18, 9.1, 9.2, 11.1, 11.4, 11.8 and 11.10 of the Loan Agreement, (B) the moneys due and to become due to the Issuer for its own account or the members, directors, officers, agents (other than the Institution), servants and employees of the Issuer for their own account pursuant to Sections 2.2, 5.1(B)(2), 5.1(C), 6.4(B), 8.2, 10.2 and 10.4 of the Loan Agreement, and (C) the right to enforce the foregoing pursuant to Article X of the Loan Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Institution under the Sections of the Loan Agreement listed in (A), (B) and (C) above do not relate to the payment of moneys to the Issuer for its own

account or to the members, officers, directors, agents (other than the Institution), servants and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Pledge and Assignment, shall be deemed to and shall constitute obligations of the Institution to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Institution's obligations under the Loan Agreement.

"Underwriter" means (A) with respect to the Initial Bonds, RBC Capital Markets, LLC, as original purchaser of the Initial Bonds on the Closing Date relating thereto, and (B) with respect to any Series of Additional Bonds, the original purchaser of such Series of Additional Bonds on the Closing Date relating thereto.

"Underwriter Documents" means, collectively, (A) with respect to the Initial Bonds, the Initial Underwriter Documents and (B) with respect to any Additional Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Additional Bonds.

"Yield", when used with respect to the Initial Bonds, shall have the meaning assigned to such term in the Initial Tax Regulatory Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summarizes certain provisions of the Indenture to which reference is made for the detailed provisions thereof. Certain provisions of the Indenture are also described in the Official Statement under the captions "INTRODUCTION", "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2016 BONDS" and "THE SERIES 2016 BONDS".

The Series 2016 Bonds will be issued under and secured by the Indenture. Reference is made to the Indenture for complete details of the terms thereof. The following is a brief summary of certain provisions of the Indenture and should not be considered a full statement thereof.

Restriction on Issuance of Bonds (Section 201)

Except for substitute Bonds and Additional Bonds issued pursuant to the Indenture, the total aggregate principal amount of Bonds that may be issued under the Indenture is expressly limited to \$40,795,000.

Limited Obligations (Section 202)

The Bonds, together with the premium, if any, and the interest thereon, shall be limited obligations of the Issuer payable, with respect to the Issuer, solely from the Trust Revenues, which Trust Revenues are hereby pledged and assigned to the Trustee for the equal and ratable payment of all sums due under the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, on and interest on the Bonds, except as may be otherwise expressly provided herein..

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OR OF CITY OF ALBANY, NEW YORK AND NEITHER THE STATE NOR CITY OF ALBANY, NEW YORK SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OR OF CITY OF ALBANY, NEW YORK.

No recourse shall be had for the payment of the principal of, or the premium, if any, or the interest on, any Bond or for any claim based thereon or on the Indenture against any past, present or future member, director, officer, agent (other than the Institution), servant or employee, as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

Delivery of the Initial Bonds (Section 210)

Upon the execution and delivery of the Indenture, the Issuer shall execute and deliver the Initial Bonds (including a reasonable number of additional Initial Bonds to be retained by the Trustee for authentication and delivery upon transfer or exchange of any Initial Bond) to the Trustee, and the Trustee shall authenticate and deliver the Initial Bonds to the purchasers thereof against payment of the purchase price therefor, plus accrued interest to the day preceding the date of delivery, upon receipt by the Trustee of the following:

- (1) a certified copy of the Bond Resolution;
- (2) executed originals of the Institution Bonds and a certified copy of the executed Initial Institution Indenture;
- (3) executed counterparts of the Indenture, the Loan Agreement and the other Initial Financing Documents;
- (4) a request and authorization to the Trustee on behalf of the Issuer signed by an Authorized Representative of the Issuer to deliver the Initial Bonds to or upon the order of the Underwriter upon payment to the Trustee for the account of the Issuer of the purchase price therefor specified in such request and authorization;
- (5) signed copies of the opinions of counsel to the Issuer, the Institution, the Master Trustee and the Trustee, and of Bond Counsel, as required by the Initial Bond Purchase Agreement;
- (6) the certificates and policies, if available, of the insurance required by the Loan Agreement;
- (7) evidence that a completed Internal Revenue Service Form 8038 with respect to the Initial Bonds has been signed by the Issuer; and
- (8) such other documents as the Trustee or Bond Counsel may reasonably require.

Additional Bonds (Section 214)

So long as the Loan Agreement is in effect and no Event of Default exists thereunder or hereunder (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder or hereunder), the Issuer may, upon a request from the Institution complying with the provisions of Section 214 of the Indenture, issue one or more Series of Additional Bonds to provide funds to pay any one or more of the following: (1) costs of completion of the Project Facility in excess of the amount in the Project Fund; (2) costs of any Additional Project; (3) costs of refunding or advance refunding any or all of the Bonds previously issued; (4) costs of making any modifications, additions or improvements to the Project Facility that the Institution may deem necessary or desirable; (5) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Project Facility in the event of damage, destruction or taking by eminent domain; and/or (6) costs of the issuance and sale of the Additional Bonds, capitalized interest, funding debt service reserves, and other costs reasonably related to any of the foregoing. Additional Bonds may mature at different times, bear interest at different rates and otherwise vary from the Initial Bonds authorized under Section 209 of the Indenture, all as may be provided in the supplemental Indenture authorizing the issuance of such Additional Bonds.

Prior to the execution of a supplemental Indenture authorizing the issuance of Additional Bonds, the Issuer must deliver the following documents to the Trustee:

- (1) (a) an amendment to the Initial Institution Bonds (or an Additional Institution Bonds), which amended Initial Institution Bonds (or which Additional Institution Bonds), when aggregated with the Initial Institution Bonds and all other Institution Bonds then held by the Trustee) shall provide for timely payment by the Institution of principal and interest and premium payments in an amount at least equal to

the sum of the total Debt Service Payments due on the Initial Bonds and all Additional Bonds, and (b) an amendment to the Loan Agreement and the other Financing Documents, providing for timely payment by the Institution of Loan Payments in an amount at least equal to the sum of the total Debt Service Payments due on the Initial Bonds and all Additional Bonds and all other costs in connection with the Project Facility and all Additional Projects covered thereby;

(2) evidence that the Financing Documents, as amended or supplemented in connection with the issuance of the Additional Bonds, provide that (a) the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Initial Bonds originally issued under the Indenture and any Additional Bonds theretofore issued, and (b) the Project Facility referred to in the Financing Documents includes any Additional Facilities being financed;

(3) a copy of the resolution of the board of directors of the Institution, duly certified by the secretary or assistant secretary of the Institution, which approves the issuance of the Additional Bonds and authorizes the execution and delivery by the Institution of the amendments to the Financing Documents described in paragraphs (1) and (2) above;

(4) written opinions of counsel to the Institution which shall state that (i) the amendments and supplements to the Financing Documents described in paragraphs (1) and (2) above have been duly authorized, executed and delivered by the Institution, (ii) the Financing Documents, as amended and supplemented to the Closing Date for such Additional Bonds, constitute legal, valid and binding obligations of the Institution enforceable against the Institution in accordance with their respective terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance, and (iii) all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(5) a copy of the resolution of the members of the board of directors of the Issuer, duly certified by the secretary or assistant secretary of the Issuer, authorizing the issuance of the Additional Bonds and the execution and delivery by the Issuer of the amendments to the Financing Documents described in paragraph (1) and paragraph (2) above to be executed by the Issuer in connection therewith;

(6) an opinion of counsel to the Issuer stating that the amendments and supplements to the Financing Documents described above have been duly authorized and lawfully executed and delivered on behalf of the Issuer; and that such amendments and supplements to the Financing Documents are in full force and effect and are valid and binding upon the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance;

(7) an opinion of Bond Counsel stating that, in the opinion of such Bond Counsel, the Issuer is duly authorized and entitled to issue such Additional Bonds and that, upon the execution, authentication and delivery thereof, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Issuer, enforceable in accordance with their terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; that the issuance of the Additional Bonds will not, in and of itself, adversely affect the validity of the Initial Bonds originally issued under the Indenture or any Additional Bonds theretofore issued or the exclusion of the interest payable on the Initial Bonds and any Additional Bonds theretofore issued as Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(8) written evidence from each Rating Agency, if any, by which the Bonds are then rated, to the effect that the issuance of such Additional Bonds will not, by itself, result in a reduction or withdrawal of the rating(s) on the Outstanding Bonds applicable immediately prior to the issuance of the Additional Bonds;

(9) a written order to the Trustee executed by an Authorized Representative of the Issuer requesting that the Trustee authenticate and deliver the Additional Bonds to the purchasers therein identified; and

(10) such other documents as the Trustee may reasonably request.

Each Series of Additional Bonds shall be equally and ratably secured under the Indenture with the Initial Bonds issued on the Closing Date and with all other Series of Additional Bonds, if any, previously issued under the Indenture, without preference, priority or distinction of any Bond over any other Bond.

The consent of the Holders of the Bonds shall not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Financing Documents required in connection therewith. Except for Additional Bonds secured by obligations constituting "Permitted Debt" (as defined in the Master Indenture), prior to the issuance by the Issuer of a series of Additional Bonds, the Institution shall provide to the Trustee the following: (1) a notice of the proposed issuance of such series of Additional Bonds; and (2) a proposed form of notice to be sent to the Holders of the Bonds and each Rating Agency, if any, by which the Bonds are then rated of the proposed issuance of the Additional Bonds (a "Notice to Holders"), detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Financing Documents proposed to be executed in connection therewith. Within five Business Days of receipt of the foregoing, the Trustee shall mail the Notice to Holders to the Holders of the Bonds and each Rating Agency, if any, by which the Bonds are then rated of the proposed issuance of the Additional Bonds.

Establishment of Funds (Section 401)

The Indenture creates four trust funds (and various accounts therein) to be held by the Trustee: (1) the Project Fund and, within the Project Fund, the following special accounts: (a) the Series 2016A Project Account; (b) the Series 2016B Project Account; and (c) an additional, separate account for each Series of Additional Bonds, each such additional account to be known as the "Series _____ Project Account", with the blank to be filled in with the same Series designation as borne by the related Series of Additional Bonds; (2) the Bond Fund; (3) the Insurance and Condemnation Fund; and (4) the Rebate Fund, and, within the Rebate Fund, the following special accounts: (a) the Rebate Fund Principal Account and (b) the Rebate Fund Earnings Account.

All moneys required to be deposited with or paid to the Trustee under any provision of the Indenture (1) shall be held by the Trustee in trust, and (2) (except for moneys held by the Trustee (a) for the redemption of Bonds, notice of redemption of which has been duly given, (b) as unclaimed monies under Section 409 of the Indenture or (c) in the Rebate Fund) shall, while held by the Trustee, constitute part of the Trust Revenues and be subject to the Lien of the Indenture. Moneys which have been deposited with, paid to or received by the Trustee for the redemption of a portion of the Bonds or for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and be subject to a Lien in favor of only the Holders of such Bonds so redeemed or so due and payable.

Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee or any other Person.

Application of Proceeds of Bonds and Other Moneys (Section 402)

The Issuer shall deposit with the Trustee all of the proceeds from the sale of the Initial Bonds, including accrued interest payable on the Initial Bonds. The Trustee shall deposit the proceeds from the sale of the Initial Bonds as follows: (1) the Trustee shall deposit the portion of the proceeds of the sale of the Initial Bonds representing accrued interest on the Initial Bonds, if any, into the Bond Fund; and (2) the Trustee shall deposit the remainder of the proceeds of the sale of each Series of the Initial Bonds into the related Project Account in the Project Fund.

The proceeds of any Additional Bonds shall be deposited as provided in the supplement to the Indenture authorizing the issuance of such Additional Bonds. Any such proceeds required to be deposited in the Project Fund shall be deposited in the appropriate account relating to such Additional Bonds within the Project Fund

Transfers of Trust Revenues to Funds (Section 403)

Commencing on the first date on which Loan Payments are received from the Institution pursuant to Section 5.1(A) of the Loan Agreement, and thereafter, the Trustee shall deposit such payments, upon the receipt thereof, into the Bond Fund, as provided in Section 405(A) of the Indenture. The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee shall, upon receipt thereof, be deposited into the Insurance and Condemnation Fund. Any amount received by the Trustee from the Institution pursuant to Section 5.1(B)(3) or Section 5.1(B)(4) of the Loan Agreement shall be deposited into the Reserve Fund.

Project Fund (Section 404)

In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds pursuant to Section 402 hereof, there shall be deposited into the Project Fund all other moneys received by the Trustee under or pursuant to the Indenture or the other Financing Documents which, by the terms hereof or thereof, are to be deposited in the Project Fund. Moneys on deposit in the Series 2016A Project Account and the Series 2016B Project Account of the Project Fund with respect to the Initial Bonds shall be disbursed and applied by the Trustee to pay the Costs of the Project relating to the Project pursuant to the provisions of Section 3.3 of the Loan Agreement, Section 404 of the Indenture and the Initial Tax Regulatory Agreement. Moneys on deposit in the Project Fund with respect to the Additional Bonds shall be disbursed in accordance with the provisions of the supplemental Indenture authorizing issuance of such Additional Bonds.

The Trustee is hereby instructed to enter into the IDA Defeasance Escrow Agreement relating to the defeasance of the Prior IDA Bonds. On the Closing Date relating to the Initial Bonds, or as soon thereafter as is practicable, following execution and delivery of the IDA Defeasance Escrow Agreement, the Trustee shall pay to the Prior Trustee, from the moneys on deposit in the Project Fund, an amount equal to the IDA Defeasance Cash Deposit relating to the Prior IDA Bonds. Pursuant to the provisions of the IDA Defeasance Escrow Agreement, the IDA Defeasance Cash Deposit relating to the Prior IDA Bonds shall become part of the IDA Defeasance Escrow Deposit relating to the Prior IDA Bonds, and the IDA Defeasance Escrow Deposit relating to the Prior IDA Bonds shall be held by the Prior Trustee pursuant to the IDA Defeasance Escrow Agreement and applied to pay debt service coming due on the Prior IDA Bonds and to redeem the Prior IDA Bonds on the earliest possible optional redemption date relating to the Prior IDA Bonds following the date of issuance of the Initial Bonds.

The Trustee is hereby authorized and directed to disburse the balance of the moneys on deposit in the Project Fund relating to the Initial Bonds upon receipt by the Trustee of a Request for Disbursement certified to by an Authorized Representative of the Institution in accordance with the applicable provisions of the Indenture and the Loan Agreement and the Initial Tax Regulatory Agreement.

Moneys on deposit in the Project Fund may be invested in Authorized Investments in accordance with the provisions of the Indenture. All interest and other income accrued and earned on amounts held in the Project Fund shall be deposited by the Trustee into the appropriate account of the Project Fund related to such monies and may be used to pay the Costs of the Project related to such account.

Except for any amount retained for the payment of incurred and unpaid items of the Cost of the Project, after the Completion Date related to a particular Project, all moneys in the related account in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to the Indenture and the Tax Documents) shall be transferred from the Project Fund to the Bond Fund or to an escrow fund to be created by the Trustee at the written direction of the Institution, to be applied to the defeasance of a portion of the Bonds then Outstanding pursuant to the provisions of the Tax Documents.

In the event the unpaid principal amount of the Bonds is accelerated upon the occurrence of an Event of Default, the balance in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund

pursuant to the Indenture and the Tax Documents) will be transferred from the Project Fund to the Bond Fund as soon as possible and will be used to pay the principal of, premium, if any, on and interest on the Bonds.

The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom and, upon request of the Issuer or the Institution, shall file an accounting thereof with the Issuer and the Institution.

Bond Fund (Section 405)

In addition to the moneys deposited into the Bond Fund (1) from the proceeds of the sale of the Bonds pursuant to Section 402 of the Indenture and (2) pursuant to Sections 403, 404 and 410 of the Indenture, there shall be deposited into the Bond Fund (a) all Loan Payments received from the Institution under the Loan Agreement (except payments made with respect to the Unassigned Rights, which shall be paid to the Issuer), (b) any amounts received from the Institution under the Institution Bonds, (c) any amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund under Section 406 of the Indenture, (d) any amounts received from the Institution pursuant to Section 3.6 of the Loan Agreement, (e) all prepayments by the Institution in accordance with Section 5.3 of the Loan Agreement in connection with which notice has been given to the Trustee pursuant to Section 302 of the Indenture, and (f) all other moneys received by the Trustee under and pursuant to the Indenture or the other Financing Documents which by the terms thereof are to be deposited into the Bond Fund, or are accompanied by directions from the Institution or the Issuer that such moneys are to be paid into the Bond Fund.

Moneys on deposit in the Bond Fund may be invested in Authorized Investments in accordance with the provisions of the Indenture. All interest and other income accrued and earned on moneys on deposit in the Bond Fund will be deposited by the Trustee in the Bond Fund.

Insurance and Condemnation Fund (Section 406)

The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project Facility shall be deposited into the Insurance and Condemnation Fund. If, following damage to or Condemnation of all or a portion of the Project Facility, (1) the Institution exercises its option not to repair, rebuild or restore the Project Facility and to provide for the defeasance of the Bonds, or (2) if a taking in Condemnation as described in Section 7.2(C) of the Loan Agreement occurs, the Trustee shall (after any transfer to the Rebate Fund required pursuant to the Indenture and the Tax Documents is made) transfer all moneys held in the Insurance and Condemnation Fund to an escrow fund to be created by the Trustee at the written direction of the Institution, to be applied to the defeasance and/or redemption of the Bonds then Outstanding pursuant to the provisions of the Tax Documents, except as provided in Section 411 of the Indenture.

If, following damage to or Condemnation of all or a portion of the Project Facility, the Institution elects to repair, rebuild or restore the Project Facility, and provided no Event of Default under the Indenture or under any other Financing Document has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction or taking of the Project Facility (after any transfer to the Rebate Fund required by the Indenture and the Tax Documents is made) will be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the Indenture.

If the cost of the repairs, rebuilding or restoration of the Project Facility effected by the Institution shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee shall transfer such difference to the Bond Fund and use such amounts so transferred to provide for the defeasance and/or redemption of the Bonds in accordance with the Tax Documents; provided that such amounts may be transferred to the Institution for its purposes if (1) the Institution so requests and (2) the Institution furnishes to the Trustee an opinion of Bond Counsel to the effect that payment of such moneys to the Institution will not, in and of itself, adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes.

Rebate Fund (Section 407)

The Trustee shall make information regarding the Bonds and investments under the Indenture available to the Institution. If a deposit to the Rebate Fund is required as a result of the computations made or caused to be made by the Institution, the Trustee shall upon receipt of written direction from the Institution accept such payment for the benefit of the Institution. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall upon written direction from the Authorized Representative of the Institution transfer such amount to the Institution. Records of the determinations required by Section 407 of the Indenture and the instructions must be retained by the Trustee until six years after the Tax-Exempt Bonds are no longer outstanding. Any provision of the Indenture to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien under the Indenture.

The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, shall deposit in the Rebate Fund Principal Account, within thirty (30) days after the end of each Bond Year commencing with the first Bond Year, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year and so certified to the Trustee. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion or restoration of the Project Facility pursuant to the Loan Agreement or the Indenture at any time during a Bond Year, the Trustee will deposit in the Rebate Fund Principal Account upon receipt of such certification an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated on the Completion Date or at the time of restoration of the Project Facility, as the case may be. The amount to be deposited in the Rebate Fund shall be withdrawn from the fund or funds established under the Indenture designated by the Institution or from other moneys made available by the Institution.

In the event that on the first day of any Bond Year, after the calculation of the Rebate Amount, the amount on deposit in the Rebate Fund Principal Account with respect to a Series of Tax-Exempt Bonds exceeds the Rebate Amount with respect to a Series of Tax-Exempt Bonds, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Issuer or the Institution, shall withdraw such excess amount and (1), prior to the Completion Date, shall transfer such excess to the Project Fund to be applied to the payment of Costs of the Project related to such Series of Tax-Exempt Bonds or (2), after the Completion Date, shall transfer such excess to the Bond Fund to be applied to the payment of the principal and interest and Sinking Fund Payments coming due on such Series of Tax-Exempt Bonds on the next following Bond Payment Date.

The Trustee, upon the receipt of written instructions satisfactory to the Trustee from an Authorized Representative of the Institution, shall pay to the United States of America, from amounts on deposit in the Rebate Fund or from other moneys supplied by the Institution, (1) not less frequently than once every five (5) years after the date of original issuance of a Series of Tax-Exempt Bonds (or such other date as the Institution may choose, provided the Institution and the Trustee receive an opinion of Bond Counsel that such change will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes) and every five years thereafter until final retirement of such Series of Tax-Exempt Bonds, an amount such that, together with prior amounts paid to the United States of America, the total amount paid to the United States of America is equal to ninety percent (90%) of the Rebate Amount with respect to such Series of Tax-Exempt Bonds as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Account with respect to such Series of Tax-Exempt Bonds, and (2) not later than thirty (30) days after the date on which all Bonds of any particular Series of Tax-Exempt Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount with respect to such Series of Tax-Exempt Bonds as of the date of such payment plus all amounts relating thereto then held in the Rebate Fund Earnings Account with respect to such Series of Tax-Exempt Bonds.

The foregoing described provisions of the Indenture may be amended, without notice to or consent of the Bondholders, at the request of the Issuer or the Institution, to comply with the applicable regulations of the Treasury Department, upon the delivery by the Issuer or the Institution to the Trustee of an opinion of Bond Counsel that such amendment will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds which exists on the Closing Date.

Non-Presentment of Bonds (Section 409)

Subject to the provisions of the Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, or in the event any interest payment on a Bond shall be unclaimed, if moneys sufficient to pay such Bond or interest shall have been deposited with the Trustee for the benefit of the Holder thereof, such Bond shall be deemed cancelled, redeemed or retired on such date even if not presented on such date or such interest shall be deemed paid, as the case may be, and all liability of the Issuer to the Holder thereof for the payment of such Bond or interest shall forthwith cease, terminate and be completely discharged; and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond or interest thereon who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or with respect to such Bond or interest.

Subject to any law to the contrary, if any Bond shall not be presented for payment or any interest payment shall not be claimed prior to the earlier of (1) two years following the date when such Bond or interest becomes due, either at maturity or at the date fixed for redemption or otherwise, or (2) the Business Day prior to the date on which such moneys would escheat to the State, the Trustee shall, upon written request of the Institution, return to the Institution all funds held by the Trustee for the payment of such Bond or interest. Thereafter, (a) the Owner of such Bond shall be entitled to look only to the Institution for payment of such Bond or interest, and then only to the extent of the amount so repaid to the Institution, who shall not be liable for any interest thereon and shall not be regarded as a trustee of such money, (b) all liability of the Trustee with respect to such moneys shall terminate, and (c) such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Institution.

Final Disposition of Moneys (Section 411)

In the event there are no Bonds Outstanding, and subject to any applicable law to the contrary, after payment of all fees, charges and expenses, including, but not limited to reasonable attorney's fees, of the Issuer and the Trustee and all other amounts required to be paid under the Indenture and under the other Financing Documents and after payment of any amounts required to be rebated to the United States of America under the Indenture and under the Tax Documents or any provision of the Code, all amounts remaining in any fund established under the Indenture shall be transferred to the Institution (except amounts held with respect to the Unassigned Rights, which amounts shall be paid to the Issuer, and except for moneys held for the payment or redemption of Bonds which have matured or been defeased or notice of the redemption of which has been duly given and any other monies held under Section 409, which shall be held for the benefit of the Owners of such Bonds).

No Modification of Security; Limitation on Liens (Section 508)

The Issuer covenants that it will not alter, modify or cancel, or agree to alter, modify or cancel, the Loan Agreement or any other Financing Document to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the security for the Bonds, except as contemplated by the Indenture or pursuant to the terms of such document. The Issuer further covenants that, except for the Financing Documents and other Permitted Encumbrances, the Issuer will not incur, or suffer to be incurred, any mortgage, Lien, charge or encumbrance on or pledge of any of the Trust Estate prior to or on a parity with the Lien of the Indenture.

Covenant Against Arbitrage Bonds (Section 513)

So long as any Tax-Exempt Bonds shall be Outstanding, the Issuer covenants that it will not use or direct or permit the use of the proceeds of the Tax-Exempt Bonds or any other moneys in its control (including, without limitation, the proceeds of any insurance settlement or Condemnation award with respect to the Project Facility) in such manner as would cause any of the Tax-Exempt Bonds to be an "arbitrage bond" within the meaning of such quoted term in Section 148 of the Code. The Issuer shall not be responsible for the calculation or payment of any rebate amount required by Section 148 of the Code. The Trustee shall not be responsible for the calculation, or the payment from its own funds, of any amount required to be rebated to the United States of America under Section 148 of the Code. The Trustee shall, however, make such transfers to the Rebate Fund and pay such amounts from

the funds and accounts created hereunder and from the Institution's funds to the United States of America as the Institution, in accordance with the Indenture and the Tax Documents, shall direct.

Events of Default (Section 601)

The Indenture provides that each of the following events will constitute an Event of Default under the Indenture:

- (1) failure by the Issuer to make due and punctual payment of the interest or premium or Sinking Fund Payments on any Bond or failure by the Issuer to make due and punctual payment of the principal of any Bond, whether at the Stated Maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;
- (2) subject to any right to waive the same as set forth in the Financing Documents, receipt by the Trustee of notice, or actual notice on the part of the Trustee, of the occurrence of an Event of Default under any of the other Financing Documents; or
- (3) subject to the provisions of the Indenture, default in the performance or observance of any other covenant, agreement or condition on the part of the Issuer in the Indenture or in any Bond to be performed or observed and the continuance thereof for a period of thirty (30) days after written notice thereof is given to the Issuer and the Institution by the Trustee or by the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Acceleration (Section 602)

Upon (A) the occurrence of an Event of Default under paragraph (1) of the first paragraph under the caption "Events of Default" herein, the Trustee shall, and (B) the occurrence and continuance of an Event of Default under paragraphs (2) or (3) of the first paragraph under the caption "Events of Default" herein and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, the Trustee shall, by notice in writing delivered to the Institution, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Loan Agreement.

Enforcement Of Remedies (Section 603)

Upon the occurrence and during the continuance of any Event of Default, the Trustee shall exercise such of the rights and powers vested in the Trustee by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. In considering what actions are or are not prudent in the circumstances, the Trustee shall consider whether or not to take such action as may be permitted to be taken by the Trustee under any of the Financing Documents.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may proceed forthwith to protect and enforce its rights under the Enabling Act, the Loan Agreement and the other Financing Documents by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce payment of and receive any amounts due or becoming due from the Issuer or the Institution under any of the provisions of the Indenture, the Loan Agreement and the other Financing Documents, without prejudice to any other right or remedy of the Trustee or the Bondholders. The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, premium, interest or otherwise under any of the provisions of the Indenture or the other Financing Documents, without prejudice to any other right or remedy of the Trustee.

Regardless of the happening of an Event of Default, the Trustee may institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture and the other Financing Documents by any acts which may be unlawful or in violation of the Indenture or of any other Financing Document or of any resolution authorizing the Bonds, or to preserve or protect the interest of the Trustee and/or the Bondholders.

Rights of Bondholders to Direct Proceedings (Section 607)

The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right at any time, by an instrument in writing executed and delivered to the Trustee and upon offering the Trustee the security and indemnity provided for in the Indenture, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, the Loan Agreement or the other Financing Documents, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction, in the opinion of Independent Counsel, is in accordance with the provisions of law and is not unduly prejudicial to the interests of the Bondholders not joining such direction.

Application of Moneys (Section 609)

All moneys received by the Trustee pursuant to any right given or action taken under the default and remedy provisions of the Indenture shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including reasonable attorneys' fees) incurred or made by the Trustee, be deposited into the Bond Fund; and all moneys in the Bond Fund shall be applied, together with the other moneys held by the Trustee under the Indenture (other than amounts on deposit in the Rebate Fund and unclaimed funds held pursuant to Section 409 of the Indenture), as follows:

(1) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST - to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND - to the payment to the Persons entitled thereto of the unpaid principal of and any premium on the Bonds (other than Bonds called for redemption for the payment of which moneys shall be held pursuant to the provisions of the Indenture) which shall have become due, in order of their maturities, with interest from the date upon which they became due and, if the amount available shall not be sufficient to pay in full the principal of and premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to amounts due respectively for principal, interest and premium, if any, to the Persons entitled thereto, without any discrimination or privilege; and

THIRD - to the payment to the Persons entitled thereto of the principal of, premium, if any, on, or interest on the Bonds which may thereafter become due and payable, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of interest, principal and premium, if any, due on such date to the Persons entitled thereto, without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for

principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of item (1) of the preceding paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional moneys becoming available in the future. Whenever moneys are to be applied pursuant to the provisions of item (2) of the preceding paragraph, such moneys shall be applied as soon as practicable upon receipt thereof. In either case, the Trustee shall give such notice as the Trustee may deem appropriate of the deposit with the Trustee 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 Bond until such Bond shall be presented to the Trustee and a new Bond is issued or the Bond is cancelled if fully paid.

Notice of Defaults; Opportunity to Cure (Section 614)

Anything in the Indenture to the contrary notwithstanding, no Event of Default described in paragraph (2) or paragraph (3) under the caption "SUMMARY OF THE INDENTURE - Events of Default" will constitute an Event of Default until the Trustee shall have received written notice thereof or shall have actual notice thereof and until actual notice of such default by registered or certified mail is given by the Trustee, or by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of Bonds then Outstanding, to the Issuer and the Institution (with a copy to the Trustee if given by the Holders), and the Issuer and the Institution have had thirty (30) days after receipt of such notice to correct such default or cause said default to be corrected, and have not done so within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Institution within the applicable period and diligently pursued until the default is corrected.

Acceptance of the Trusts (Section 701)

The Trustee accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts upon certain terms and conditions, including but not limited to the following:

The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties under the Indenture by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed without gross negligence, and shall be entitled to advice of counsel concerning all matters of the trusts of the Indenture and the duties under the Indenture, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts of the Indenture. The Trustee may act, without gross negligence, upon the opinion or advice of any attorney appointed, who may be the attorney or attorneys for the Issuer, and shall not be responsible for any loss or damage resulting from any action or nonaction in reliance upon any such opinion or advice.

The Trustee may become the Owner of Bonds secured by the Indenture with the same rights which it would have if not the Trustee.

Before taking any action under the Indenture (except declaring an Event of Default, a mandatory redemption or an acceleration of the Bonds pursuant to the Indenture), the Trustee may require that a security and indemnity reasonably satisfactory to it be deposited with it for the reimbursement of all fees, costs and expenses including, but not limited to, reasonable attorney's fees and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

The Trustee shall not be required to take notice or be deemed to have notice of the occurrence of any Event of Default or an Event of Taxability other than an Event of Default under paragraph (1) under the caption "SUMMARY OF THE INDENTURE - Events of Default" above, unless the Trustee shall have actual knowledge of such Event of Default or Event of Taxability or unless the Trustee shall be specifically notified in writing of such Event of Default or Event of Taxability by the Issuer or the Institution or the Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding under the Indenture, and all notices or other instruments

required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default or Event of Taxability, except as aforesaid.

Appointment of Successor Trustee by the Bondholders; Temporary Trustee (Section 708)

In case the Trustee under the Indenture shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy, the Issuer (at the written direction of the Institution) by an instrument executed and signed by the Chairman or Vice Chairman and attested by the Secretary or Assistant Secretary of the Issuer under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer (at the written direction of the Institution) shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders.

Every such successor or temporary Trustee appointed pursuant to the provisions of the paragraph above shall (1) be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, (2) be located within or outside the State, (3) be duly authorized to exercise trust powers in the State, (4) be subject to examination by a federal or state authority, and (5) maintain a reported capital and surplus of not less than \$20,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully guaranteed by a corporation organized and doing business under the laws of the United States of America, and State or Territory thereof or of the District of Columbia, that has a combined capital and surplus of at least \$50,000,000), if there be one able and willing to accept the trust on reasonable and customary terms..

Supplemental Indentures Not Requiring Consent of Bondholders (Section 801)

The Issuer and the Trustee, without the consent of or notice to any of the Bondholders, may enter into an indenture or indentures supplemental to the Indenture and not inconsistent with the terms and provisions of the Indenture or, in the sole judgment of the Trustee, materially adverse to the interests of the Trustee or the Holders of the Bonds, for any one or more of the following purposes:

- (1) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (2) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;
- (3) to subject additional rights and revenues to the Lien of the Indenture, or to identify more precisely the Trust Estate;
- (4) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's;
- (5) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;
- (6) to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law;
- (7) to enable the issuance of Additional Bonds;

(8) to permit the Bonds to be converted to certificated securities to be held by the registered owners thereof; or

(9) for any other purpose not materially adverse to the interests of the Holders of the Bonds.

Supplemental Indentures Requiring Consent of Bondholders (Section 802)

Other supplemental indentures modifying the Indenture may be approved by the Holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding; provided that no supplemental indenture is permitted which would permit (1) without the consent of the Holder of such Bond, (a) a reduction in the rate, or extension of the time of payment, of interest on any Bond, (b) a reduction of any premium payable on the redemption of any Bond, or an extension of time for such payment, or (c) a reduction in the principal amount payable on any Bond, or an extension of time in which the principal amount of any Bond is payable, whether at the stated or declared maturity or redemption thereof, (2) the creation of any Lien prior to or on a parity with the Lien of the Indenture (other than that parity Lien created to secure the Additional Bonds), (3) a reduction in the aforesaid aggregate principal amount of Bonds, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (4) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (5) a privilege or priority of any Bond or Bonds over any other Bond or Bonds.

Supplemental Indentures; Consent of the Institution (Section 803)

Supplemental indentures which affect the rights or liabilities of the Institution under the Indenture require the consent of the Institution.

Amendments to Loan Agreement or other Financing Documents Not Requiring Consent of Bondholders (Section 901)

The Issuer, the Institution and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement or any other Financing Document (other than the Indenture) as may be required (1) by the provisions of any Financing Document, (2) for the purpose of curing any ambiguity, inconsistency or formal defect therein or omission therefrom, (3) so as to identify more precisely the Trust Estate or the Project Facility, (4) in connection with any supplemental indenture entered into pursuant to Section 801 of the Indenture, or to effect any purpose for which there could be a supplemental indenture pursuant to Section 801 of the Indenture, (5) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's, (6) to permit the issuance of Additional Bonds, (7) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (8) in connection with any other supplemental indenture, but only if any such amendment, change or modification, in the sole judgment of the Trustee, is not materially adverse to the interests of the Trustee or the Bondholders.

Amendments to Loan Agreement or other Financing Documents Requiring Consent of Bondholders (Section 902)

Except for the amendments, changes or modifications as provided under the above caption, neither the Issuer, the Institution nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement or any other Financing Document (other than the Indenture) without mailing notice thereof to, and obtaining the written approval or consent thereto of, the Holders of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given as provided in the Indenture.

Satisfaction and Discharge of Lien (Section 1001)

If the Issuer (1) shall pay or cause to be paid, to the Holders and Owners of the Bonds, the principal of the Bonds and premium, if any, due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (2) shall pay or cause to be paid from any source, to the Holders and Owners of the Bonds, the interest to become due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (3) shall have paid all fees, costs and expenses including, but not limited to, reasonable attorney's fees of the Trustee and each paying agent,

(4) shall pay or cause to be paid the entire Rebate Amount to the United States of America in accordance with the Tax Documents and the Indenture, and (5) shall cause to be delivered an opinion of Independent Counsel stating that all conditions precedent with respect to the satisfaction and discharge of the Indenture have been met, then the Indenture and the trust and rights thereby granted will cease, terminate and be void, and thereupon the Trustee will (a) cancel and discharge the Lien of the Indenture upon the Trust Estate and the Trustee's rights under the other Financing Documents and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy same, (b) reconvey to the Issuer the Loan Agreement and the trust conveyed by the Indenture, and (c) assign and deliver to the Institution any interest in Property at the time subject to the Lien of the Indenture and the other Financing Documents which may then be in its possession, except amounts held by the Trustee for the payment of principal of, and the interest and premium, if any, on, the Bonds.

All Outstanding Bonds will, prior to the maturity or Redemption Date thereof, be deemed to have been paid if, under circumstances which, in the opinion of Bond Counsel, do not adversely affect the exclusion under the Code of interest on the Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes, the following conditions have been fulfilled: (1) in case any of the Bonds are to be redeemed prior to their maturity, the Institution shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided in the Indenture; and (2) there is on deposit with the Trustee moneys, which shall be either cash or Defeasance Obligations, in an amount sufficient, without the need for further investment or reinvestment, but including any scheduled interest on or increment to such obligations, to pay when due the principal, premium, if any, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and to pay the Trustee for its Ordinary Services and Ordinary Expenses and for its Extraordinary Services and Extraordinary Expenses.

The Trustee may rely upon an opinion of an Accountant as to the sufficiency of the cash or such Defeasance Obligations on deposit.

No Recourse: Special Obligation (Section 1109)

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture in the Bonds, in the other Financing Documents executed by the Issuer and in the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto shall (A) be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent, servant or employee of the Issuer in his individual capacity, (B) not be an obligation of the State of New York or of the City of Albany, New York, and (C) be limited obligations of the Issuer, payable solely from the revenues of the Issuer derived from the sale or other disposition of the Project Facility.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

Pursuant to the Loan Agreement, the Issuer will make the Loan to the Institution of the proceeds of the Initial Bonds for the purpose of assisting in financing the Initial Project. Reference is made to the Loan Agreement for complete details of the terms thereof. The following is a brief summary of certain provisions of the Loan Agreement and should not be considered a full statement thereof.

Representations, Warranties and Covenants of the Issuer (Section 2.1)

The Issuer will make the following representations, warranties and covenants, among others:

(1) The Issuer is duly established under the provisions of the Enabling Act and has the power to enter into the Loan Agreement and to carry out the obligations thereunder. By proper official action, the Issuer has been duly authorized to execute, deliver and perform the Loan Agreement and the other Financing Documents to which the Issuer is a party.

(2) Subject to the limitations contained in the Loan Agreement, so long as the Bonds shall be Outstanding, the Issuer will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Institution, together with Bond Counsel, advise the Issuer in writing

should be taken), or allow any action to be taken, which action (or omission) would in any way (a) cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (b) adversely affect the exclusion of the interest paid or payable on any Tax-Exempt Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Institution is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Institution, such information concerning the investment of such administrative fee as shall be requested by the Institution and as shall be reasonably available to the Issuer.

Representations, Warranties and Covenants of the Institution (Section 2.2)

The Institution makes the following representations and covenants, among others:

(1) The Institution is a not-for-profit corporation duly organized and validly existing under the laws of the State of New York, is duly authorized to do business in the State, has the power to enter into the Loan Agreement and the other Financing Documents to which the Institution is a party and to carry out its obligations thereunder, has been duly authorized to execute the Loan Agreement and the other Financing Documents to which the Institution is a party, and is qualified to do business in all jurisdictions in which its operations or ownership of Property so require. The Loan Agreement and the other Financing Documents to which the Institution is a party, and the transactions contemplated thereby, have been duly authorized by all necessary action on the part of the board of directors of the Institution.

(2) The Institution will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Institution in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (a) adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (b) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(3) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Institution will defend and save the Issuer and its members, directors, officers, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. The Institution shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance in all material respects with all Applicable Laws, and the Institution will defend and save the Issuer and its members, directors, officers, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith.

(4) All of the proceeds of the Initial Bonds shall be used to pay the costs of the Project, and the total cost of the Project is expected to at least equal \$40,795,000.

(5) The Institution will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectation and covenants made by the Institution in the Tax Regulatory Agreement are hereby declared to be for the benefit of, among others, the Issuer and are incorporated in the Loan Agreement as though set forth in full therein.

(6) The Institution represents that (a) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law; (b) it has received a letter or other notification from the Internal Revenue Service to that effect; (c) such letter or other notification has not been modified, limited or revoked; (d) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (e) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (f) it is exempt from federal income taxes under Section 501(a) of the Code. The Institution agrees that it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in a manner which will conform to the standards necessary to qualify the Institution as a charitable

organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law.

Covenant with the Trustee and the Bondholders (Section 2.3)

The Issuer and the Institution agree that the Loan Agreement is executed in part to induce the purchase of the Bonds by the Holders and Beneficial Owners from time to time of the Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Institution set forth in the Loan Agreement (other than the Unassigned Rights) are declared to be for the benefit of the Issuer, the Trustee and the Holders and Beneficial Owners from time to time of the Bonds.

Acquisition, Construction, Reconstruction and Installation of the Project Facility (Section 3.1)

The Institution has previously undertaken and completed the acquisition, construction, reconstruction, and installation of the Project Facility. The Institution is the owner of the Project Facility for federal income tax purposes, and the Project Facility is used and will be used by the Institution in activities which do not constitute an “unrelated trade or business” within the meaning of Section 513(a) of the Code.

Issuance of the Initial Bonds; Loan of the Proceeds Thereof (Section 3.2)

In order to make the Loan for the purposes of financing a portion of the Cost of the Project relating to the Project, together with other costs and incidental expenses in connection therewith, the Issuer agrees that it will use its best efforts to (a) issue and deliver the Initial Bonds in the aggregate principal amount of \$40,795,000 and (b) cause the Initial Bonds to be delivered to the Underwriter as original purchaser of the Initial Bonds, all as provided in the Bond Resolution, the Certificate of Determination, the Initial Bond Purchase Agreement and the Indenture.

As provided in the Indenture, the proceeds from the sale of the Initial Bonds shall be loaned by the Issuer to the Institution and paid as follows: (1) a sum equal to any accrued interest, if any, paid by the Underwriter as original purchaser shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Bond Fund, and (2) the balance of the proceeds from the sale of the Bonds shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Project Fund. As provided in the Initial Bond Purchase Agreement, the Underwriter will advance the proceeds of the sale of the Initial Bonds to the Trustee in a single advance for deposit in accordance with the provisions of the Indenture. Pending disbursement pursuant to the provisions of the Loan Agreement and the Indenture, the proceeds of the Initial Bonds deposited in accordance with the provisions of the Indenture, together with any investment earnings thereon, shall constitute a part of the Trust Estate assigned by the Issuer to the payment of Debt Service Payments as provided in the Indenture.

Application of Proceeds of the Initial Bonds (Section 3.3)

The portion of the proceeds of the sale of the Initial Bonds on deposit in the Project Fund will be deposited by the Issuer with the Trustee as provided in the Indenture and, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Institution and complying with the requirements of the Indenture, will be applied to pay certain costs and expenses incurred in connection with the Initial Project as detailed in the Loan Agreement.

Any disbursements from the Project Fund for the payment of the Project Costs relating to the Initial Project shall be made by the Trustee only upon the written order of the Authorized Representative of the Institution.

Any moneys relating to the Initial Bonds remaining in the Project Fund after the date of completion of the Project and the payment, or provision for payment, in full of the Project Costs relating to the Project, at the direction of the Authorized Representative of the Institution, promptly shall be:

- (1) used for the purchase of Initial Bonds in the open market for the purpose of cancellation at prices not exceeding the full market value thereof plus accrued interest thereon to the date of payment therefor;
- (2) paid into the Bond Fund to be applied to the redemption of the Initial Bonds; or
- (3) used for a combination of the foregoing as is provided in that direction.

In all such cases, any payments made pursuant to the preceding paragraph shall be made only to the extent that such use or application will not, in the opinion of Bond Counsel or under ruling of the Internal Revenue Service, result in the interest on the Tax-Exempt Bonds becoming included in the gross income of the Holders thereof for federal income tax purposes.

Completion of the Project (Section 3.4)

The Institution will proceed with due diligence to commence and complete the Initial Project.

Completion by the Institution (Section 3.5)

In the event that the Proceeds of the Bonds are not sufficient to pay in full all costs of the Initial Project Facility, the Institution agrees to complete the Initial Project and to pay all such sums as may be in excess of moneys available therefor in the Project Fund.

Investment of Fund Moneys (Section 3.6)

At the oral (promptly confirmed in writing) or written request of the Authorized Representative of the Institution, any moneys held as part of any Fund created under the Indenture shall be invested or reinvested by the Trustee in Authorized Investments. The Institution covenants that the Institution will restrict that investment and reinvestment and the use of the proceeds of the Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Tax-Exempt Bonds, so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code.

Rebate Fund (Section 3.7)

The Institution agrees to make such payments to the Trustee as are required of it under Section 407 of the Indenture (Rebate Fund) and to pay the costs and expenses of the independent certified public accounting firm or firm of attorneys engaged in accordance with said Section 407 of the Indenture. The obligation of the Institution to make such payments shall remain in effect and be binding upon the Institution notwithstanding the release and discharge of the Indenture.

Loan Payments and other Amounts Payable (Section 5.1)

Upon the terms and conditions of the Loan Agreement, the Issuer will make the Loan to the Institution. In consideration of and in repayment of the Loan, the Institution shall make, as Loan Payments, payments sufficient in amount to pay when due the Debt Service Payments due and payable on the Bonds. The Institution shall pay Loan Payments as follows:

- (1) on or before the fifth (5th) Business Day immediately preceding each Interest Payment Date, the Institution shall cause immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as interest on the Bonds on the next succeeding Interest Payment Date, so that the amount on deposit in the Bond Fund and available for the payment of interest on the fifth (5th) Business Day next preceding such Interest Payment Date, when added to the amount in the Bond Fund and available to the Trustee for such purpose, shall equal the interest payable on the Bonds on such Interest Payment Date;

(2) on or before the fifth (5th) Business Day immediately preceding each Bond Payment Date upon which a Sinking Fund Payment is due on the Bonds, the Institution shall cause immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as a Sinking Fund Payment on the Bonds on such Bond Payment Date; and

(3) on or before the fifth (5th) Business Day immediately preceding each Bond Payment Date upon which a principal payment is due on the Bonds, the Institution shall cause immediately available funds to be delivered to the Trustee for deposit into the Bond Fund, in an amount equal to the amount due as principal on the Bonds on such Bond Payment Date;

provided, however, that the obligation of the Institution to make any payment hereunder shall be deemed satisfied and discharged to the extent of the corresponding payment made by the Institution to the Trustee under the Institution Bonds.

The Institution shall pay as additional Loan Payments under the Loan Agreement any premium when due on the Bonds and the following:

(1) Within thirty (30) days after receipt of a written demand therefor from the Trustee, the Bond Registrar or any Paying Agent, the Institution shall pay to the Trustee, the Bond Registrar or any Paying Agent, as the case may be, the following amounts: (a) the reasonable fees, costs and expenses of the Trustee, the Bond Registrar or Paying Agent for performing the obligations of the Trustee under the Indenture and the other Financing Documents; (b) the sum of the expenses of the Trustee, the Bond Registrar or Paying Agent reasonably incurred in performing the obligations of (i) the Institution under the Loan Agreement, or (ii) the Issuer under the Bonds, the Indenture or the Loan Agreement; and (c) the reasonable attorneys' fees of the Trustee, the Bond Registrar or Paying Agent incurred in connection with the foregoing and other moneys due the Trustee, the Bond Registrar or Paying Agent pursuant to the provisions of any of the Financing Documents.

(2) (a) On the Closing Date, the Institution shall pay to the Issuer, (i) a lump sum payment in an amount equal to the Issuer's administration fee for the issuance of the Initial Bonds; plus (ii) an additional lump sum additional loan payment in an amount equal to the fees and expenses of general counsel and Bond Counsel to the Issuer relating to the Project.

(b) Within thirty (30) days after receipt of a demand therefor from the Issuer, the Institution shall pay to the Issuer the sum of the reasonable expenses (including, without limitation, reasonable attorney's fees and expenses) of the Issuer and the members, directors, officers, agents, servants and employees thereof incurred by reason of the Issuer's making of the Loan, the financing and/or refinancing of the Project Facility, the issuance and delivery of any Bonds, the marketing or remarketing of any Bonds or in connection with the carrying out of the Issuer's duties and obligations under the Loan Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under the Loan Agreement.

In the event the Institution fails to make any of the above payments for a period of more than ten (10) days from the date such payment is due, the Institution shall pay the same, together with interest thereon, at the Default Interest Rate, from the date on which such payment was due until the date on which such payment is made.

The Institution shall be entitled to a credit against the Loan Payments next required to be made under the Loan Agreement to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (3) for deposit in the Bond Fund for use other than for the payment of Debt Service Payments on the Interest Payment Date next following the applicable date such Loan Payments are due pursuant to the Loan Agreement. In any event, however, if on any Bond Payment Date, the balance in the Bond Fund is insufficient to make required payments of Debt Service Payments on the Bonds, the

Institution forthwith will pay to the Trustee, for the account of the Issuer and for deposit into the Bond Fund, any deficiency.

Nature of Obligations of the Institution (Section 5.2)

The obligations of the Institution under the Loan Agreement will be general obligations of the Institution and will be absolute and unconditional irrespective of any defense or any right of set-off, recoupment, counterclaim, or abatement that the Institution may otherwise have against the Issuer or the Trustee. The Institution agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreement contained in, the Loan Agreement, or terminate the Loan Agreement for any cause whatsoever.

Prepayment of Loan Payments (Section 5.3)

At any time that the Bonds are subject to redemption under the optional redemption provisions of the Indenture, the Institution may, at its option, prepay, in whole or in part, the Loan Payments payable under the Loan Agreement by causing there to be moneys in an amount equal to the Redemption Price of the Bonds being redeemed or the Purchase Price of Bonds being purchased in lieu of redemption, on deposit with the Trustee no later than the date such moneys are to be applied to the redemption of such Bonds under the Indenture.

Maintenance and Modification of the Project Facility (Section 6.1)

So long as any of the Bonds are Outstanding, and during the term of the Loan Agreement, the Institution shall keep and maintain or make arrangements with others to keep and maintain the Project Facility in accordance with (1) the requirements of the Security Documents, and (2) the purposes and requirements of the Enabling Act and the Code. The Institution further agrees that it shall pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Project Facility except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards as provided in Article VII of the Loan Agreement.

So long as any of the Tax-Exempt Bonds are Outstanding, and during the term of the Loan Agreement, the Institution will keep the Project Facility in accordance with purposes and requirements of the Code necessary to preserve the adversely affect the exclusion from gross income for federal income tax purposes of the interest paid and payable on the Tax-Exempt Bonds (including the Series 2016A Bonds).

Taxes, Assessments And Utility Charges (Section 6.2)

The Institution will pay or cause to be paid all taxes, assessments, and utility charges associated with the Project Facility.

Insurance Required (Section 6.3)

The Institution is required to maintain insurance to protect the interests of the Institution, the Issuer and the Trustee.

Damage, Destruction and Condemnation (Section 7.1 and Section 7.2)

In the case of damage to or the destruction or Condemnation of the Project Facility, the Institution, but not the Issuer, will have an obligation to replace, repair, rebuild or restore the Project Facility, using insurance or Condemnation proceeds for this purpose to the extent available, unless the Institution elects not to replace, repair, rebuild or restore the Project Facility and to cause a defeasance of the Bonds in accordance with the Indenture and the Tax Documents. If the Institution opts to provide for the defeasance of the Bonds and if the Net Proceeds collected under any and all policies of insurance or of any Condemnation award are less than the amount necessary to defease the Bonds in full and pay any and all amounts payable under the Financing Documents to the Issuer and the Trustee, the Institution will be required to pay to the Trustee the difference between such amounts and the Net Proceeds of all insurance settlements and Condemnation awards so that all of the Bonds then Outstanding will be

defeased and any and all amounts payable under the Financing Documents to the Issuer and the Trustee will be paid in full.

Termination (Section 8.17)

Upon (1) payment in full of the Loan evidenced by the Bonds, (2) termination of the Pledge and Assignment, (3) payment in full of all other Indebtedness evidenced by the Loan Agreement and (4) performance by the Institution of all other obligations of the Institution to the Issuer pursuant to the provisions of the Loan Agreement (collectively, the “Termination Preconditions”), the Loan Agreement shall terminate, except as provided in Section 11.8 thereof (Survival of Obligations). Upon satisfaction of the Termination Preconditions, the Issuer agrees to execute and deliver to the Institution the Termination of Loan Agreement.

Use of the Project Facility (Section 8.18)

Subsequent to the Closing Date, (A) the Institution shall not use the Initial Project Facility, or permit the Initial Project Facility to be used, by any Nonexempt Person or in any “unrelated trade or business”, within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Tax-Exempt Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes or loss of the Institution’s status as an exempt organization under Section 501(c)(3) of the Code, and (B) the Institution shall be entitled to use the Initial Project Facility as student housing facility and other directly and indirectly related activities for use by the Institution, but not (1) as facilities used or to be used primarily for sectarian instruction or as a place of religious worship or (2) primarily as in connection with any part of a program of a school or department of divinity for any religious denomination.

Assignments (Section 9.1)

The Loan Agreement may not be assigned by the Institution, in whole or in part, without the prior written consent of the Issuer and the Trustee.

Merger of the Issuer (Section 9.2)

Nothing contained in the Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or assignment by the Issuer of its rights and interests hereunder to, any other public instrumentality or a political subdivision of the State or the City of Albany, New York which has the legal authority to perform the obligations of the Issuer under the Loan Agreement, provided that (1) the exclusion of the interest payable on the Tax-Exempt Bonds from gross income for Federal income tax purposes shall not be adversely affect thereby; and (2) upon any such consolidation, merger or assignment, the due and punctual performance and observance of all of the agreements and conditions of the Loan Agreement, the Bonds and the Indenture to be kept and performed by the Issuer shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Issuer’s rights and interests hereunder or under the Loan Agreement shall be assigned.

Events of Default Defined (Section 10.1)

Under the Loan Agreement, one or more of the following events will constitute an “Event of Default”:

(1) A default by the Institution in the due and punctual payment of the basic Loan Payments due pursuant to the Loan Agreement.

(2) The Institution shall fail to deliver to the Trustee, or cause to be delivered on its behalf, the moneys needed to redeem any outstanding Bonds in the manner and upon the date requested in writing by the Trustee as provided in Article III of the Indenture.

(3) A default in the performance or observance of any other of the material covenants, conditions or agreements on the part of the Institution in the Loan Agreement and the continuance thereof

for a period of thirty (30) days after written notice is given by the Issuer or the Trustee to the Institution (with a copy to the Trustee, if given by the Issuer), or, if such covenant, condition or agreement is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Institution to commence to cure within such thirty (30) day period and to thereafter prosecute the same with due diligence and, in any event, to cure such default within sixty (60) days after such written notice is given.

(4) The occurrence of an “Event of Default” under any of the other Financing Documents.

(5) Any material representation or warranty made by the Institution in the Loan Agreement or in any other Financing Document proves to have been materially false at the time it was made.

(6) The Institution shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due.

(7) Any sale, conveyance, lease agreement or any other change of ownership of the Project Facility, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Issuer or the Institution (except pursuant to the Loan Agreement or a Permitted Encumbrance) of the Institution’s interest in the Initial Project Facility or any part thereof, except as permitted in the Loan Agreement, the Other Financing Documents or a Permitted Encumbrance.

(8) (a) The filing by the Institution (as debtor) of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Institution within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Institution’s ability to carry out its obligations under the Loan Agreement; (c) the commencement of a case under the Bankruptcy Code against the Institution as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Institution and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days; (d) the entry of an order for relief by a court of competent jurisdiction under the Bankruptcy Code or any other federal or state bankruptcy statute with respect to the debts of the Institution; or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Institution, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(9) The removal of the Equipment or any portion thereof outside the City of Albany, New York, without the prior written consent of the Issuer, other than in connection with a removal permitted under Section 9.3 of the Loan Agreement.

(10) Any provision of the Loan Agreement or any of the other Financing Documents shall at any time for any reason cease to be valid and binding on the related obligor thereunder or shall be declared to be null and void by any court or governmental authority or agency having jurisdiction over the Institution, or the validity or the enforceability thereof shall be contested by the Institution, the Issuer or the Trustee, in a judicial or administrative proceeding or the Institution shall revoke or attempt to revoke any Initial Master Indenture Document.

(11) Any Financing Document shall cease to be in full force and effect, or any Lien created or purported to be created in any collateral pursuant to any Financing Document shall fail to be valid, enforceable and perfected Lien in favor of the secured party or parties named in such Financing Document, having the priority purported to be given such Lien under such Financing Documents, or the Institution, the Trustee or any Governmental Authority shall assert any of the foregoing, unless such failure of validity, enforceability or perfection is caused by the negligence or intentional act of the Trustee or the Issuer.

Notwithstanding the foregoing, if by reason of force majeure (as hereinafter defined) either party to the Loan Agreement shall be unable, in whole or in part, to carry out its obligations under the Loan Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee

within a reasonable time after the occurrence of the event or cause relied upon, the obligations under the Loan Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this provision shall not be deemed an Event of Default under the Loan Agreement. Notwithstanding anything to the contrary in this provision, an event of force majeure shall not excuse, delay or in any way diminish certain obligations of the Institution to make certain payments, to obtain and continue in full force and effect certain insurance, to provide certain indemnity required by the Loan Agreement and to comply with certain other provisions of the Loan Agreement. The term “force majeure” as used herein shall include acts outside of the control of the Issuer and the Institution, including but not limited to acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of any Governmental Authority or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, and partial or entire failure of utilities, or any other cause or event not reasonably within the control of the party claiming such inability. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

Remedies on Default (Section 10.2)

Whenever any Event of Default shall have occurred and be continuing, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

- (1) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all unpaid Loan Payments payable pursuant to the Loan Agreement and (b) all other payments due under the Loan Agreement or any of the other Financing Documents;
- (2) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due under the Loan Agreement and to enforce the obligations, agreements or covenants of the Institution under the Loan Agreement;
- (3) terminate disbursement of the Bond Proceeds; or
- (4) exercise any remedies available pursuant to any of the other Financing Documents.

No Recourse; Special Obligation (Section 11.10)

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Loan Agreement, in the Bonds, and in the other Financing Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Issuer or of any successor entity or political subdivision or any Person executing any of the Financing Documents on behalf of the Issuer, either directly or through the Issuer or any successor entity or political subdivision or any Person so executing any of the Financing Documents on behalf of the Issuer, it being expressly understood that the Financing Documents and the Bonds issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Issuer or of any successor entity or political subdivision or any Person so executing any of the Financing Documents on behalf of the Issuer because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee because of the creation of the indebtedness authorized by the Financing

Documents, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by the Issuer of the Financing Documents and the issuance, sale and delivery of the Bonds.

The obligations and agreements of the Issuer contained in the Loan Agreement or such other documents will not constitute or give rise to an obligation of the State of New York or the City of Albany, New York, and neither the State of New York nor the City of Albany, New York will be liable hereon or thereon, and, further, such obligations and agreements will not constitute or give rise to a general obligation of the Issuer, but rather will constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement and the other Financing Documents (except for revenues derived by the Issuer with respect to the Unassigned Rights).

No order or decree of specific performance with respect to any of the obligations of the Issuer under the Loan Agreement will be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents (other than the Institution), servants or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Issuer and its members, directors, officers, agents (other than the Institution), servants and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, directors, officers, agents (other than the Institution), servants and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this paragraph shall not affect the full force and effect of an Event of Default under the Loan Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT

Pursuant to the Pledge and Assignment, to further secure the payment of the Bonds, the Issuer will pledge, assign, transfer and set over to the Trustee, and grant the Trustee a lien on and security interest in, all of the Issuer's right, title and interest in the Loan Agreement and any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Loan Agreement, except for the Unassigned Rights.

The foregoing is a brief summary of the Pledge and Assignment and should not be considered a complete statement thereof. Reference is made to the Pledge and Assignment for complete details of the terms thereof.

SUMMARY OF MORTGAGE

The following summarizes certain provisions of the Mortgage to which reference is made for the detailed provisions thereof. The following is a brief summary of certain provisions of the Mortgage and should not be considered a full statement thereof.

Definitions (Article I)

Alumni Association: Alumni Association of the State University of New York at Albany, an education corporation chartered by the New York State Board of Regents under the laws of the State of New York, its successors and assigns.

Awards: Any and all awards heretofore or hereafter made by any federal, state, county, municipal or other governmental authority, or by whomsoever made in any condemnation, eminent domain, or equivalent proceeding, to the present or subsequent owners of any interest encumbered by this Mortgage for the acquisition for public purposes of said interest, or any portion thereof, and for severance and consequential damages on account thereof, including any award for any change of grade of any street affecting said interest, and also any award for any damage to said interest; and all proceeds of insurance on or in connection with the Real Property, the Personal Property, and the Improvements.

Bonds: The Bonds in the aggregate principal sum of \$40,795,000, dated of even date herewith issued by the Issuer, as those Bonds are described in that certain Trust Indenture dated as of September 1, 2016 (the "Indenture") between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "Trustee") inclusive of interest and other sums as provided in the Bonds, and all extensions, modifications, renewals and replacements thereof.

Fixtures: All fixtures and equipment now or hereafter affixed to the Real Property and Improvements (including, but not limited to, heating, ventilation, air conditioning, plumbing, gas and electric fixtures and equipment, engines, motors, incinerators, pumps, fire prevention equipment, floor coverings, furniture and equipment).

Ground Lease: The ground lease dated as of May 11, 2001, supplemented by Addendum dated as of July 13, 2001 by and between SUNY, as landlord, and the Alumni Association, as tenant, pursuant to which SUNY leased the Real Property to the Alumni Association for a term of forty year (with an option to SUNY to extend the ground lease for an additional nine years), as said ground lease may be amended or supplemented from time to time.

Improvements: All buildings, structures and other improvements now or hereafter constructed or located on the Real Property.

Indebtedness: All indebtedness and other liabilities of Mortgagor to Mortgagee of every kind and character, arising under the Bonds, this Mortgage or any other Initial Financing Document (as defined in the Indenture) evidencing or securing the Bonds and all amendments, extensions, renewals and replacements of any of the foregoing, including, without limitation, the payment of the principal of, premium, if any, and interest on the Bonds, the payment of all other sums required to be paid under the Initial Financing Documents and the performance and observance by the Mortgagor of all of the covenants, agreements, representation and warranties under the Mortgage and the other Initial Financing Documents; provided, however, that the maximum principal amount secured by this Mortgage does not, and shall not under any contingency, exceed FORTY MILLION SEVEN HUNDRED NINETY-FIVE THOUSAND AND 00/100 U.S. DOLLARS (\$40,795,000.00).

Issuer: The City of Albany Capital Resource Corporation and its successors and assigns.

Loan Agreement: The Loan Agreement dated as of September 1, 2016 between Mortgagor and the Issuer, as the same may be amended or supplemented from time to time.

Master Trust Indenture or Master Indenture: The master trust indenture dated as of September 1, 2009 by and between the Mortgagor and the Master Trustee, as said master trust indenture may be amended or supplemented from time to time.

Master Trust Mortgages: The mortgage, assignment of leases and rents and security agreements, dated as of various dates, by and between the Mortgagor and the Master Trustee, as amended and supplemented from time to time delivered to the Master Trustee pursuant to the terms of the Master Trust Indenture or a related supplement and the liens of all which shall be pari passu for the benefit of the holders under such related supplements.

Master Trustee: Manufacturers and Traders Trust Company, as master trustee pursuant to the Master Indenture, and its successors and assigns and any other person which may at any time be substituted in its place pursuant to the Master Indenture.

Mortgage: The Mortgage and Security Agreement dated as of September 1, 2012 from the Mortgagor to the Issuer as assigned to the Mortgagee pursuant to the Mortgage Assignment dated as of September 1, 2016 from the Issuer to the Mortgagee, as amended, supplemented, replaced or otherwise modified.

Mortgagee: The Master Trustee.

Mortgagor: Empire Commons Student Housing, Inc., f/k/a University of Albany Foundation Student Housing Corporation, a not-for-profit corporation organized and existing under the laws of the State of New York.

Personal Property: All Fixtures now or hereafter affixed to or installed on the Real Property or the Improvements, including without limitation, Fixtures (including, but not limited to, heating, ventilation, air conditioning, plumbing, gas and electric fixtures and equipment, engines, motors, incinerators, pumps, fire prevention equipment, floor coverings, furniture and equipment), now owned or hereafter acquired, all insurance policies covering the Premises and the proceeds thereof, all insurance, conversion and condemnation awards and the Improvements, all lease, rental and sale agreements related to the Real Property or Improvements, any security deposits, down payments and any other payments related to the Real Property, all income or profit, all contracts related to the Premises, all books and records, all options or agreements, all plans and specifications and all renewals and replacements thereof and articles in substitution therefor and all proceeds thereof. All capitalized terms defined in the Uniform Commercial Code in New York State shall have the same meanings in this definition.

Premises: The Real Property, Improvements, Personal Property, Rents, Fixtures and Awards.

Real Property: All rights of the Mortgagor, including leasehold rights pursuant to the Sublease, of the Mortgagor in and to the land described on Schedule A attached hereto; all appurtenances and all the estate and rights of Mortgagor thereto; all the right, title, and interest of Mortgagor in and to all streets, alleys, highways, public ways, and waterways adjacent thereto; and all public and private easements, reciprocal easements, and rights of way now or hereafter benefiting, existing, or used or useable in connection therewith.

Rents: All credits, cash, deposits (whether for security or otherwise), rents, advance rentals, issues, profits revenues, royalties, fees, charges, accounts, benefits and other payments and income of every nature of and from any portion of the Premises, including, without limitation, minimum rents, additional rents, termination payments, forfeited security deposits, liquidated damages following an Event of Default and all proceeds payable under any policy of insurance covering loss or rents resulting from untenability due to destruction or damage to the Premises, or any part thereof, together with the immediate and continuing right to collect and receive the same, whether due or hereafter becoming due, and together with all rights and claims of any kind that Mortgagor may have against any tenant, lessee or licensee under the leases or against any other occupant of the Real Property or Improvements, and all rents, oil and gas or other mineral royalties, revenues, fees, charges, accounts and other payments, and bonuses, issues and profits from any portion of the Premises.

Sublease: The sublease dated as of May 11, 2001, as supplemented by the Addendum dated as of July 13, 2001 by and between the Alumni Association, as landlord, and the Mortgagor, as tenant, pursuant to which the Alumni Association subleased the Real Property to the Mortgagor, as amended or supplemented from time to time.

SUNY: State University of New York.

Supplemental Indenture: An indenture supplemental to, and executed pursuant to, the terms of the Master Indenture.

Grant of Mortgage. (Article II)

To secure the payment of the Indebtedness to Mortgagee, Mortgagor grants a security interest in and to, and mortgages, the Premises to Mortgagee.

Covenants. (Article III)

The Mortgage sets forth various covenants of the Mortgagor regarding, among other things (a) payment of taxes and assessments; (b) maintenance of insurance on the premises; and (c) access to the premises and compliance with all governmental requirements.

Events of Default. (Article IV)

In addition to any Events of Default which may appear in the Loan Agreement, the existence of any of the following conditions or occurrences of any of the following events shall constitute Events of Default under the Mortgage ("Events of Default"):

Sale or Transfer: Sale or transfer of the Premises or any part thereof, or of any legal or equitable interest therein except as provided in the Master Indenture.

Other Liens: The existence of any mortgage, encumbrance, security interest, or lien to secure debt other than in favor of Mortgagee or the Master Trustee affecting all or any part of the Premises other than Permitted Encumbrances (as defined in the Indenture).

Legal or Equitable Title Sold: If legal or equitable title to, or any interest (other than a lease in the normal course of Mortgagor's business) in, the Premises is directly or indirectly sold or transferred in whole or in part, or if any rentals from the Premises are assigned to anyone other than in favor of Mortgagee or the Master Trustee while the Mortgage shall remain a lien thereon.

Material Misrepresentation of Facts for Obtaining Mortgage: Any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Mortgagor, pursuant to or in connection with the Mortgage (including, without limitation, representations and warranties contained therein), proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified.

Remedies. (Article V)

Upon the occurrence of an Event of Default (and the continuation thereof after any applicable notice and cure period), Mortgagee shall have the absolute right, at its option and election and in its sole discretion, to exercise alternatively or cumulatively any or all of the following remedies:

Accelerate Indebtedness: Declare the Indebtedness immediately due and payable.

Foreclose Mortgage: Institute judicial or non-judicial proceedings to foreclose the lien of the Mortgage to the fullest extent permitted by applicable law.

Take Possession of Premises: Enter into and take possession of all or any of the Premises (and Mortgagor agrees to peaceably surrender the same immediately upon receipt of Mortgagee's demand therefor) whether in connection with a judicial or non-judicial proceeding to foreclose or not; lease and re-lease all or any of the Premises; collect the Rents and apply the same against the Indebtedness; collect reasonable rent from Mortgagor if Mortgagor remains in possession after Mortgagee's demand to surrender; dispossess by summary proceeding any

tenant (including Mortgagor) defaulting in the payment of rent; provided, however, that no such acts by or on behalf of Mortgagee shall constitute Mortgagee a “mortgagee in possession.” The rights enumerated in the Mortgage shall inure to the benefit of any receiver appointed respecting the Premises.

Receiver: Obtain the appointment of a receiver of rents, issues and profits without notice and whether or not in connection with an action to foreclose the Mortgage.

Right of Setoff: Upon and at any time and from time to time after any occurrence or existence of any Event of Default, Mortgagee shall have the right to place an administrative hold on, and setoff against each obligation of Mortgagor pursuant to the Bond, each obligation of Mortgagee or any other direct or indirect subsidiary of Mortgagee (in any capacity) owing to Mortgagor, whether now existing or hereafter arising or accruing, whether or not then due and whether pursuant to any deposit account or certificate of deposit or any other manner. Such setoff shall become effective at the time Mortgagee opts therefor even though evidence thereof is not entered in the records of Mortgagee until later.

Sell in One or More Parcels: In the event of a judicial or non-judicial foreclosure of the Mortgage, cause the Premises to be sold at one or more sales and in one or more parcels, any provision of law to the contrary notwithstanding.

Personal Property: Mortgagee shall have all rights and remedies contemplated hereunder, including, without limitation, the right to take possession of the Personal Property, and for this purpose, Mortgagee shall have the right to enter upon any Premises on which any or all of the Personal Property is situated without being deemed guilty of trespass and without liability for damages thereby occasioned, and take possession of and operate the Personal Property or remove it therefrom. Mortgagee shall have the further right, as Mortgagee may determine, to repair, refurbish or otherwise prepare the Personal Property for sale, lease or other use or disposition, and to sell at public or private sale or otherwise dispose of, lease or utilize the Personal Property and any part thereof in any manner authorized or permitted by law and to apply the proceeds thereof toward payment of any costs and expenses incurred by Mortgagee including, to the fullest extent not prohibited by applicable law, attorneys’ fees and expenses, and toward payment of the indebtedness secured hereby, in such order and manner as Mortgagee may determine. To the fullest extent not prohibited by applicable law, Mortgagor expressly waives any notice of sale or other disposition of the Personal Property and any other rights or remedies of a debtor or formalities prescribed by law relative to a sale or disposition of the Personal Property or to exercise any other right or remedy existing. To the extent any notice is required and cannot be waived, Mortgagor agrees that if such notice is deposited for mailing, postage prepaid, certified or registered mail, to the owner of record of the Premises, directed to such owner at the last address actually furnished to Mortgagee at least five (5) days before the time of sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirements for giving of such notice. Mortgagee shall have the right to dispose of any or all of the Personal Property at the same time and place upon giving the same notice, if any, provided for in the Mortgage, and in the same manner as the nonjudicial foreclosure sale provided under the terms and conditions of the Mortgage.

Other: Exercise any other remedy and obtain any other relief as may be available to Mortgagee in law or equity.

Pari Passu Mortgages. (Section 6.13)

The lien of the Mortgage shall be pari passu with the lien of all other Master Trust Mortgages which may, from time to time, be delivered to the Master Trustee in accordance with the terms of the Master Indenture and one or more Supplemental Indentures. The lien of the Mortgage shall automatically be pari passu with the lien of other Master Trust Mortgages delivered to the Master Trustee in accordance with the Master Indenture and one or more Supplemental Indentures. All monies received by the Mortgagee under the terms of the Mortgage shall be shared pro-rata with the holders of any future Master Trust Mortgages granted by the Mortgagor on all or any portion of the Premises in accordance with the Master Indenture. Notwithstanding the foregoing, the Mortgagee shall execute and deliver such documents as may be required by the holder of any Bonds (as defined in the Master Indenture) to evidence that the lien of the Mortgage is pari passu with the lien of other Master Trust Mortgages executed and delivered under the Master Trust Indenture and any Supplemental Indentures.

APPENDIX B

SUMMARY OF MASTER INDENTURE AND THIRD SUPPLEMENTAL TRUST INDENTURE

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SUMMARY OF MASTER INDENTURE AND THIRD SUPPLEMENTAL TRUST INDENTURE

The following summarizes certain provisions of the Master Indenture to which reference is made for the detailed provisions thereof. The following is a brief summary of certain provisions of the Master Indenture and should not be considered a full statement thereof.

Definitions (Section 101)

“Account” shall mean any of the special accounts created and established pursuant to the Master Indenture.

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Corporation.

“Additional Equipment” means any additional materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of a series of Bonds, or intended to be acquired with any payment which the Corporation incurred in anticipation of the issuance of such Bonds and for which the Corporation will be reimbursed from the proceeds of such Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time.

“Additional Facility” means any buildings (or portions thereof), or improvements thereto, (A) located on the Land; (B) financed or refinanced with the proceeds of the sale of a series of Bonds or any payment made by the Corporation incurred in anticipation of the issuance of such Bonds and for which the Corporation will be reimbursed from the proceeds of such Bonds; and (C) not constituting a part of the Additional Equipment, all as they may exist from time to time.

“Additional Land” means any interest in the Campus acquired by the Corporation in connection with the issuance of any series of Bonds.

“Additional Project” means the purposes for which any Bonds may be issued.

“Additional Project Facility” means any Additional Land, Additional Facility or Additional Equipment acquired by or on behalf of the Corporation in connection with the issuance of any series of Bonds.

“Aggregate Debt Service” shall mean for any Fiscal Year, as of any date of calculation, the sum of the aggregate of the Debt Service for all Bonds Outstanding during such Fiscal Year.

“Alumni Association” means Alumni Association of the State University of New York at Albany, an education corporation chartered by the New York State Board of Regents under the laws of the State of New York.

“Annual Budget” shall mean, with respect to any Fiscal Year, the annual budget with respect to the operation of the Project Facility which the Manager shall have caused SUNY to prepare pursuant to the Management Agreement, as amended or supplemented, adopted or in effect for a particular Fiscal Year, as provided in Section 709 of the Master Indenture.

“Authenticating Agent” means the Master Trustee and any agent so designated in and appointed pursuant to Section 2.06 of the Master Indenture.

“Authorized Newspaper” means The Bond Buyer or any other newspaper in English customarily published each Business Day and generally circulated in the Borough of Manhattan, City and State of New York.

“Authorized Representative” shall mean the person or persons designated by resolution or the by-laws of the Corporation to perform the act or sign the document in question.

“Banking Depository” shall mean any bank or trust company selected by the Foundation or the Corporation as a Banking Depository of moneys to be held under the provisions of the Master Indenture, and may include the Master Trustee.

“Bond” or “Bonds” shall mean any bonds, notes or other evidences of indebtedness, as the case may be, authenticated and delivered pursuant to the Master Indenture or any Supplemental Indenture and shall also mean any Parity Bond Anticipation Note and any Parity Reimbursement Obligation, but shall not mean Subordinated Indebtedness or other Bond Anticipation Notes.

“Bond Anticipation Note” shall mean any note issued pursuant to Section 207 of the Master Indenture.

“Bondholder”, “owner”, “holder” or words of similar import shall mean, when used with reference to a Bond, the person in whose name such Bond is registered.

“Bond Payment Date” shall mean each date on which interest or both a Principal Installment and interest shall be due and payable on any of the Outstanding Bonds according to their respective terms.

“Bond Year” shall mean, with respect to any Series, the twelve-month period set forth in the Supplemental Indenture governing such Series, or, if no such period is set forth in such Supplemental Indenture, shall mean a period of twelve consecutive months beginning on January 1 in any calendar year and ending on December 31 of such calendar year.

“Business Day” means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in either Albany, New York, or the city in which the principal corporate trust office of the Master Trustee is located, at which demands for payment are to be presented are required or authorized by law to remain closed, or (iii) any day on which the New York Stock Exchange is closed.

“Campus” means the Campus of the University located in the City of Albany, Albany County, New York.

“Capitalized Interest” shall mean, for any particular Series, that portion of the proceeds of such Series, if any, required by the Supplemental Indenture governing such Series to be deposited in a sub-account established for such Series in the Capitalized Interest Account in the Debt Service Fund, for the purpose of funding the payment of a portion of the interest on the Bonds of such Series.

“Capitalized Interest Account” shall mean the Capitalized Interest Account established in the Debt Service Fund pursuant to Section 502(C) of the Master Indenture.

“Certificate” shall mean, as the context indicates, either (A) a signed document attesting to or acknowledging the matters in the Master Indenture stated or setting forth matters to be determined pursuant to the Master Indenture, or (B) the report of an Accountant as to any matter called for by the Master Indenture.

“Construction” shall mean the acquisition, erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation or rehabilitation of the Project Facility; the inspection and supervision thereof; and the engineering, architectural, legal, fiscal and economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions preliminary or incidental thereto and claims arising therefrom.

“Construction Fund” shall mean the Construction Fund established pursuant to Section 502(A)(1) of the Master Indenture.

“Corporation” shall mean Empire Commons Student Housing, Inc. f/k/a University at Albany Foundation Student Housing Corporation and its successors and assigns.

“Corporation Counsel” shall mean an attorney or firm of attorneys of nationally recognized standing in the field of law relating to revenue bonds, selected by the Corporation.

“Corporation Expenses” shall mean all reasonable or necessary current expenses of the Corporation (other than Debt Service) relating to the issuance of Bonds, Subordinated Indebtedness and Bond Anticipation Notes, including, but not limited to all auditing and legal expenses, insurance and surety bond premiums, fees paid to banks, insurance companies or other financial institutions for the issuance of Credit Facilities or Interest Rate Exchange Agreements, and consultants’ fees and charges, provided such amounts shall be limited to such expenses to be out of proceeds of such Bonds, Subordinated Indebtedness and Bond Anticipation Notes.

“Cost” or “Cost of a Project Facility” shall mean all costs of Construction, including, without limitation, the acquisition, erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation or rehabilitation of the Project Facility or any portion thereof, the inspection and supervision thereof, the engineering, architectural, legal, fiscal economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto; the cost of the acquisition of all Property; the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after Construction to the extent not paid or provided for from Revenues or other sources; the cost of engineering and architectural surveys, plans and specifications; the cost of consultants and legal services; the cost of lease guarantee or bond insurance; other expenses necessary, reasonably related or incidental to the Construction of the Project Facility and all facilities, appurtenances and equipment ancillary to or to be utilized in connection with the Project Facility and the financing or the Construction thereof, including the cost of acquiring, maintaining or terminating Credit Facilities and Interest Rate Exchange Agreements, the amounts authorized in the Master Indenture or any Supplemental Indenture to be paid into any reserve or other special fund from the proceeds of Bonds and the financing of the placing of the Project Facility in operation, including reimbursement to any person for expenditures that would be costs of the Project Facility under the Master Indenture and all claims arising from any of the foregoing.

“Costs of Issuance” shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums, commitment fees or similar charges for any Credit Facility relating to the Bonds or any Interest Rate Exchange Agreement and any other cost, charge or fee in connection with the original issuance of Bonds.

“Counterparty” shall mean any person with which the Corporation has entered into an Interest Rate Exchange Agreement, provided that, at the time the Interest Rate Exchange Agreement is executed, the senior or uncollateralized long-term debt obligations of such person, or of any person that has guaranteed for the term of the Interest Rate Exchange Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Agency.

“Credit Facility” shall mean a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the Principal Installments or interest due on any Series of Bonds or provides funds for the purchase of such Bonds or portions thereof.

“Debt Service” for any Fiscal Year or part thereof shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (A) interest payable during such Fiscal Year or part thereof on Bonds of such Series (including interest on Parity Bond Anticipation Notes), less amounts on deposit in the Capitalized Interest Account in the Debt Service Fund with respect to such Series of Bonds and (B) the Principal Installments of the Bonds of such Series payable during such Fiscal Year or part thereof. Such interest and Principal Installments for such Series shall be calculated on the assumption that (1) no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment thereof upon stated maturity or upon

mandatory redemption by application of Sinking Fund Installments and (2) Variable Rate Bonds will bear interest at the greater of (a) the rate or rates which were assumed by the Corporation in the Annual Budget for such Fiscal Year to be borne by Variable Rate Bonds during such Fiscal Year or (b) the actual rate or rates borne by such Variable Rate Bonds on such date of calculation.

“Debt Service Fund” shall mean the Debt Service Fund and the Accounts tin the Master Indenture established pursuant to Section 502(A)(3) of the Master Indenture.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bonds on such Bond Payment Date, plus (B) the principal, if any, payable on the Bonds on such Bond Payment Date, plus (C) the premium, if any, payable on the Bonds on such Bond Payment Date, plus (D) the Sinking Fund Payments, if any, payable on the Bonds on such Bond Payment Date.

“Defeasance Obligations” shall mean the following investments:

1. Cash.
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - (SLGs)).
3. Direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury itself.

“Depository” shall mean 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 Supplemental Indenture governing a Series of Bonds to serve as securities depository for the Bonds of such Series.

“Disbursement Request” shall mean the written request signed by an Authorized Representative of the Corporation and required to be delivered to the Master Trustee pursuant to Section 503 of the Master Indenture to effect disbursements from the Construction Fund, in substantially the form set forth in Exhibit C of the Master Indenture.

“East Equipment” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“East Facility” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“East Land” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“East Project” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“East Project Facility” means collectively, the East Land, the East Equipment and the East Facility.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Facility (other than equipment owned by tenants of the Project Facility).

“Events of Default” and “Event of Default” shall have the meaning ascribed thereto in Section 1001 of the Master Indenture.

“Fiduciary” shall mean the Master Trustee or any Paying Agent or any Banking Depository.

“Financial Guaranty” shall mean one or more of the following: (A) an irrevocable, unconditional and unexpired letter of credit issued by a banking institution the senior long-term debt obligations of which (or of the holding company of any such banking institution) have (at the time of issuance of such letter of credit) a rating of Aa or

better by Moody's Investors Service Inc. and AA or better by Standard & Poor's Rating Services or Fitch, Inc.; or (B) irrevocable and unconditional policy of insurance in full force and effect issued by a bond insurer the obligations insured by which are eligible for a rating of Aa or better by Moody's Investors Service Inc. and AA or better by Standard & Poor's Rating Services (at the time of issuance of such policy); in each case providing for the payment of sums for the payment of Principal Installments of and interest on Bonds in the manner provided in Section 508 of the Master Indenture; and providing further that any such Financial Guaranty must be drawn upon, on a date which is not less than one (1) Business Day prior to the expiration date of such Financial Guaranty, in an amount equal to the deficiency which would exist if the Financial Guaranty expired, unless a substitute Financial Guaranty is acquired prior to such expiration date as provided in a related Supplemental Indenture.

"Fiscal Year" means the fiscal year used for purposes of preparing the annual financial statements of the Corporation, currently beginning on July 1 and ending on June 30 of the succeeding calendar year, as it may be amended from time to time.

"Fixed Rate Bond" shall mean, as of any date of determination, any Bond bearing interest at a fixed rate for the remainder of its term.

"Ground Lease" means the ground lease dated as of May 11, 2001, supplemented by Addendum dated as of July 13, 2001 by and between SUNY, as landlord, and the Alumni Association, as tenant, pursuant to which SUNY leased the Initial Land to the Alumni Association for a term of forty years (with an option to SUNY to extend the ground lease for an additional nine years), as said ground lease may be amended or supplemented from time to time.

"Historic Period" shall mean the most recent Fiscal Year of the Corporation.

"IDA Bonds" means collectively, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds and the Series 2001D Bonds.

"Indenture" means the amended and restated trust indenture, dated as of September 1, 2016, as amended or supplemented at the time in question, between the Issuer and Manufacturers and Traders Trust Company, as trustee.

"Initial Equipment" means, collectively, the East Equipment, the West Equipment, the North Equipment, the South Equipment and all other materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Issuer Bonds, or intended to be acquired with any payment which the Corporation incurred in anticipation of the issuance of the IDA Bonds and for which the Corporation will be reimbursed from the proceeds of the IDA Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time.

"Initial Facilities" means, collectively, the East Facility, the West Facility, the North Facility and the South Facility and all other any buildings (or portions thereof), or improvements thereto, (A) located on the Initial Land; and (B) not constituting a part of the Initial Equipment, all as they may exist from time to time.

"Initial Land" means the interesting the Campus created by the Ground Lease.

"Initial Project Facilities" means, collectively, the East Project Facility, the West Project Facility, the North Project Facility and the South Project Facility and "Initial Project Facility" means any of the East Project Facility, the West Project Facility, the North Project Facility and the South Project Facility.

"Initial Projects" means, collectively, the East Project, the West Project, the North Project and the South Project.

"Interest Rate Exchange Agreement" shall mean an agreement entered into by the Corporation in connection with the issuance of or which relates to Bonds of one or more Series which provides that during the term of such agreement the Corporation is to pay to the Counterparty an amount based on the interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that the Counterparty is to

pay to the Corporation an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement.

“Investment Securities” shall mean and include any of the following securities, if and to the extent the same are at the time legal investments by the Corporation of the funds to be invested in the Master Indenture and conform to the policies set forth in any investment guidelines adopted by the Corporation and in effect at the time of the making of such investment:

(A) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(B) bonds, debentures, notes or other evidence of indebtedness issued by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities being permitted only if they have been stripped by the agency itself): US Export-Import Bank (a/k/a Eximbank) (direct obligations or fully guaranteed certificates or beneficial ownership); Farmers Home Administration (a/k/a FmHA) (certificates of beneficial ownership); Federal Financing Bank; Federal Housing Administration (a/k/a FHA) (debentures); General Services Administration (participation certificates); Government National Mortgage Association (a/k/a GNMA or Ginnie Mae) (guaranteed mortgage-backed bonds and guaranteed pass-through obligations); US Maritime Administration (guaranteed Title XI financing); US Department of Housing and Urban Development (a/k/a HUD) (project notes, local authority bonds, US Government-guaranteed new communities debentures, US Government guaranteed public housing notes and bonds);

(C) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit US government agencies (stripped securities being permitted only if they have been stripped by the agency itself): Federal Home Loan Bank System (senior debt obligations); Federal Home Loan Mortgage Corporation (a/k/a FHLMC or “Freddie Mac”) (participation certificates and senior debt obligations); Federal National Mortgage Association (a/k/a FNMA or “Fannie Mae”) (mortgage-backed securities and senior debt obligations); Student Loan Marketing Association (a/k/a SLMA or “Sallie Mae”) (senior debt obligations); Resolution Funding Corp. (a/k/a REF CORP) (obligations); Farm Credit System (consolidated system-wide bonds and notes);

(D) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor’s Rating Services of AAAm-G, AAA-m, or AA-m, and if rated by Moody’s Investors Service Inc. rated AAA, Aa1 or Aa2;

(E) Certificates of deposit secured at all times by collateral described in (A) or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral;

(F) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(G) Investment Agreements, including GIC’s, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the issuer of a bond insurance policy or other Credit Facility with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained.

(H) Commercial paper rated, at the time of purchase of “Prime - 1” by Moody’s Investors Service Inc. and “A-1” or better by Standard & Poor’s Rating Services;

(I) Direct obligations of the State, any other state of the United States of America, or any municipality thereof, provided such obligations are rated in one of the two highest rating categories by Moody's Investors Service Inc. and Standard & Poor's Rating Services;

(J) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's Investors Service Inc. and "A-1" or "A" or better by Standard & Poor's Rating Services;

(K) Repurchase Agreements ("Repos") for 30 days or less must follow the following criteria. Repos which exceed 30 days must be acceptable to the issuer of a bond insurance policy or other Credit Facility issued with respect to a Series of Bonds.

Repos provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm.
 - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and A2 or better by Moody's, or
 - b. Banks rated "A" or better by S&P and A2 or better by Moody's.
2. The written repurchase agreement must include the following:
 - a. Securities which are acceptable for transfer are:
 - (i) Direct obligations of the United States of America referred to in Section A above, or
 - (ii) Obligations of federal agencies referred to in Section B above
 - (iii) Obligations of FNMA and FHLMC
 - b. The term of the Repos may be up to 30 days.
 - c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of Collateral.
 - (i) the securities must be valued weekly, marked-to-market at current market price plus accrued interest.
 - (ii) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the municipal entity, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. A legal opinion which must be delivered to the municipal entity that states that the Repo meets guidelines under state law for legal investment of public funds.

(L) Any other investment, with the prior written consent of the issuer of a bond insurance policy or other Credit Facility issued with respect to a Series of Bonds.

“Issuer” means the City of Albany Industrial Development Agency and its successors and assigns.

“Land” means the Initial Land and any Additional Land.

“Management Agreement” means the facility management agreement dated as of July 31, 2001 by and between the Corporation and the Manager, pursuant to which the Manager has agreed to manage the Initial Projects Facilities, including being responsible to pay certain operating costs of the Initial Projects Facilities if the income attributable to the Initial Project Facilities is insufficient to cover such costs, as said facility management agreement may be amended or supplemented from time to time.

“Manager” means SUNY, acting in its capacity as manager pursuant to the Management Agreement and its successors and assigns.

“Master Indenture” shall mean the Master Trust Indenture dated as of September 1, 2009, as amended by a First Amendment to Master Trust Indenture dated as of September 1, 2016, by and between the Corporation and the Master Trustee, as the same may be amended or supplemented from time to time by one or more Supplemental Indentures.

“Master Trust Mortgages” shall mean the mortgage and security agreements, dated as of various dates, by and between the Corporation and the Master Trustee, as amended and supplemented from time to time delivered to the Master Trustee pursuant to the terms of the Master Indenture or a related supplement and the liens of all which shall be pari-passu for the benefit of the holders under such related supplements.

“Master Trustee” shall mean Manufacturers and Traders Trust Company, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Master Indenture.

“Maximum Aggregate Debt Service Coverage Ratio” means with respect to the Corporation, the ratio of Operating Revenues during the Historic Period prior to the date of the transaction giving rise to the need to calculate the Maximum Aggregate Debt Service Coverage Ratio to Maximum Aggregate Debt Service of the Corporation for the Historic Period. In addition to and without limitation of the foregoing, for purposes of this definition, “Operating Revenues” and “Maximum Aggregate Debt Service” shall be calculated after giving effect on a pro forma basis for the Historic Period of such calculation to the incurrence of indebtedness from the proposed additional Series of Bonds giving rise to the need to make such calculation, and the application of the proceeds of any such incurrence as if such incurrence (and the application of the proceeds thereof), occurred in the first day of the Historic Period. Furthermore, in calculating “Maximum Aggregate Debt Service” for purposes of this “Maximum Aggregate Debt Service Coverage Ratio,” interest on Outstanding Bonds determined at a variable rate as of the date of the transaction giving rise to the need to calculate the Maximum Aggregate Debt Service Ratio and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Outstanding Bonds in effect on such transaction date.

“Maximum Aggregate Debt Service” shall mean, at the time of computation, the greatest Aggregate Debt Service for the then current or any future Fiscal Year.

“Net Revenues Available for Debt Service” means the amount of unrestricted revenues, gains and other support less unrestricted expenses and losses (excluding from such revenues and expenses unrealized capital gains or losses, the receipt of insurance proceeds (except business interruption insurance), and extraordinary items and further excluding from such expenses depreciation, interest on long-term indebtedness, and amortization of bond discount and financing expenses), all as determined in accordance with generally accepted accounting principles;

provided, however, that to the extent that under such generally accepted accounting principles required deposits to the Repair and Replacement Fund would not be included in “unrestricted expenses and losses”, such deposits shall be so included for purposes of the foregoing calculation.

“North Equipment” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“North Facility” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“North Land” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“North Project” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“North Project Facility” means collectively, the North Land, the North Equipment and the North Facility.

“Occupancy Agreements” shall mean all licenses, leases and agreements with respect to the occupancy of all or a portion of the Project Facility, however denominated, and whether real or personal property under applicable law.

“Officer’s Certificate” shall mean a certificate signed by two officers of the entity charged with providing the certificate, one of whom shall be the Chairman of the Board, the President, any Vice President or the Chief Financial Officer, and the other of whom shall be the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of such entity, and delivered to the Master Trustee. Wherever the Master Indenture requires that an Officers’ Certificate be signed also by an accountant or other expert, such accountant or other expert (except as otherwise expressly provided in the Master Indenture) may be in the employ of the Corporation. Each such certificate issued by the Corporation, as the case may be, shall include the statements provided for in Section 1214 of the Master Indenture if and to the extent required by the provisions of such Section.

“Operating Fund” shall mean the Operating Fund established pursuant to Section 502(A)(4) of the Master Indenture.

“Operating Revenues” shall mean that portion of the Revenues described in clause (A) of the definition of Revenues in Section 101 of the Master Indenture.

“Opinion of Counsel” shall mean a written opinion of counsel, who may be an employee of or counsel to the Corporation. Each such opinion issued by the Corporation shall include the statements provided for in Section 1214 of the Master Indenture if and to the extent required by the provisions of such Section.

“Option Bonds” shall mean Bonds which by their terms may be tendered by and at the option of the owner thereof for purchase or payment by the Corporation prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the owner thereof.

“Outstanding” when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Master Indenture except:

- (A) any Bonds cancelled or deemed cancelled by the Master Trustee at or prior to such date;
- (B) any Bond (or portion thereof) for the payment or redemption of which there shall be set aside and held in trust under the Master Indenture either:

- (1) moneys in an amount sufficient to pay when due the Principal Installments or Redemption Price thereof, together with all accrued interest,

- (2) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as are necessary to provide moneys (whether

as principal or interest) in an amount sufficient to pay when due the Principal Installments or Redemption Price thereof, together with all accrued interest, or

(3) any combination of (1) and (2) above,

and, if such Bond or portion thereof is to be redeemed, for which notice of redemption has been given as provided in Article VI of the Master Indenture, or the applicable Supplemental Indenture, or provision satisfactory to the Master Trustee has been made for the giving of such notice;

(C) any Bond in lieu of or in substitution for which other Bonds have been authenticated and delivered; and

(D) any Bond deemed to have been paid as provided in Section 1201(B) of the Master Indenture.

“Parity Bond Anticipation Note” shall mean any Bond Anticipation Note, the interest on which is payable from and secured by a pledge of the Revenues on a parity with all other Bonds.

“Parity Reimbursement Obligation” shall mean (A) a Reimbursement Obligation or (B) the Corporation to a Counterparty under an Interest Rate Exchange Agreement (other than termination payments), the payment of which in either case is secured by a pledge of, and a lien on, Revenues on a parity with the lien created by Section 501 of the Master Indenture.

“Paying Agent” shall mean any paying agent for the Bonds of any Series, and its successor or successors and any other person which may at any time be substituted in its place pursuant to the Master Indenture or any Supplemental Indenture.

“Permitted Encumbrances” shall mean (i) exceptions to the title set forth in the Title Report (ii) utility, access and other the easements and rights of way, restrictions and exceptions now or hereafter affecting the property that do not materially impair the utility or the value of the property affected thereby for the purposes for which it is intended; (iii) mechanics, materialmen, warehousemen’s or other similar liens provided that non-payment of any such item or items the Project Facility or any part thereof shall not be subject to loss or forfeiture unless the Corporation shall promptly secure payment of all unpaid items by surety bond, thereby causing such lien to be removed; (iv) liens for taxes, assessments and utility charges not yet delinquent, and (v) any lien given (by mortgage, security interest, conveyance in trust, deed, sale, or lease, including without limitation, a master trust mortgage), in order to secure any Bonds or Parity Reimbursement Obligation incurred in accordance with the Master Indenture.

“Person” or “Persons” means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“Principal Installment” shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (A) the principal amount of Bonds (including [1] any amount designated in, or determined pursuant to, the applicable Supplemental Indenture, as the “principal amount” with respect to any Bonds which do not pay full current interest for all or any part of their term, [2] the Tender Option Price of any Option Bonds which may be tendered to the Corporation for purchase or payment prior to the stated maturity thereof in accordance with the terms of the Supplemental Indenture governing such Option Bonds, unless such amount is secured by a Credit Facility which is not in default and [3] the principal amount of any Parity Reimbursement Obligation) of such Series due (or required to be so tendered for purchase or payment) on a certain future date for which no Sinking Fund Installments have been established, or (B) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, or (C) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date; provided, however, that Principal Installment shall not include the principal of Parity Bonds Anticipation Notes.

“Project” means, collectively, the East Project, the West Project, the North Project, the South Project and all Additional Projects.

“Project Facility” means, collectively, the Initial Project Facilities and all Additional Project Facilities.

“Projected Debt Service” for any Fiscal Year or part thereof shall mean, as of any date of calculation and with respect to any Projected Series of Bonds, an amount, set forth by the Corporation in the Annual Budget as provided in Section 712 of the Master Indenture, equal to the Debt Service estimated by the Corporation to be payable during such Fiscal Year or part thereof on such Projected Series.

“Projected Series of Bonds” or “Projected Series” shall mean any Series of Bonds described in an Annual Budget as anticipated to be issued in the Fiscal Year to which such Annual Budget relates.

“Record Date” means, as the case may be, the applicable Regular or Special Record Date.

“Redemption Fund” means the fund so designated which is established pursuant to Section 5.01 of the Master Indenture.

“Redemption Price” shall mean, when used with respect to a Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Master Indenture and any Supplemental Indenture relating thereto.

“Refundable Principal Installment” shall mean any Principal Installment for any Series of Bonds which the Corporation intends to pay with moneys which are not Revenues, provided that such intent shall have been expressed in the Supplemental Indenture governing such Series of Bonds and provided further that such Principal Installment shall be a Refundable Principal Installment only until the date of adoption of the Annual Budget in the Fiscal Year immediately preceding the Fiscal Year in which such Principal Installment comes due unless the Corporation has delivered to the Master Trustee a certificate of an Authorized Representative that it has made provision for the payment of such Principal Installment from a source other than Revenues.

“Refunding Bond” shall mean any Bond authenticated and delivered on original issuance pursuant to Section 206 or Section 207 of the Master Indenture for the purpose of refunding any Outstanding Bonds or thereafter authenticated and delivered in lieu of or substitution for such Bond pursuant to the Master Indenture and any Supplemental Indenture relating thereto.

“Reimbursement Obligation” shall mean the obligation of the Corporation described in Section 209(B) of the Master Indenture to directly reimburse the issuer of a Credit Facility for amounts paid by such issuer thereunder, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument.

“Repair and Replacement Fund” shall mean the Fund established pursuant to Section 502(A)(7) of the Master Indenture.

“Repair and Replacement Requirement” means a monthly amount to be paid by the Corporation to the Master Trustee equal to one-twelfth (1/12th) times \$175 times the number of student beds at the Project Facility, initially 1,196. The amount per bed to be used in the foregoing calculation in any year shall be adjusted by the increase in the Consumer Price Index per year over the amount in effect for the immediately preceding year. For purposes hereof, the term “Consumer Price Index” means the Consumer Price Index All Urban Consumers: U.S. City Average, All Items (1982 –1984 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor or any equivalent or substitute index published by the Bureau of Labor Statistics or a successor governmental agency.

“Required Deposits” shall mean, for any Fiscal Year, amounts, if any, payable into the Operating Fund and the Subordinated Indebtedness Fund but only to the extent such payments are required to be made from Revenues pursuant to the Master Indenture.

“Responsible Officer” shall mean when used with respect to the Master Trustee, any officer of the Master Trustee having direct responsibility for the administration of the Master Indenture, or to whom corporate trust matters are referred because of that officer’s knowledge of and familiarity with the particular subject.

“Revenue Fund” shall mean the Revenue Fund established pursuant to Section 502(A)(2) of the Master Indenture.

“Revenues” shall mean (A) all rents, fees and other revenue from or in lieu of the operating of the Project Facility, and (B) all investment proceeds and proceeds of insurance (including proceeds of business interruption insurance), condemnation, sale, or other disposition of the Project Facility or any part thereof received by the Corporation (other than the proceeds of insurance with respect to the damage or destruction of all or any portion of the Project Facility), together with all operating aid with respect to the Project Facility received by the Corporation from any governmental entity, Federal, State or local, but shall not include any amount received by the Corporation from any governmental entity, Federal, State or local, in aid of, for or with respect to the Cost of the Project Facility. The term “Revenues” does not include room deposits collected and held by or on behalf of the Corporation; provided, however, in the case of room deposits, as such time as a student is invoiced for a room in the Project Facility, the student’s room deposit shall constitute Revenues and shall be transferred to the Revenue Fund.

“Series” or “Series of Bonds” shall mean all of the Bonds authenticated and delivered on original issuance identified pursuant to the Supplemental Indenture relating to such Bonds as a separate Series of Bonds and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to the Master Indenture regardless of variations in maturity, interest rate or other provisions.

“Series 2001A Bonds” means the Issuer’s Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons East Project), Series 2001A in the aggregate principal amount of \$14,070,000.

“Series 2001B Bonds” means the Issuer’s Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons West Project), Series 2001B in the aggregate principal amount of \$14,140,000.

“Series 2001C Bonds” means the Issuer’s Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons North Project), Series 2001C in the aggregate principal amount of \$14,275,000.

“Series 2001D Bonds” means the Issuer’s Civic Facility Revenue Bonds (University at Albany Foundation Student Housing Corporation – Empire Commons South Project), Series 2001D in the aggregate principal amount of \$18,205,000.

“Sinking Fund Installment” shall mean, as of any particular date of calculation, the amount required by the Master Indenture or a Supplemental Indenture relating to the issuance of a Series of Bonds to be paid by the Corporation on a future date for the retirement of Outstanding Bonds which are stated to mature subsequent to such future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond.

“South Equipment” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“South Facility” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“South Land” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“South Project” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“South Project Facility” means collectively, the South Land, the South Equipment and the South Facility.

“Special Account” shall mean one or more of the Special Accounts established in the Debt Service Reserve Fund by a Supplemental Indenture pursuant to Section 502(B) of the Master Indenture.

“Special Credit Facility” shall mean, with respect to any Series of Bonds or portion thereof, a Credit Facility (A) which provides funds for (1) the direct payment of the Principal Installments of and interest on such Bonds when due or (2) the payment of the Principal Installments of and interest on such Bonds in the event amounts otherwise pledged to the payment thereof are not available when due or (3) the payment of the Tender Option Price of any Option Bond which may be tendered to the Corporation for purchase or payment in accordance with the Supplemental Indenture relating to such Option Bond (in any case, regardless of whether such Credit Facility provides funds for any other purpose) and (B) which (1) requires the Corporation to directly reimburse the issuer of such Credit Facility for amounts paid thereunder and (2) provides that such obligation is a Parity Reimbursement Obligation.

“State” shall mean the State of New York.

“Sublease” means the sublease dated as of May 11, 2001, as supplemented by the Addendum dated as of July 13, 2001 by and between the Alumni Association, as landlord, and the Corporation, as tenant, pursuant to which the Alumni Association subleased the Initial Land to the Corporation, as said sublease may be further amended or supplemented from time to time.

“Subordinated Indebtedness” shall mean any bond, note or other evidence of indebtedness issued by the Corporation in furtherance of its corporate purposes and payable from the Subordinated Indebtedness Fund.

“Subordinated Indebtedness Fund” shall mean the Fund established pursuant to Section 502(A)(6) of the Master Indenture.

“SUNY” means the State University of New York.

“Supplemental Indenture” means an indenture supplemental to, and executed pursuant to, the terms of the Master Indenture.

“Tender Option Price” shall mean, with respect to any Option Bond tendered for purchase or payment in accordance with the Supplemental Indenture relating to such Option Bond, an amount equal to the principal amount of such Option Bond plus the interest accrued and unpaid thereon to the date of such tender.

“Title Report” means the title report delivered to the Master Trustee on September 9, 2009.

“Transaction Test” shall mean the Master Trustee shall have received an Officer’s Certificate of the Corporation demonstrating that the Maximum Aggregate Debt Service Coverage Ratio for the Historic Period, assuming that the indebtedness from the proposed additional Series of Bonds had been incurred at the beginning of the Historic Test Period and as such the indebtedness from the proposed additional Series of Bonds is added to the then current Maximum Aggregate Debt Service, is not less than 1.20 to 1.00.

“University” means the University at Albany, State University of New York.

“Variable Rate Bond” shall mean, as of any date of determination, any Bond on which the interest rate borne thereby may vary during any part of its remaining term.

“West Equipment” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“West Facility” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“West Land” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“West Project” shall have the meaning assigned to such term in Exhibit B of the Master Indenture.

“West Project Facility” means collectively, the West Land, the West Equipment and the West Facility.

Series and Amount of Bonds. (Section 201)

The Master Indenture creates an issue of bonds of the Corporation to be designated as “University at Albany Foundation Student Housing Corporation Bonds” and creates a continuing pledge and lien to secure the full and final payment of the principal or Redemption Price of and interest on all the Bonds. The number of series of Bonds that may be created under the Master Indenture is not limited. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Master Indenture is not limited except as provided in the Master Indenture or as may be limited by law.

Obligation of Bonds. (Section 202)

The Bonds shall be payable solely from the special funds provided for such payment pursuant to the Master Indenture, and the Bonds shall not in any respect be a general obligation of the Corporation. The Bonds shall be special obligations of the Corporation payable solely from Revenues and other amounts as described in the Master Indenture.

Issuance of Bonds in Series. (Section 203)

In order to provide sufficient funds for the Costs of the Project Facility or for the purpose of refunding or reoffering any Bonds, any other bonds, notes or other obligations issued by the Corporation to pay the Costs of the Project Facility, Bonds of the Corporation may be issued from time to time in one or more Series without limitation as to amount except as in the Master Indenture provided or as may be limited by law and such Bonds shall be issued subject to the terms, conditions and limitations established in the Master Indenture and in one or more Supplemental Indentures as provided in the Master Indenture. Nothing in the Master Indenture contained shall preclude or restrict the consolidation into a single Series for purposes of issuance and sale of Bonds otherwise permitted by the Master Indenture to be issued at the same time in two or more separate Series; provided that, for the purpose of determining compliance with the requirements of Section 205 or 206 of the Master Indenture, as the case may be, the Bonds otherwise permitted by the Master Indenture to be issued as a separate Series shall be considered separately as if the Bonds were in fact to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Indenture and except as otherwise provided in this Section or in the Supplemental Indenture relating to the issuance thereof, such consolidated Series shall be treated as a single Series of Bonds for all purposes of the Master Indenture.

Conditions Precedent to Delivery of a Series of Bonds. (Section 205)

The Bonds of a Series shall be executed by the Corporation for issuance and delivered to the Master Trustee and thereupon shall be authenticated by the Master Trustee and delivered to the Corporation or upon its order, but only upon the receipt by the Master Trustee of the consideration therefor and upon delivery to the Master Trustee of:

(A) proof that all requirements and conditions to the issuance of such Bonds, if any, set forth in the related Supplemental Indenture shall have been complied with and satisfied;

(B) the Corporation shall have delivered to the Master Trustee an Opinion of Counsel to the effect that registration of such Bonds under the Securities Act of 1933, as amended, and qualification of the Master Indenture or the related Supplemental Indenture under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that the Corporation has complied with all applicable provisions of said Acts;

(C) for deposit in the Construction Fund, the balance of the proceeds of such Series, if any;

(D) except in the case of the initial Series of Bonds, any Parity Reimbursement Obligation and any Series of Refunding Bonds, issued pursuant to Section 206 of the Master Indenture, a Certificate of an Authorized Representative of the Corporation setting forth (1) the Operating Revenues for either of the last two full Fiscal Years immediately preceding the Fiscal Year in which such Bonds are to be issued, (2) the Aggregate Debt Service during such Fiscal Year for which Operating Revenues are set forth pursuant to clause (1), excluding from Aggregate Debt Service any Principal Installment or portion thereof which was paid from a source other than Operating Revenues; and (3) the sum of the Operating Expenses and the Required Deposits for such Fiscal Year, and showing that the amount set forth in clause (1) is at least equal to the sum of (a) an amount equal to 120% of the amount set forth in clause (2) and (b) an amount equal to 120% of the amount set forth in clause (3);

(E) except in the case of any Series of Refunding Bonds issued pursuant to Section 206 of the Master Indenture or any Parity Reimbursement Obligation, a Certificate, signed by an Authorized Representative of the Corporation setting forth the estimated Required Deposits for each of the two (2) Fiscal Years following the issuance of such Series of Bonds, plus the Fiscal Year in which such Bonds are issued;

(F) except in the case of any Series of Refunding Bonds issued pursuant to Section 206 of the Master Indenture, a Certificate of an Authorized Representative of the Corporation (1) setting forth the estimated Operating Revenues for each of the five Fiscal Years following the issuance of such Series of Bonds, plus the Fiscal Year in which such Bonds are issued, after giving effect to any increases in lease payments projected for such Fiscal Years and the amount of Capitalized Interest to be deposited into the Capitalized Interest Account and (2) showing for each such Fiscal Year that the estimated Operating Revenues for such Fiscal Year will be at least equal to the sum of 120% of the maximum estimated Aggregate Debt Service in any future Fiscal Year on all Bonds Outstanding (including the Bonds then to be issued);

(G) except in the case of any Series of Refunding Bonds issued pursuant to Section 206 of the Master Indenture or any Parity Reimbursement Obligation, a Certificate of the Authorized Representative of the Corporation, dated as of the date of such delivery, stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Master Indenture;

(H) in the case of any Series for which Capitalized Interest has been provided by the Supplemental Indenture relating to such Series, (1) the written direction of an Authorized Representative of the Corporation to establish the sub-account for such Series in the Capitalized Interest Account in the Debt Service Fund and (2) the amount of the proceeds of such Series to be deposited in the Master Indenture;

(I) in the case of the issuance of any Series of Bonds in accordance with clause (5) of Section 209 of the Master Indenture, there is delivered to the Master Trustee evidence that the Transaction Test shall have been satisfied; and

(J) such further documents and moneys as are required by the provisions of Article VIII of the Master Indenture or any Supplemental Indenture entered into pursuant to Article VIII of the Master Indenture.

Conditions Precedent to Delivery of Refunding Bonds. (Section 206)

(A) One or more Series of Refunding Bonds may be issued pursuant to Section 206 of the Master Indenture at any time to refund any Outstanding Bonds, provided that (1) the average annual Debt Service on such Series of Refunding Bonds shall not exceed the average annual Debt Service on the Bonds to be refunded and (2) the maximum Debt Service in any Fiscal Year on such Series of Refunding Bonds shall not exceed the maximum Debt Service in any Fiscal Year on the Bonds to be refunded, all as shown in a Certificate signed by an Authorized Representative of the Corporation and delivered to the Master Trustee prior to the authentication and delivery of such Series of Refunding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts required by the provisions of the Supplemental Indenture relating to such Bonds.

(B) All Refunding Bonds of a Series issued under Section 206 of the Master Indenture shall be executed by the Corporation for issuance and delivered to the Master Trustee and thereupon shall be authenticated by the Master Trustee and delivered to the Corporation or upon its order, but only upon the receipt by the Master Trustee of the consideration therefor and upon delivery to the Master Trustee (in addition to the documents required by Section 205(A), (B) and (C) and subsection (A) of Section 206 of the Master Indenture) of:

(1) irrevocable instructions to the Master Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be redeemed on a redemption date or dates specified in such instructions;

(2) if the Bonds to be refunded are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to the Master Trustee, satisfactory to it, to give due notice of any refunding of such Bonds on a specified date prior to their maturity, as provided in Article VI and Section 1201 of the Master Indenture;

(3) either (a) moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued) in an amount sufficient to effect payment of the Principal Installments and the applicable Redemption Price, if any, of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date thereof, as the case may be, or (b) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Section 1201 of the Master Indenture, which Defeasance Obligations and moneys shall be held in trust and used only as provided in Section 1201 of the Master Indenture; and

(4) such further documents and moneys as are required by the provisions of Article VIII of the Master Indenture or any Supplemental Indenture entered into pursuant to Article VIII.

Bond Anticipation Notes. (Section 207)

Whenever the Corporation shall authorize the issuance of a Series of Bonds, the Corporation may, by resolution, authorize the issuance of notes (and renewals thereof) in anticipation of such Series. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes or from the proceeds of the sale of the Series of Bonds in anticipation of which such notes are issued. The proceeds of such Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Master Indenture. The Corporation may also pledge the Revenues to the payment of the interest on, and subject to Section 707, the principal of such notes. A copy of the resolution of the Corporation authorizing such notes, certified by an Authorized Representative of the Corporation shall be delivered to the Master Trustee following its adoption, together with such other information concerning such notes as the Master Trustee may reasonably request.

Credit Facilities; Interest Rate Exchange Agreement. (Section 208)

(A) In connection with the issuance of any Series of Bonds under the Master Indenture, the Corporation may from time to time obtain or cause to be obtained one or more Credit Facilities providing for or securing payment of all or a portion of the Principal Installments or Redemption Price or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the issuer of such Credit Facility or providing funds for the purchase of such Bonds by the Corporation. In connection therewith, the Corporation may enter into agreements with the issuer of such Credit Facility providing for, inter alia; (1) the payment of fees and expenses to such issuer for the issuance of such Credit Facility; (2) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (3) the security, if any, to be provided for the issuance of such Credit Facility.

(B) The Corporation may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Corporation in the applicable Supplemental Indenture. The Corporation may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer

for amounts paid under the terms of such Credit Facility, together with interest thereon (the “Reimbursement Obligation”). Any such Reimbursement Obligation may be secured by a pledge of, and a lien on, Revenues on a parity with the lien created by Section 501 of the Master Indenture (in which case such Reimbursement Obligation shall be a Parity Reimbursement Obligation). Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

(C) Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Supplemental Indenture.

(D) In connection with the issuance of any Series of Bonds under the Master Indenture, the Corporation may obtain or cause to be maintained one or more Interest Rate Exchange Agreements. The Corporation may agree that payments by the Corporation under the Interest Rate Exchange Agreement (including termination payments thereunder) may be secured by a pledge of, and a lien on Revenues on a parity with the lien created by Section 501 of the Master Indenture, and any payment so secured shall be a Parity Reimbursement Obligation under the Master Indenture.

Limitation on Further Priority Indebtedness. (Section 209)

After issuance of the initial Series of Bonds and any Parity Reimbursement Obligation relating to such Series of Bonds, no Bonds, Bond Anticipation Note or Parity Reimbursement Obligation shall be secured by a pledge of, and lien on, Revenues excluding only (1) Bonds issued with the consent of the issuer of a bond insurance policy or other Credit Facility relating to any outstanding Series of Bonds, provided the issuer of the bond insurance policy or other Credit Facility is not in default thereunder, (2) Refunding Bonds, (3) Parity Reimbursement Obligations issued in connection with Refunding Bonds or to replace a Credit Facility or Parity Reimbursement Obligation issued with respect to the initial Series of Bonds, (4) Subordinated Indebtedness, and (5) provided that the Transaction Test shall have been satisfied, Bonds issued on parity with the initial Series of Bonds.

Application of Bond Proceeds; Deposit to the Repair and Replacement Fund. (Section 401)

(A) The proceeds (including accrued interest) of sale of the Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in the Funds and Accounts, as shall be provided by the Supplemental Indenture relating to such Series, and all amounts not otherwise deposited shall be deposited in the Construction Fund; provided, however, that in the case of Refunding Bonds, all such amounts not otherwise deposited shall be applied to the respective purposes thereof in the manner provided in the Supplemental Indenture relating to the same.

(B) [Reserved].

(C) Upon the execution of the Master Indenture, there shall be deposited in the Repair and Replacement Fund the amounts held in the Repair and Replacement Fund established under the Indenture.

The Pledge Affected by the Master Indenture. (Section 501)

There are hereby pledged for the payment of the Bonds, in accordance with their terms and the provisions of the Master Indenture, subject only to the provisions of the Master Indenture, each applicable Supplemental Indenture permitting the application thereof for or to the purposes and on the terms and conditions in the Master Indenture and in the Master Indenture set forth: (1) all Revenues, (2) the proceeds from the sale of the Bonds, (3) all moneys or securities in any of the Funds and Accounts, and (4) all other moneys and securities to be received, held or set aside by the Corporation or by any Fiduciary pursuant to the Master Indenture. It is the intention of the Corporation that to the fullest extent permitted by law, this pledge shall be valid and binding from the time when it is made, that the Revenues, moneys, securities and other funds which are pledged hereby and then or thereafter received by the Corporation shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the obligation to perform the contractual provisions in the Master Indenture contained

shall have priority over any and all other obligations and liabilities of the Corporation and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Corporation, irrespective of whether such parties have notice thereof.

Establishment of Funds and Accounts. (Section 502)

(A) The following Funds and Accounts are hereby established:

- (1) Construction Fund;
- (2) Revenue Fund;
- (3) Debt Service Fund;
- (4) Operating Fund;
- (5) [Reserved];
- (6) Subordinated Indebtedness Fund; and
- (7) Repair and Replacement Fund.

(B) Any Supplemental Indenture which provides for a Special Credit Facility to secure the payment of the principal installments of and interest on the Bonds authorized thereby or to secure the payment of the Tender Option Price of any Option Bonds authorized thereby may establish one or more "Special Accounts" in the Debt Service Fund.

(C) There is hereby established in the Debt Service Fund a separate account to be known as the "Capitalized Interest Account." The Master Trustee shall, upon receipt of a written direction signed by an Authorized Representative of the Corporation, establish, in the Capitalized Interest Account, a sub-account for each Series of Bonds for which Capitalized Interest has been provided by the Supplemental Indenture relating to such Series.

(D) In addition to the Accounts established in subsections (A), (B) and (C) above, the Master Trustee shall establish separate Series sub-accounts for bookkeeping purposes within the Construction Fund, and any other Fund or Account established under the Master Indenture, except the Repair and Replacement Fund, into which proceeds of any Series of Bonds are at any time deposited. Such Series sub-accounts shall be denominated the sub-accounts of the respective Series and Fund or Account to which they appertain. Amounts within a Fund or Account credited to a Series sub-account may be invested together with other amounts in such Fund or Account, provided that (1) each such investment is in an Investment Security and complies with the provisions of Article V of the Master Indenture and (2) the Master Trustee maintains separate records for each Series sub-account with a Fund or Account accurately reflecting investments and earnings credited to each Series sub-account in the Master Indenture.

(E) Unless otherwise expressly provided in the Master Indenture, all of the Funds and Accounts shall be held by the Master Trustee.

Construction Fund. (Section 503)

(A) There shall be deposited from time to time in the Construction Fund any amount required to be deposited in the Master Indenture pursuant to the Master Indenture and any other amounts received by the Corporation for or in connection with the Project Facility and the Improvements and determined by the Corporation to be deposited in the Master Indenture, which are not otherwise permitted or required to be applied in accordance with the Master Indenture or a Supplemental Indenture.

(B) The proceeds of insurance maintained by the Corporation against physical loss of or damage to the Project Facility, or of any contractors' performance bonds with respect thereto pertaining to the period of construction of the Project Facility, or of condemnation or eminent domain awards received by the Master Trustee or the Corporation with respect to the Project Facility, shall be paid into the Construction Fund.

(C) Except as otherwise provided in Section 503 and in Section 514(B) of the Master Indenture, amounts in the Construction Fund shall be expended only to pay Costs (including Costs of Issuance) in the manner provided in this Section.

(D) The Master Trustee shall make payments from the Construction Fund, except payments and withdrawals pursuant to subsection (E) of Section 503 and Section 514(B) of the Master Indenture, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection. Before any such payment shall be made, the Corporation shall file with the Master Trustee its Disbursement Request therefor, signed by an Authorized Representative of the Corporation, stating in respect of each payment to be made (1) the name and address of the person, firm or corporation to whom payment is due, (2) the amount to be paid, and (3) the particular item of Cost to be paid and that such Cost in the stated amount is a proper charge against the Construction Fund which has not been previously paid. The Master Trustee shall issue its check for each payment required by such Disbursement Request or shall by interbank transfer or other method arrange to make payment required by such Disbursement Request and promptly provide the Corporation with written evidence thereof.

(E) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor in any of the other Funds and Accounts established under the Master Indenture, amounts in the Construction Fund shall be applied to the payment of the Principal Installments of and interest on Bonds when due. The Master Trustee may rely upon the Disbursement Requests and other documentation submitted to it and has no obligation to investigate the source or accuracy of same.

(F) In no event shall the Master Trustee make payments to the Corporation from the Construction Fund during the occurrence and continuation of an Event of Default.

Revenue Fund. (Section 504)

(A) The Corporation shall, not less often than once every two weeks, cause all Revenues of the Corporation, including without limitation amounts received by the Corporation pursuant to the Occupancy Agreements to be paid to the Master Trustee, who shall promptly upon receipt deposit the same in the Revenue Fund created under the Master Indenture, and (b) there shall be deposited in the Revenue Fund all other amounts required by the Master Indenture, any Supplemental Indenture or the Occupancy Agreement to be so deposited.

(B) Other than as applied pursuant to Section 505 of the Master Indenture, all Revenues deposited in the Revenue Fund during any Fiscal Year shall remain in the Revenue Fund subsequent to such Fiscal Year-end until receipt by the Master Trustee of (i) audited financial statements of the Corporation for such prior Fiscal Year; and (ii) a certificate of an Authorized Representative of the Corporation affirming that (a) no Event of Default exists under the Master Indenture, (b) the financial statements referred to in (i) above demonstrate that the Maximum Aggregate Debt Service Coverage Ratio for such prior Fiscal Year was not less than 1.2:1.0, (c) the Corporation reasonably projects the Revenues received or expected to be received in the current Fiscal Year will produce Net Revenues Available for Debt Service in the current Fiscal Year sufficient (without consideration of any undisbursed portion of the prior Fiscal Year's Net Revenues Available for Debt Service) to produce a Maximum Aggregate Debt Service Coverage Ratio of not less than 1.2:1.0, whereupon the Master Trustee shall release to the Corporation, free of the lien of the Master Indenture and for any use by the Corporation within its corporate purposes, so much of the remaining Revenues from such prior Fiscal Year as the Corporation shall request in writing. As a condition precedent to the release of any such Revenues remaining in the Revenue Fund from the prior Fiscal Year to the Corporation, all amounts required to have been deposited to the Repair and Replacement Fund shall have been so deposited. If any Revenues remain in the Revenue Fund subsequent to the Fiscal Year-end due to the failure of the Corporation to produce a Maximum Aggregate Debt Service Coverage Ratio of not less than 1.2:1.0 of the prior Fiscal Year, such Revenues shall be released to the Corporation only upon receipt by the Master Trustee of unaudited financial statements for a period of two consecutive subsequent fiscal quarters (which unaudited financial statements shall be submitted with the certificate referred to in (ii) above) demonstrating that the Maximum Aggregate Debt Service Coverage Ratio for such period was not less than 1.2:1.0 and the provisions set forth under (a) and (c) above have been satisfied. The Corporation's financial projections calculated under (c) above shall at all

times be based upon reasonable assumptions, which assumptions shall be set forth in the certificate furnished to the Master Trustee in accordance with (ii) above.

Payments into Certain Funds. (Section 505)

(A) On the third Business Day prior to each Bond Payment Date, the Master Trustee shall withdraw from the Revenue Fund and transfer to the Debt Service Fund an amount equal to the Debt Service Payments due on the Bonds on such Bond Payment Date.

(B) On the second Business Day prior to each Bond Payment Date (or other Bond Payment Date in the case of paragraph (1) below), the Master Trustee shall withdraw from the Revenue Fund, and transfer to the Persons, Funds and Accounts identified below, in order of priority as listed, the amounts described below:

(1) To the Debt Service Fund, the additional amount, if any, required for the balance therein to equal the Debt Service Payment on the Series of Bonds on the immediately following Bond Payment Date;

(2) [Reserved];

(3) To the Corporation's Operating Account, or the Operating Fund, as the case may be as provided in Section 516(C) of the Master Indenture, the amount required to cause the balance therein to equal the budgeted operating expenses for the Project Facility through the end of the next calendar month, as shown on the Annual Budget then in effect plus a base level of \$50,000, as shown on a certificate to be provided to the Master Trustee by the Corporation, including payment of fees and expenses then due, if any, of the Master Trustee;

(4) To the Repair and Replacement Fund, the Repair and Replacement Requirement then in effect;

(5) To the Subordinated Indebtedness Fund, the amount required for the balance thereon to equal the Debt Service Payment for the Subordinated Indebtedness.

Debt Service Fund. (Section 506)

(A) The Master Trustee shall, for each Series of Bonds Outstanding, pay (1) on each Bond Payment Date, (a) from the moneys on deposit in the Debt Service Fund, the amounts required for the payment of the Principal Installments, if any, due on such Bond Payment Date and (b) from the moneys on deposit in the Debt Service Fund, including the moneys credited to the sub-account, if any, established for any Series in the Capitalized Interest Account in such Fund, the interest due on such Bond Date or the amount payable by the Corporation under any Interest Rate Exchange Agreement with respect to interest payable on such date, and (2) on any redemption date or date of purchase, the amounts required for the payment of the Redemption Price of or purchase price of and accrued interest on Bonds to be redeemed or purchased on such date unless the payment for such amounts shall be otherwise provided.

(B) The amounts accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed by an Authorized Representative of the Corporation shall, be applied (together with amounts with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Master Trustee prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Installment as follows:

(1) to the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable for such Bonds when such Bonds are redeemable by application of such Sinking Fund Installment plus unpaid interest accrued to the date of purchase, such purchases to be made by the Master Trustee as directed in writing by an Authorized Representative of the Corporation; or

(2) to the redemption of such Bonds pursuant to Article VI of the Master Indenture, if then redeemable by their terms, at or below the Redemption Price referred to in clause (1) above.

(C) Upon the purchase or redemption of any Bond pursuant to subsection (B) of this Section, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due and the amount of any excess of the amounts so credited shall be credited against future Sinking Fund Installments in direct chronological order.

(D) As soon as practicable after the forty-fifth (45th) day preceding the due date of any such Sinking Fund Installment, the Master Trustee shall proceed to call for redemption, pursuant to Section 603 of the Master Indenture, on such due date, Bonds of the Series and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of the Bonds of such Series and maturity. The Master Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Debt Service Fund sufficient to pay the applicable Redemption Price thereof on the redemption date. The Master Trustee shall apply to the redemption of the Bonds on each such redemption date, the amount required for the redemption of such Bonds.

Subordinated Indebtedness Fund. (Section 509)

(A) Amounts on deposit in the Subordinated Indebtedness Fund shall be applied by the Master Trustee solely to the maintenance of reserves for, or the payment of, Subordinated Indebtedness, or as otherwise provided by the resolution of the Corporation authorizing each issue of Subordinated Indebtedness.

(B) If at any time the amounts in the Debt Service Fund shall be less than the current requirements thereof, the Master Trustee shall withdraw from the Subordinated Indebtedness Fund and deposit in the Debt Service Fund, the amount necessary (or all the moneys in said Fund, if less than the amount necessary) to make up such deficiency.

(C) If, as of the last day of any Fiscal Year, any amount remains on deposit in the Subordinated Indebtedness Fund, such amount shall be transferred to the Revenue Fund.

Subordinated Indebtedness. (Section 511)

The Corporation may, at any time, or from time to time, issue Subordinated Indebtedness payable out of, and which may be secured by a pledge of and lien on, such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof as provided in Section 509 of the Master Indenture; provided, however, that (1) such Subordinated Indebtedness shall be issued only for any one or more of the purposes set forth in Section 205(A)(2) of the Master Indenture and the proceeds of such Subordinated Indebtedness shall be applied only for such purpose or purposes, and (2) any pledge of or lien on amounts held by the Master Trustee as security for such Subordinated Indebtedness shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Master Indenture as security for the Bonds.

Banking Depositaries. (Section 512)

(A) All moneys or securities held by the Master Trustee under the provisions of the Master Indenture shall constitute trust funds and the Master Trustee may, and shall, if directed in writing by an Authorized Representative of the Corporation, deposit such moneys or securities with one or more Banking Depositaries in trust for the Master Trustee. All moneys or securities deposited under the provisions of the Master Indenture with the Master Trustee or any Banking Depositary shall be held in trust and applied only in accordance with the provisions of the Master Indenture, and each of such Funds established by the Master Indenture shall be a trust fund for the purposes thereof. The Corporation and the Master Trustee shall instruct each Banking Depositary that any moneys or securities credited to a Fund or an Account under the Master Indenture which are deposited with such Banking Depositary shall be identified to be part of such Fund or Account and subject to the pledge in favor of the Master Trustee created under the Master Indenture. Prior to the first deposit of any moneys or securities with each Banking

Depository, the Corporation and the Master Trustee shall obtain from such Banking Depository its agreement to serve as agent of the Master Trustee in holding such moneys or securities in pledge in favor of the Master Trustee. The contract or other written instrument between the Corporation and such Banking Depository governing the establishment and operation of such account shall provide that the moneys or securities from time to time deposited with such Banking Depository shall be held by such Banking Depository as such agent and subject to the pledge in favor of the Master Trustee; provided that, except as otherwise expressly provided in the Master Indenture, the Corporation shall be permitted at any time to make withdrawals from and write checks or other drafts against any account held by the Corporation and established with such Banking Depository and apply the same for the purposes specified in the Master Indenture and, subject to Section 514 of the Master Indenture, the Corporation shall be permitted to invest amounts in any such account in Investment Securities.

(B) Each Banking Depository holding moneys or securities in trust for the Master Trustee shall be a bank or trust company organized under the laws of the State or a national banking association (having its principal office within the State), having capital stock, surplus and undivided earnings aggregating at least \$75,000,000 (or such greater amount as set forth in a Supplemental Indenture) and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Master Indenture.

(C) Each Banking Depository holding moneys or securities in trust for the Corporation shall be as described in (B) above, except that no amounts shall be deposited with any Banking Depository in excess of the greater of (1) two percent (2%) of its capital, surplus and undivided earnings or (2) \$100,000 (or such larger amounts as may then be insured by the Federal Deposit Insurance Corporation).

(D) Moneys and securities credited to any Fund or Account may be commingled with moneys and securities credited to other Funds or Accounts for the purposes of establishing checking or other bank accounts, of investing funds or otherwise; provided, however, the Master Trustee and the Corporation shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to the respective Funds and Accounts held by them. All withdrawals from any commingled moneys or securities shall be charged against the proper Fund or Account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or Account to be charged sufficient funds to cover such withdrawal.

Deposits. (Section 513)

(A) All Revenues and other moneys held by any Banking Depository under the Master Indenture may be placed on demand or time deposit, if and as directed by the Corporation, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. All such moneys deposited with a Fiduciary, acting as a Banking Depository, may be made in the commercial banking department of any Fiduciary which may honor checks and drafts and also provide for wire transfer on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Corporation and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such income earned, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(B) Any moneys deposited by the Master Trustee in each Banking Depository shall be credited to the particular Fund or Account to which such moneys belong.

Investment of Certain Funds. (Section 514)

(A) Moneys held in the Debt Service Fund shall be invested and reinvested by the Master Trustee to the fullest extent practicable in Investment Securities of the type described in clauses (A), (B), (C), (D), (E), (F) or (J) of the definition of Investment Securities in Section 101 of the Master Indenture, which mature not later than at such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Subject to the terms of any resolutions, indentures or other instruments securing any issue of Subordinated Indebtedness, moneys in the Subordinated Indebtedness Fund shall be invested and reinvested to the fullest extent

practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from said Fund. Moneys held in the Revenue Fund, the Operating Fund, and the Construction Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. The Master Trustee shall make all such investments of moneys held by it in accordance with written instruction or oral instructions confirmed in writing from any Authorized Representative of the Corporation. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Master Indenture, the Corporation may, and may instruct the Master Trustee to, combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

(B) Except as may be otherwise provided in a Supplemental Indenture relating to a Series of Bonds, interest (net of that which represents a return of accrued interest or premium paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Funds and Accounts, other than the Debt Service Fund, shall be paid by the Master Trustee to the Corporation. Investment income (net of that which represents a return of accrued interest or premium paid in connection with the purchase of any investment) and other investment earnings on any moneys or investments in the Debt Service Fund shall be retained in the Debt Service Fund.

(C) All Investment Securities acquired with moneys in any Fund or Account shall be held by the Master Trustee in pledge or by a Banking Depositary as agent in pledge in favor of the Master Trustee in accordance with Section 513 of the Master Indenture.

(D) Nothing in the Master Indenture shall prevent any Investment Securities acquired as investments of funds held under the Master Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Valuation and Sale of Investments. (Section 515)

(A) Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of the Master Indenture shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account, as the case may be, and any loss resulting from the liquidation of such investment shall be charged to such Fund or Account, as the case may be.

(B) In computing the amount in any Fund or Account created under the provisions of the Master Indenture for any purpose provided in the Master Indenture, obligations purchased as an investment of moneys in the Master Indenture shall be valued at the cost of such obligations or the market value thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made annually on December 1 for all Funds and Accounts and at such other times as the Corporation shall determine or as may be required by the Master Indenture.

(C) Except as otherwise provided in the Master Indenture, the Master Trustee shall sell, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Representative of the Corporation so to do. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Master Trustee, the Master Trustee shall sell or present for redemption such obligation or obligations designated by an Authorized Representative of the Corporation necessary to provide sufficient moneys for such payment or transfer; provided, however, that if the Corporation fails to provide such designation promptly after request thereof by the Master Trustee, the Master Trustee may (but shall not be obligated to) in its discretion select the obligation or obligations to be sold or presented for redemption. The Master Trustee shall not be liable or responsible for any loss resulting from the making of any such investment or the sale of any obligation in the manner provided above.

Repair and Replacement Fund. (Section 516)

The Corporation agrees to pay monthly to the Master Trustee for deposit in the Repair and Replacement Fund, the Repair and Replacement Requirement. Moneys in the Repair and Replacement Fund shall be transferred to the Corporation upon receipt by the Master Trustee of a certificate signed by an Authorized Representative of the Corporation to the effect that the amount requested to be transferred is needed to finance capital repairs, replacements or upgrades to, or extraordinary maintenance expenses (to the extent considered capital in nature under GAAP) for the Project Facility. Upon an Event of Default, pursuant to Section 10.01(A), of the principal of all Bonds Outstanding, the Master Trustee shall transfer all moneys in the Repair and Replacement Fund to the Debt Service Fund to be applied as provided in Article X.

Corporation Operating Account. (Section 517)

(A) The Corporation shall maintain a separate account (the “Corporation’s Operating Account”) with a financial institution of its choice for the payment of the operating expenses relating to the Project Facility and for the receipt of Revenues under Section 505(B)(3) of the Master Indenture and such other moneys, if any, which the Corporation shall deposit in the Corporation’s Operating Account solely for use in connection with the operation of the Project Facility. The Corporation’s Operating Account and the moneys therein shall be free and clear of the lien of the Master Indenture.

(B) The Corporation shall certify to the Master Trustee monthly the information required for the transfer of Revenues to the Corporation’s Operating Account or the Operating Fund, as the case may be, pursuant to Section 505(B)(3) of the Master Indenture.

(C) If an Event of Default shall occur under the Master Indenture or a Supplemental Indenture relating to a Series of Bonds, and unless otherwise agreed by the issuer of a bond insurance policy or other Credit Facility issued with respect to a Series of Bonds, the Corporation shall transfer to the Master Trustee any moneys remaining in the Corporation’s Operating Account, and the Master Trustee shall deposit such amounts in a separate trust fund to be denominated the University at Albany Foundation Student Housing Corporation Empire Commons Project – Operating Fund (the “Operating Fund”), which the Corporation directs the Master Trustee to create under the Master Indenture. The amounts transferred under Section 505(B)(3) of the Master Indenture shall be transferred to the Operating Fund until such Event of Default is cured and for six (6) months thereafter (or until such earlier date as shall be consented to in writing by the issuer of a bond insurance policy or other Credit Facility issued with respect to a Series of Bonds to the extent required by an applicable Supplemental Indenture). For so long as the Revenues are being transferred to the Operating Fund under Section 505(B)(3) of the Master Indenture, the Master Trustee shall pay costs and expenses relating to the operating of the Project Facility, not more often than one each week, pursuant to written certification from the Corporation describing the amounts to be paid and the payee.

(D) In an Event of Default by the Corporation which caused Revenues transferred under Section 505(B)(3) of the Master Indenture to be deposited to the Operating Fund is cured and no new Event of Default occurs within six (6) months (or at such earlier time as shall be approved by the issuer of a bond insurance policy or other Credit Facility issued with respect to a Series of Bonds to the extent required by an applicable Supplemental Indenture), the Master Trustee shall transfer any balance in the Operating Fund to the Corporation for deposit in the Corporation’s Operating Account, and thereafter (until and unless an Event of Default shall occur under the Master Indenture or a Supplemental Indenture relating to a Series of Bonds) transfers of Revenues under Section 505(B)(3) of the Master Indenture shall be made to the Corporation’s Operating Account.

Payment of Bonds. (Sections 701)

The Corporation shall duly and punctually pay or cause to be paid (but solely from the sources in the Master Indenture provided) the Principal Installments on or Redemption Price of every Bond, and the interest thereon, on the dates, at the places and in the manner stated in the Bonds.

Offices for Servicing Bonds. (Section 702)

The Corporation shall at all times maintain an office or agency where Bonds may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the Corporation in respect of the Bonds or of the Master Indenture may be served. The Corporation hereby appoints the Master Trustee as its agent to maintain such office or agency for the registration of transfer or exchange of Bonds and for the service of such notices, presentations and demands upon the Corporation.

Further Assurance. (Section 703)

At any and all times the Corporation shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular, the rights, assets, revenues and other moneys, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Corporation may become bound to pledge or assign.

Power to Issue Bonds and Pledge Revenues. (Section 704)

The Corporation is duly authorized under all applicable laws to authorize and issue the Bonds, to execute the Master Indenture and to pledge the Revenues and assets purported to be pledged and assigned hereby in the manner and to the extent in the Master Indenture provided. The Revenues and assets so pledged and assigned are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, of equal rank with, or subordinate to the pledge created hereby, and all corporate or other action on the part of the Corporation to that end has been and will be duly and validly taken. The Bonds and the provisions of the Master Indenture are and will be the valid and legally enforceable special obligations of the Corporation in accordance with their terms and the terms of the Master Indenture. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other assets, including rights in the Master Indenture and in the Occupancy Agreements pledged and assigned under the Master Indenture and all the rights of the Bondholders under the Master Indenture against all claims and demands of all persons whomsoever.

Negative Pledge. (Section 705)

Except as expressly permitted by the Master Indenture, (1) the Corporation will not sell, transfer, pledge, exchange or otherwise dispose of any of its properties or assets that are pledged under the Master Indenture, (2) the Corporation will not cause directly or indirectly the payment of Revenues to be directed other than to the Master Trustee and (3) the Corporation will not sell, transfer, pledge, exchange or otherwise dispose of the Project Facility.

Accounts and Periodical Reports and Certificates. (Section 706)

The Corporation shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions under the Master Indenture and which, together with all other books and papers of the Corporation, shall at all reasonable times be subject to the inspection of the Master Trustee or the representative, duly authorized in writing, of the holder or holders of not less than 25% in principal amount of the Bonds then Outstanding.

Indebtedness and Liens. (Section 707)

Subject to any terms and conditions in a Supplemental Indenture, the Corporation shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds, Bond Anticipation Notes and Subordinated Indebtedness and Parity Reimbursement Obligations issued under the Master Indenture, secured by a pledge of or other lien or charge on the Revenues or the Property Facility (other than Permitted Encumbrances), and shall not create or cause to be created any lien or charge on such Revenues (other than Permitted Encumbrances) or on any amounts held by any Fiduciary, under the Master Indenture; but this Section shall not prevent the Corporation (1) from issuing notes payable from the proceeds of Bonds, or (2) from issuing bonds or notes or other obligations for

the corporate purposes of the Corporation which are payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Master Indenture shall be discharged and satisfied as provided in Section 1201 of the Master Indenture, or (3) from issuing bonds or notes or other obligations for the corporate purposes of the Corporation which are payable out of or secured by the pledge of amounts available therefor after satisfaction, in each quarter, of the Required Deposits for such quarter, and which recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Master Indenture and the lien and pledge created by the Master Indenture, or (4) from issuing bonds or notes or other obligations for the corporate purposes of the Corporation which are payable out of or secured by the pledge of amounts available therefor after satisfaction of the Transaction Test.

General. (Section 708)

The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of the Master Indenture in accordance with the terms of such provisions.

Annual Budget. (Section 709)

(A) The Corporation shall, on or before May 1 in each Fiscal Year, adopt and file with the Master Trustee, a copy of the Annual Budget for the ensuing Fiscal Year, duly certified by an Authorized Representative of the Corporation.

(B) If for any reason the Corporation shall not have adopted the Annual Budget on or before such May 1, the Annual Budget for the then current Fiscal Year shall be deemed to be the Annual Budget for the ensuing Fiscal Year until a new Annual Budget is adopted.

(C) The Corporation may at any time adopt an amended Annual Budget for the then current or ensuing Fiscal Year, but no such amended Annual Budget shall supersede any prior Annual Budget until the Corporation shall have filed with the Master Trustee a copy of such amended Annual Budget.

Debt Service Requirement. (Section 710)

The Corporation shall promptly recalculate the Annual Budget upon the occurrence of any change in the Aggregate Debt Service, Projected Debt Service or debt service on Subordinated Indebtedness.

Supplemental Indentures Not Requiring Consent of Holders. (Section 801)

The Corporation and the Master Trustee may, without the consent of or notice to any of the Holders of any Bonds but with prior written notice to any Credit Facility Provider, enter into one or more Supplemental Indentures for one or more of the following purposes:

- (1) To cure any ambiguity or formal defect or omission in the Master Indenture.
- (2) 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, add, delete, or modify any other provisions with respect to matters or questions arising under the Master Indenture which shall not materially adversely affect the interest of the Holders.
- (3) 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 Section 803(A) of the Master Indenture.
- (4) 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.

- (5) To create and provide for the issuance of a series of Bonds as permitted under the Master Indenture.
- (6) To obligate a successor to the Corporation as provided in the Master Indenture.
- (7) To add further covenants, restrictions, security or conditions for the protection of the Holders of Bonds issued under the Master Indenture, and to make the occurrence and continuance, of a default in any of such covenants, restrictions or conditions an Event of Default permitting the enforcement of all or any of the several remedies provided in the Master Indenture as set forth in the Master Indenture; provided, however, that in respect of any such additional covenant, restriction or conditions, such Supplemental Indenture may provide for a particular period of grace after default (which period may be shorter or longer than allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Master Trustee upon such default;
- (8) To permit the issuance of Bonds not evidenced by physical certificates;
- (9) To permit the Master Trustee to comply with any duties imposed upon it by law; and
- (10) To achieve compliance of the Master Indenture with any applicable federal securities, tax or other state or federal law.

Supplemental Indentures Requiring Consent of Bondholders. (Section 802)

(A) Other than Supplemental Indentures referred to in Section 801 of the Master Indenture and subject to the terms and provisions and limitations contained in this Article and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds 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 Corporation and the Master Trustee of such Supplemental Indentures 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 or of any Supplemental Indenture; provided, however, nothing in this Section shall permit or be construed as permitting a Supplemental Indenture which would:

- (i) Extend the stated maturity of or time for paying interest on any Bond or reduce the principal amount of or the redemption premium or rate of interest payable on any Bond without the consent of the Holder of such Bond;
- (ii) Modify, alter, amend, add to or rescind any of the terms or provisions contained in Article VII of the Master Indenture in any manner which would materially and adversely affect the interests of the Holders or any of them without the consent of the Holders of all Bonds then Outstanding; or
- (iii) Reduce the aggregate principal amount of Bonds then Outstanding the consent of the Holders of which is required to authorize such Supplemental Indenture without the consent of the Holders of all Bonds then Outstanding.

In the case of any amendment related to a Supplemental Indenture for a particular series of Bonds for which a bond insurance policy or other Credit Facility shall have been obtained, the prior written consent of the issuer of such insurance policy or other Credit Facility, so long as the issuer or such insurance policy or other Credit Facility is not in default thereunder, shall be required.

In the case of any amendment only to a related Supplemental Indenture for a particular series of Bonds only the consent of the Holders of the Bonds issued under such related Supplemental Indenture shall be required and counted for purposes of determining if the requisite percentage of consents have been given.

(B) If at any time the Corporation shall request the Master Trustee to enter into a Supplemental Indenture pursuant to this Section, which request is accompanied by a copy of the proposed Supplemental Indenture and if within such period, not exceeding three years, as shall be prescribed by the Corporation, following the request, 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 Bonds for the Supplemental Indenture in question which instrument or instruments shall refer to the proposed Supplemental Indenture 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 Supplemental Indenture in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

(C) Any such consent shall be binding upon the Holder of the Bond giving such consent and upon any subsequent Holder of such Bond and of any Bond issued in exchange therefore (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bond 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 Supplemental Indenture, such revocation and, if such Bond or Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 901 of the Master Indenture. At any time after the Holders of the required principal amount or number of Bonds shall have filed their consents to the Supplemental Indenture, the Master Trustee shall make and file with the Corporation, a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(D) If the Holders of the required principal amount or number of the Bonds Outstanding shall have consented to and approved the execution of such Supplemental Indenture as in the Master Indenture provided, no Holder of any Bond shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained in the Master Indenture 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 Corporation from executing the same or from taking any action pursuant to the provisions thereof.

(E) It shall not be necessary for the consent of Holders under Section 802 of the Master Indenture to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Consents And Other Instruments Of Bondholders. (Section 901)

(A) Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by the Master Indenture, or any Supplemental Indenture, to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, 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 with regard to any action taken under such 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 Bonds registered in the name of a Holder as to principal or as to principal and interest may be proved by the register of such Bonds; and

(B) Nothing in this Section shall be construed as limiting the Master Trustee to the proof in the Master Indenture specified, it being intended that the Master Trustee may accept any other evidence of the matters in the Master Indenture stated which it may deem sufficient.

(C) 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 Bond or Bonds, shall be conclusive and binding upon all future Holders of the same Bond or Bonds.

Credit Facility Consent in Lieu of Bondholder Consent. (Section 904)

Any Supplemental Indenture may provide that with respect to a Series of Bonds governed thereby the consent of the issuer of a bond insurance policy or other Credit Facility issued with respect to such Series to any amendment or modification of the Master Indenture shall stand in the place of the consent or approval of the holders of such Bonds so long as (A) the issuer of the bond insurance policy or other Credit Facility is not in default thereunder, and (B) the consent or approval of the holders of less than 100% of all Bonds affected by such amendment or modification is required in which case the consent of the issuer of the bond insurance policy or other Credit Facility shall also be required so long as there is no default under such facility.

Events of Default. (Section 1001)

The following shall be “Events of Default” under the Master Indenture, and the terms “Event of Default” shall mean when they are used under the Master Indenture, any one or more of the following events:

(1) a default in the due and punctual payment of a Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption or otherwise; or

(2) a default in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable; or

(3) default by the Corporation in the performance or observance of any other of the covenants, agreements or conditions on its part in the Master Indenture, any Supplemental Indenture or in the Bonds contained, and such default shall continue for a period of thirty days after written notice of such failure requesting such failure to be remedied, given to the Corporation by the Master Trustee, unless the Master Trustee shall agree in writing to an extension of such time prior to its expiration, which extension may be given by the Master Trustee in its discretion and shall be given by the Master Trustee at the written request of (a) the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding, or (b) the issuer of a bond insurance policy or other Credit Facility with respect to any Series of Bonds for which such insurance policy or other Credit Facility has been obtained, so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder or (c) any Bondholder of a Series of Bonds issued pursuant to a Supplemental Indenture permitting such a request; or

(4) a default under the Occupancy Agreements by the Corporation shall have occurred and be continuing for a period of thirty days after written notice of such failure has been delivered to the Corporation; or

(5) if the Corporation shall file a petition or otherwise seek relief under any general or State bankruptcy or similar law.

(A) Upon (1) the occurrence of an Event of Default under Section 1001(1) through 1001(2) of the Master Indenture, the Master Trustee shall, (and, with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained, with the prior written consent of the issuer of such insurance policy or other Credit Facility so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder (unless such issuer elects to direct the Master Trustee to continue to pay principal and interest on the Bonds on the originally scheduled due dates of the Bonds)), or (2) the occurrence of an Event of Default under Section 1001(3) through 1001(5) of the Master Indenture and so long as such Event of Default is continuing, the Master Trustee may, (and, with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained, with the prior written consent of the issuer of such insurance policy or other Credit

Facility, and shall upon the written request of the issuer of such insurance policy or Credit Facility so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder), by notice in writing delivered to the Corporation, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, however, that if the issuer of an insurance policy or other Credit Facility is in default of its payment obligations under the insurance policy or Credit Facility or the insurance policy or Credit Facility shall not be in effect, the Holders of not less than fifty one percent (51%) in aggregate principal amount of Bonds then Outstanding shall have the right to direct the Master Trustee in the manner described above.

Upon the occurrence of any declaration by the Master Trustee under Section 1001 of the Master Indenture, the principal of the Bonds then Outstanding and the interest accrued thereon and the acceleration premium shall thereupon become and be immediately due and payable, and interest shall continue to accrue thereon until the date of payment. The right of the Master Trustee to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest upon the Bonds, together with the reasonable and proper charges, expenses and liabilities of the Master Trustee, and all other sums then payable by the Corporation under the Master Indenture (except the interest accrued since the next preceding interest payment date on the Bonds, due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Corporation or provision satisfactory to the Master Trustee shall be made for such payment, and all defaults under the Bonds or under the Master Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Master Trustee or provision deemed by the Master Trustee to be adequate shall be made therefor, then and in every such case the issuer of a bond insurance policy or other Credit Facility or the holders of a majority in principal amount of the Bonds Outstanding, as applicable, by written notice to the Corporation and to the Master Trustee, may rescind such declaration and annul such default in its entirety, or, if the Master Trustee shall have acted without a direction from the holders of the Bonds as aforesaid at the time of such request, and if there shall not have been theretofore delivered to the Master Trustee written direction to the contrary by the holders of a majority in principal amount of the Bonds then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(B) Upon the occurrence and continuance of any Event of Default, the Master Trustee shall exercise such of the rights and powers vested in the Master Trustee under the Master Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of their own affairs. In considering what actions are or are not prudent in the circumstances, the Master Trustee shall consider whether or not to take such action as may be permitted to be taken by the Master Trustee under the Master Indenture. Notwithstanding any other provision of the Master Indenture, in the determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of the Master Indenture and any Supplemental Indenture, the Master Trustee (or Paying Agent, if any) shall consider the effect on the Owners without regard to any Credit Facility.

(C) Upon the occurrence and continuance of any Event of Default, the Master Trustee may, (and, with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained, with the prior written consent of the issuer of such insurance policy or other Credit Facility, and shall, at the written direction of the issuer of such insurance policy or other Credit Facility so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder), proceed forthwith to protect and enforce its rights under the Occupancy Agreements by such suits, actions or proceedings as the Master Trustee, being advised by counsel, shall deem expedient.

(D) Upon the occurrence and continuance of any Event of Default, the Master Trustee may, (and, with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained, with the prior written consent of the issuer of such insurance policy or other Credit Facility, and shall, at the written direction of the issuer of such insurance policy or other Credit Facility so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder), pursue any available remedy at law or in equity by suit, action,

mandamus or other proceeding to enforce payment of and receive any amounts due or becoming due from the Corporation under any of the provisions of the Master Indenture, any Supplemental Indenture and the Occupancy Agreements, without prejudice to any other right or remedy of the Master Trustee or the Bondholders.

(E) Regardless of the happening of an Event of Default, the Master Trustee may, (and, with respect to any Series of Bonds for which a bond insurance policy or other Credit Facility has been obtained, with the prior written consent of the issuer of such insurance policy or other Credit Facility, and shall, at the written direction of the issuer of such insurance policy or other Credit Facility so long as the issuer of such insurance policy or Credit Facility shall not be in default thereunder), institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Master Indenture and any Supplemental Indenture by any acts which may be unlawful or in violation of the Master Indenture and any Supplemental Indenture, or to preserve or protect the interest of the Master Trustee, the Bondholders, or both.

(F) Notwithstanding any provision of the Master Indenture to the contrary, upon the occurrence and continuance of an Event of Default or Default under the Master Indenture, the issuer of a bond insurance policy or other Credit Facility with respect to a Series of Bonds shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of any such Series of Bonds or any trustee appointed for the benefit of the Owners of any such Series of Bonds under the Master Indenture, including, without limitation, (i) the right to accelerate the principal of such Series of Bonds as described in the Master Indenture and (ii) the right to annul any declaration of acceleration with respect to such Series of Bonds. In addition, the issuer of a bond insurance policy or other Credit Facility with respect to a Series of Bonds shall be entitled to approve all waivers of Events of Default under the Master Indenture with respect to such Series of Bonds.

Application of Revenues and Other Moneys After Default. (Section 1003)

(A) The Corporation covenants that if an Event of Default shall happen and shall not have been remedied, the Corporation, upon demand of the Master Trustee, shall pay over or cause to be paid over to the Master Trustee (1) forthwith, any moneys, securities and funds then held by the Corporation or a Banking Depository in any Fund or Account under the Master Indenture or the Occupancy Agreement, and (2) as promptly as practicable after receipt thereof, the Revenues.

(B) During the continuance of an Event of Default, the Master Trustee shall apply such Revenues and the income therefrom as follows and in the following order:

- (1) to the payment of the reasonable and proper charges and expenses of the Master Trustee;
- (2) to the payment of the interest and principal or Redemption Price then due on the Bonds as follows:
 - (a) unless the principal of all of the Bonds shall be or has been declared due and payable,

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

THIRD: To the payment of any Parity Reimbursement Obligations;

(b) if the principal of all of the Bonds shall be or has been declared due and payable, to the interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference.

(C) If and when all overdue installments of interest on all Bonds, together with the reasonable and proper charges and expenses of the Master Trustee, and all other sums payable by the Corporation under the Master Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Corporation, or provision satisfactory to the Master Trustee shall be made for such payment, and all defaults under the Master Indenture or the Bonds shall be made good or secured to the satisfaction of the Master Trustee or provision deemed by the Master Trustee to be adequate shall be made therefor, the Master Trustee shall pay over to the Corporation all such Revenues then remaining unexpended in the hands of the Master Trustee (except Revenues deposited or pledged, or required by the terms of the Master Indenture to be deposited or pledged, with the Master Trustee), and thereupon the Corporation and the Master Trustee shall be restored, respectively, to their former positions and rights under the Master Indenture, and all Revenues shall thereafter be applied as provided in Article V of the Master Indenture. No such payment over to the Corporation by the Master Trustee or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the Master Indenture or impair any right consequent thereon.

Resignation of Master Trustee. (Section 1107)

The Master Trustee may at any time resign and be discharged of the duties and obligations created by the Master Indenture by giving not less than sixty (60) days written notice to the Corporation and to the issuer of any bond insurance policy or other Credit Facility and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Corporation or the Bondholders as provided in Section 1109 of the Master Indenture, in which event such resignation shall take effect immediately on appointment of such successor; provided, however, that such resignation shall not take effect until a successor Master Trustee has been appointed and has accepted such appointment pursuant to Section 1109 of the Master Indenture.

Removal of Master Trustee. (Section 1108)

The Master Trustee may be removed by an instrument or concurrent instruments in writing, filed with Master Trustee and the issuer of any bond insurance policy or other Credit Facility, and signed by the holders of a majority in principal amount of Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. The Corporation may remove the Master Trustee at any time, except during the existence of an Event Default, for such cause as shall be determined in the sole discretion of Corporation, by filing an instrument signed by an Authorized Representative of the Corporation; provided, however, that the diligent pursuit of responsibilities shall not be cause for the removal of the Master Trustee by Corporation. Notwithstanding anything in this Section to the contrary, any such removal shall not take effect until a successor Master Trustee has been appointed and has accepted such appointment pursuant to Section 1109 of the Master Indenture. The Master Trustee may be removed at any time, at the request of the issuer of any bond insurance policy or other Credit Facility, for any breach of its obligations under the Master Indenture and any Supplemental Indenture.

Appointment of Successor Master Trustee. (Section 1109)

(A) In case any time (1) the Master Trustee shall resign, shall be removed, shall be incapable of acting or shall be adjudged a bankrupt or insolvent, or (2) if a receiver, liquidator or conservator of the Master Trustee or its property shall be appointed, or if any public officer shall take charge or control of the Master Trustee or of its property or affairs, a successor, acceptable to the issuer of any bond insurance policy or other Credit Facility, may be appointed by the holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds

held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Master Trustee, notification thereof being given to the Corporation and the predecessor Master Trustee. Notwithstanding the foregoing, unless a successor Master Trustee shall have been appointed by the Bondholders as aforesaid, the Corporation by a duly executed written instrument signed by an Authorized Representative shall forthwith appoint a Master Trustee to fill such vacancy until a successor Master Trustee shall be appointed by the Bondholders as authorized in this Section. The Corporation shall publish notice of any such appointment made by it once in each week for two consecutive calendar weeks, in an Authorized Newspaper, the first publication to be made within twenty days after such appointment. Any successor Master Trustee appointed by the Corporation shall immediately and without further act, be superseded by a Master Trustee appointed by the Bondholders.

(B) If in a proper case no appointment of a successor Master Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Master Trustee shall have given to the Corporation written notice as provided in Section 1107 of the Master Indenture or after a vacancy in the office of the Master Trustee shall have occurred by reason of its inability to act, the Master Trustee or the holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Master Trustee. Said court may at the expense of the Corporation, thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Master Trustee.

(C) Every such successor or temporary Master Trustee appointed pursuant to the provisions of Section 1109 of the Master Indenture shall (1) be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, (2) be located within or outside the State, (3) be duly authorized to exercise trust powers in the State, and (4) maintain a reported capital and surplus of not less than \$75,000,000 or be a subsidiary of a bank holding company with such capital and surplus.

Defeasance. (Section 1201)

(A) If the Corporation shall pay or cause to be paid to the holders of all Bonds then Outstanding, the Principal Installments and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in the Master Indenture and in the Master Indenture and in any Supplemental Indenture applicable thereto, and any Parity Reimbursement Obligation then, at the option of the Corporation, expressed in an instrument in writing signed by an Authorized Representative and delivered to the Master Trustee, the covenants, agreements and other obligations of the Corporation to Bondholders shall be discharged and satisfied. In such event, the Master Trustee shall, upon the written request of the Corporation, execute and deliver to the Corporation all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Corporation all moneys, securities and funds held by them pursuant to the Master Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Master Trustee (through deposit by the Corporation of funds 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 subsection (A) of this Section. Subject to the provisions of subsection (C) of this Section, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Master Trustee irrevocable instructions accepted in writing by the Master Trustee to give, as provided in Article VI of the Master Indenture, notice of redemption of such Bonds (other than Bonds which have been purchased by the Master Trustee at the direction of the Corporation as in the Master Indenture after provided prior to the giving of such notice of redemption) on said date, and (2) there shall have been deposited with the Master Trustee either moneys in an amount which shall be sufficient or Defeasance Obligations the principal installments of and/or the interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Master Trustee at the same time, shall be sufficient to pay when due the Principal Installments or Redemption Price, if applicable, interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof and any Parity Reimbursement Obligation, as the case may be. The Master Trustee may rely on an

Accountant's Certificate as to the sufficiency of any such deposit. The Master Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to Section 1201 of the Master Indenture to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Master Indenture.

The Master Trustee shall, if so directed by the Corporation (a) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 1201 of the Master Indenture which are to be redeemed on any date prior to their maturity date or (b) prior to the giving of the notice of redemption referred to in clause (1) above with respect to any Bonds deemed to have been paid in accordance with Section 1201 of the Master Indenture which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Master Trustee in respect of such Bonds and redeem or sell Defeasance Obligations so deposited with the Master Trustee and apply the proceeds thereof to the purchase of such Bonds and the Master Trustee shall promptly thereafter cancel all such Bonds so purchased; provided, however, that the Master Trustee shall receive an Accountant's Certificate showing that the moneys and Defeasance Obligations remaining on deposit with the Master Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds and any Parity Reimbursement Obligation, in respect of which such moneys and Defeasance Obligations are being held by the Master Trustee on or prior to the redemption date or maturity date thereof, as the case may be, and a Corporation Counsel's Opinion to the effect that such redemption or sale complies with the provisions of the Master Indenture. The directions given by the Corporation to the Master Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased and cancelled to be applied against the obligation of the Master Trustee to pay Bonds deemed paid in accordance with Section 1201 of the Master Indenture upon their maturity date or dates and the portion, if any, of such Bonds so purchased and cancelled to be applied against the obligation of the Master Trustee to redeem Bonds deemed paid in accordance with Section 1201 of the Master Indenture on any date or dates prior to their maturity. In the event that on any date as a result of any purchases and cancellations of Bonds as provided in Section 1201 of the Master Indenture the total amount of moneys and Defeasance Obligations remaining on deposit with the Master Trustee under Section 1201 of the Master Indenture is in excess of the total amount which would have been required to be deposited with the Master Trustee on such date in respect of the remaining Bonds in order to satisfy clause (2) of subsection (B) of Section 1201 of the Master Indenture, the Master Trustee shall, if requested by the Corporation, pay the amount of such excess to the Corporation free and clear of any lien or pledge securing said Bonds or otherwise existing under the Master Indenture. The Master Trustee may rely on an Accountant's Certificate as to the sufficiency of any such deposit. Except as otherwise provided in subsection (B) of Section 1201 of the Master Indenture and subsection (C) of Section 1201 of the Master Indenture, neither Defeasance Obligations nor moneys deposited with the Master Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, interest on said Bonds and any Parity Reimbursement Obligation; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Master Trustee, (1) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Corporation as received by the Master Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Master Indenture, and (2) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested at the written direction of an Authorized Representative of the Corporation in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, interest to become due on said Bonds on or prior to such redemption date or maturity date thereof and any Parity Reimbursement Obligation, as the case may be, and interest earned from such reinvestments shall be paid over to the Corporation, as received by the Master Trustee, free and clear of any lien or pledge securing said Bonds or otherwise existing under the Master Indenture.

(C) For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Obligations and moneys, if any, in accordance with the second sentence of subsection (B) of this Section, the interest to come due on such Variable Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Obligations on deposit with the Master Trustee for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited with the

Master Trustee on such date in respect of such Variable Rate Bonds in order to satisfy the second sentence of subsection (B) of this Section, the Master Trustee shall, if requested by the Corporation in writing, pay the amount of such excess to the Corporation free and clear of any lien or pledge securing the Bonds or otherwise existing under the Master Indenture.

(D) Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection (B) of this Section only if, in addition to satisfying the requirements of clauses (1) and (2) of such sentence, there shall have been deposited with the Master Trustee moneys 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 Master Trustee pursuant to subsection (B) of this Section the options originally exercisable by the holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (D). If any portion of the moneys deposited with the Master Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Master Trustee shall, if requested by the Corporation in writing, pay the amount of such excess to the Corporation free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Master Indenture.

(E) Anything in the Master Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the Corporation, be repaid by the Fiduciary to the Corporation, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Corporation for the payment of such Bonds; provided, however, that before being required to make any such payment to the Corporation, the Fiduciary may, at the expense of the Corporation, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Corporation.

(F) If the Master Trustee is unable to apply any money or Defeasance Obligations in accordance with Section 1201 of the Master Indenture by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Corporation's obligations under the Master Indenture and the Bonds shall be revived and reinstated as though no deposit had occurred pursuant to Section 1201 of the Master Indenture until such time as the Master Trustee is permitted to apply all such money or Defeasance Obligations in accordance with Section 1201 of the Master Indenture; provided that, if the Corporation has made any payment of principal of or interest on the Bonds because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the Bondholders of such Bonds to receive such payment from the money or Defeasance Obligations held by the Master Trustee.

(G) Anything in the Master Indenture to the contrary notwithstanding, in the event that the principal and/or interest due on a Series of Bonds shall be paid by the issuer of a bond insurance policy or other Credit Facility, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered Owners shall continue to exist and shall run to the benefit of the issuer of the bond insurance policy or other Credit Facility, and such issuer shall be subrogated to the rights of such registered Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

The following summarizes certain provisions of the Third Supplemental Trust Indenture to which reference is made for the detailed provisions thereof. Certain provisions of the Second Supplemental Trust Indenture are also described in the Official Statement under the captions "INTRODUCTION" and "RISK FACTORS".

Definitions (Section 1.01)

"Bond Trustee" shall mean Manufacturers and Traders Trust Company, of Buffalo, New York, and any successor to its duties under the Bond Indenture.

"Bond Indenture" shall mean the trust indenture, dated as of September 1, 2016, as amended or supplemented at the time in question, between the Issuer and the Bond Trustee.

"Closing Date" shall mean September 22, 2016.

"Issuer Bonds" shall mean the bonds described in the recitals of the Third Supplemental Indenture.

"Issuer" shall mean the City of Albany Capital Resource Corporation, its successors and assigns.

"Loan Agreement" shall mean the Loan Agreement, dated as of September 1, 2016, by and between the Issuer and the Corporation, as the same may be amended or supplemented from time to time.

"Third Supplemental Indenture" shall mean the Third Supplemental Trust Indenture, dated as of September 1, 2016, by and between the members of the Corporation and the Master Trustee, as amended or supplemented from time to time.

"Series 2016A Bonds" shall mean the Series 2016A Bonds created and issued pursuant to the Third Supplemental Indenture.

"Series 2016A Master Trust Mortgage" shall mean the Mortgage and Security Agreement dated as of September 1, 2016 from the Corporation and the Issuer as assigned by the Issuer to the Master Trustee pursuant to a Mortgage Assignment dated as of September 1, 2016 from the Issuer to the Master Trustee, as the same may be amended or supplemented from time to time, as assigned.

Creation of Series of Bonds. (Section 2.01)

There is hereby created and authorized to be issued a series of Bonds of the Corporation in an aggregate principal amount of \$40,795,000. The Series 2016A Bonds shall be dated the Closing Date, shall be designated "Empire Commons Student Housing, Inc. (Empire Commons Project), Series 2016A" and shall be payable in such amounts, at such times and in such manner and shall have such other terms and provisions as are set forth in the form of Series 2016A Bonds as provided in Section 2.06 of the Third Supplemental Indenture.

The aggregate face amount of the Series 2016A Bonds is limited to \$40,795,000, except for any Series 2016A Bond authenticated and delivered in lieu of another Series 2016A Bond as provided in Section 308 of the Master Indenture with respect to Series 2016A Bonds mutilated, destroyed, lost or stolen or, subject to the provisions of Section 2.05 of the Third Supplemental Indenture, upon transfer of registration or exchange of a Series 2016A Bond.

Payments on Series 2016A Bonds; Credits. (Section 2.02)

(A) Except as provided in subsection (B) of this Section with respect to credits, and Section 2.03 of the Second Supplemental Indenture regarding prepayment, payments on the Series 2016A Bonds shall be made in the manner provided in Section 303 of the Master Indenture and Section 5.1(A) of the Loan Agreement.

(B) The Corporation shall receive credit for payment on the Series 2016A Bonds, in addition to any credits resulting from payment or prepayment from other sources, as set forth in Section 5.1(E) of the Loan Agreement.

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APPENDIX C

FINANCIAL STATEMENTS JUNE 30, 2014 AND 2015

(With Independent Auditors' Report Thereon)

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EMPIRE COMMONS STUDENT HOUSING, INC.

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

EMPIRE COMMONS STUDENT HOUSING, INC.

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JUNE 30, 2015 AND 2014***

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CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Empire Commons Student Housing, Inc.

We have audited the accompanying financial statements of Empire Commons Student Housing, Inc. (a nonprofit organization - previously known as University at Albany Foundation Student Housing Corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Empire Commons Student Housing, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Cusack & Company, CPA's LLC". The signature is written in a cursive, flowing style.

CUSACK & COMPANY, CPA'S LLC

Latham, New York
October 13, 2015

EMPIRE COMMONS STUDENT HOUSING, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash	\$ 2,774,794	\$ 2,867,372
Current Portion of Funds Held by Trustee	9,910,624	8,648,994
Rents Receivable, Net	<u>428,010</u>	<u>418,023</u>
Total Current Assets	<u>13,113,428</u>	<u>11,934,389</u>
Funds Held by Trustee:		
Cash and Cash Equivalents	17,649,056	16,110,451
Less Portion Classified as Current	<u>(9,910,624)</u>	<u>(8,648,994)</u>
Total Funds Held by Trustee	<u>7,738,432</u>	<u>7,461,457</u>
Deferred Financing Costs, Net of Accumulated Amortization	<u>2,304,261</u>	<u>2,435,933</u>
Property and Equipment, Net	<u>31,311,788</u>	<u>32,830,633</u>
Total Assets	<u>\$ 54,467,909</u>	<u>\$ 54,662,412</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 1,094,023	\$ 1,066,926
Accrued Interest Payable	390,228	401,208
Current Portion of Long-term Debt	<u>2,091,232</u>	<u>1,927,338</u>
Total Current Liabilities	3,575,483	3,395,472
Long-term Debt, Net of Current Portion	<u>47,568,090</u>	<u>49,659,304</u>
Total Liabilities	51,143,573	53,054,776
Net Assets	<u>3,324,336</u>	<u>1,607,636</u>
Total Liabilities and Net Assets	<u>\$ 54,467,909</u>	<u>\$ 54,662,412</u>

See accompanying notes and independent auditor's report.

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EMPIRE COMMONS STUDENT HOUSING, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue:		
Rental Income	\$ 12,641,942	\$ 12,447,634
Investment Income	554	1,397
Other Revenue	<u>112</u>	<u>178</u>
Total Revenue	<u>12,642,608</u>	<u>12,449,209</u>
Operating Expenses:		
Contracted Services	3,395,903	3,204,180
Insurance	217,334	217,912
Utilities	577,231	714,293
Professional Fees	16,436	49,759
Office and Other Expenses	58,430	31,408
Interest Expense	2,511,306	2,561,143
Depreciation and Amortization	<u>2,190,273</u>	<u>2,114,222</u>
Total Operating Expenses	<u>8,966,913</u>	<u>8,892,917</u>
Change in Net Assets from Operating Activities	3,675,695	3,556,292
Other Changes in Net Assets:		
Transfers to the University at Albany	<u>(1,958,995)</u>	<u>(1,958,995)</u>
Change in Net Assets	1,716,700	1,597,297
Net Assets, Beginning of Year	<u>1,607,636</u>	<u>10,339</u>
Net Assets, End of Year	<u>\$ 3,324,336</u>	<u>\$ 1,607,636</u>

See accompanying notes and independent auditor's report.

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EMPIRE COMMONS STUDENT HOUSING, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,716,700	\$ 1,597,297
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,190,273	2,114,222
Accretion on Bond Premium	(29,558)	(51,954)
Transfer to University at Albany	1,958,995	1,958,995
Change in Operating Assets and Liabilities:		
Increase in Rents Receivable	(9,987)	(6,616)
Increase (Decrease) in Accounts Payable and Accrued Expenses	27,097	(202,792)
Decrease in Accrued Interest Payable	(10,980)	(11,333)
Net Cash Provided by Operating Activities	<u>5,842,540</u>	<u>5,397,819</u>
Cash Flows from Investing Activities:		
Net Increase in Funds Held by Trustee	(1,538,605)	(3,125,053)
Purchase of Property and Equipment	(539,757)	(909,604)
Net Cash Used in Investing Activities	<u>(2,078,362)</u>	<u>(4,034,657)</u>
Cash Flows from Financing Activities:		
Transfer to University at Albany	(1,958,995)	(1,958,995)
Principal Payments on Bonds Payable	(1,897,761)	(1,828,825)
Net Cash Used in Financing Activities	<u>(3,856,756)</u>	<u>(3,787,820)</u>
Net Decrease in Cash	(92,578)	(2,424,658)
Cash, Beginning of Year	<u>2,867,372</u>	<u>5,292,030</u>
Cash, End of Year	<u>\$ 2,774,794</u>	<u>\$ 2,867,372</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest	<u>\$ 2,551,844</u>	<u>\$ 2,624,431</u>

See accompanying notes and independent auditor's report.

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EMPIRE COMMONS STUDENT HOUSING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Empire Commons Student Housing, Inc. ("the Corporation" - previously known as the University at Albany Foundation Student Housing Corporation), a not-for-profit corporation, was incorporated on March 14, 2001 for the purpose of development and operation of housing and related services for students at The University at Albany, State University of New York ("the University"). The Corporation is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Specifically, the Corporation was formed to construct and operate dormitory facilities to be utilized by students attending the University, and to provide other dormitory residential related services to the students.

The project known as Empire Commons was constructed on the University uptown campus on land leased by the University to the Alumni Association of the State University of New York at Albany (Alumni Association). This land in turn has been subleased by the Alumni Association to the Corporation under a 40-year lease with a 9-year renewal option.

The following is a summary of the Corporation's significant accounting policies:

Basis of Presentation

The accompanying financial statements of the Corporation are presented consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC or Codification), which addresses the presentation of financial statements for not-for-profit entities. In accordance with the provisions of the ASC, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor and grantor imposed restrictions.

Use of Estimates

Management of the Corporation has made a number of estimates and assumptions relating to the reporting of the assets, liabilities, revenue, and expenses and in the disclosure of contingencies to prepare these financial statements in accordance with generally accepted accounting principles of the United States of America. Actual results could differ from those estimates.

Revenue Recognition

The four bedroom apartments are licensed on a per bed basis, essentially mirroring the fall and spring University semesters. A one-year license may also be offered with a reduced rate for the additional summer months. The license-rate, billed by semester, includes all utility costs, high speed internet access, cable television, 24-hour maintenance and security, washers, and dryers in each apartment, etc. In addition, to the extent that any dwelling units are not occupied by students with one-year licenses during the summer months, the University has the option of making these units available for the University's summer activities at a reduced rate. Upper class undergraduate students occupy the majority of the dwelling units. The Corporation has 1,196 available beds. The University provides all billing and collection services to the Corporation and remits the fees collected.

See independent auditor's report.

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EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held by Trustee

Assets held by the trustee represent funds held in accounts specifically for use in operating the facilities and servicing the debt. Cash equivalents represent funds held in money market accounts, of which certain accounts are in excess of federal deposit insurance limits.

Rents Receivable

Rents Receivable is shown net of an allowance for doubtful amounts. The Corporation provides for losses on rents receivable using the allowance method. It is the Corporation's policy to charge off uncollectible rents receivable when they have been outstanding for over two years. The allowance for doubtful accounts was \$354,826 and \$364,009 for the years ended June 30, 2015 and 2014, respectively.

Deferred Financing Costs

Deferred financing costs relate to the restructuring of the Series 2001 Bonds and issuance of the Series 2009 Bonds. These costs are being amortized over the term of the related debt. Amortization expense was \$131,672 for each of the years ended June 30, 2015 and 2014.

Property and Equipment

Property and equipment are recorded at cost. The carrying amount of assets and related accumulated depreciation are removed from accounts when such assets are disposed of and the resulting gain or loss is included in the statements of activities. Depreciation on these assets is computed using the straight-line method over the estimated useful lives of the assets ranging from 8 years for furnishings to 30 years for buildings.

Income Taxes

The Corporation is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes pursuant to Section (a) of the Code.

The ASC requires entities to disclose in their financial statements the nature of any uncertainty in their tax position. The Corporation has not recognized any benefits or liabilities from uncertain tax positions in 2015 and believes it has no uncertain tax positions that will significantly increase or decrease net assets. Generally, federal and state authorities may examine the Corporation's tax returns for three years from the date of filing; consequently, income tax returns for the years prior to 2012 are no longer subject to examination by tax authorities.

EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Accounting Standards Codification requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the Corporation would receive upon selling an asset or pay to transfer a liability in an orderly transaction between market participants. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash, rents receivable, accounts payable and accrued expenses - The carrying amounts approximate fair value because of the short maturity of these instruments.

Property, equipment and deferred financing costs - No attempt has been made to determine the fair value of property, equipment and deferred financing costs.

Long-term debt - The fair value of the long-term debt is estimated based on current rates offered to the Corporation for debt of the same remaining maturity. At June 30, 2015 and 2014, the fair value of the long-term debt approximates the amount recorded in the financial statements.

Subsequent Events

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through October 13, 2015, the date the financial statements were available to be issued. No such events or transactions were identified.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	<u>2015</u>	<u>2014</u>
Buildings and improvements	\$ 51,139,345	\$ 50,941,490
Furniture and fixtures	4,743,539	4,458,473
	55,882,884	55,399,963
Less: accumulated depreciation	24,571,096	22,569,330
	<u><u>\$ 31,311,788</u></u>	<u><u>\$ 32,830,633</u></u>

See independent auditor's report.

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EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

3. DEBT

Series 2001

On December 20, 2001, the City of Albany Industrial Development Agency (IDA) issued \$60,690,000 of Civic Facility Revenue Bonds (Empire Commons Projects) Series 2001A, 2001B, 2001C, and 2001D (Series 2001 Bonds) for the Corporation's development and construction of four student housing projects. The instability of the credit markets, the downgrade by Standard & Poor's of the Corporation's bond insurer Ambac, and KeyBank's notification that it did not plan to renew as the Liquidity Facility for the then existing Series 2001 Bonds beyond the initial term necessitated the conversion of Series 2001 Bonds from variable interest rate bonds to fixed rate bonds (Bond Conversion). On February 25, 2009, the Corporation's board of directors passed a resolution authorizing the Bond Conversion. The Corporation's board resolution approved incremental borrowing for financing fees related to the Bond Conversion and for costs to terminate an existing interest rate swap agreement. On September 10, 2009, the Bond Conversion was completed.

The remarketed Series 2001 Bonds are fixed rate serial and term bonds bearing interest at various rates ranging from 3.00% - 5.50%. Bond principal and interest payments are made twice annually to a debt service fund held by the bond trustee and remitted to the bondholders May 1 and November 1 and mature on May 1, 2032. The Series 2001 Bonds are partially insured by Assured Guaranty and are further collateralized by the student housing facilities and all other moneys and securities held on behalf of the Corporation by the bond trustee.

Series 2009

In connection with the Bond Conversion, the Corporation also issued \$5,358,000 of Series 2009 taxable fixed rate bonds (Series 2009 Bonds) on September 10, 2009, to fund the termination payment on the interest rate swap and the financing fees related to the Bond Conversion. The Series 2009 Bonds were placed privately at a fixed rate of 2.50% over the Federal Home Loan Bank of New York Amortizing Index, with a floor of 6.25% (the rate at June 30, 2015 was 6.25%). The term of the Series 2009 Bonds is twenty-five years with the interest rate resetting after five years.

EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

3. DEBT (CONTINUED)

The following is a summary of debt outstanding as of June 30, 2015 and the required mandatory debt principal redemptions for the next five fiscal years and thereafter:

	<u>Total</u>	<u>Series 2001</u>	<u>Series 2009</u>
2016	\$ 1,967,286	\$ 1,810,000	\$ 157,286
2017	2,057,403	1,890,000	167,403
2018	2,153,170	1,975,000	178,170
2019	2,234,625	2,045,000	189,625
2020	2,326,822	2,125,000	201,822
Thereafter	<u>38,633,889</u>	<u>34,915,000</u>	<u>3,718,889</u>
Total due	49,373,195	44,760,000	4,613,195
Unamortized premium	<u>286,127</u>	<u>286,127</u>	<u>-</u>
	49,659,322	45,046,127	4,613,195
Less: Current portion of debt and bond premium amortization	<u>(2,091,232)</u>	<u>(1,933,946)</u>	<u>(157,286)</u>
Long-term debt, net of current portion	<u>\$ 47,568,090</u>	<u>\$ 43,112,181</u>	<u>\$ 4,455,909</u>

Pursuant to the initial and amended indenture agreements, the Corporation maintains certain accounts with the bond trustee (M&T Bank) for ongoing operations as follows:

Debt service account - Established for the payment of interest to bondholders and principal redemptions.

Debt service reserve account - Required under the indenture to represent the maximum annual debt service requirement.

Reserve for replacement - Required to fund replacement capital at initially \$175 per bed, per year, to increase annually based on the consumer price index. For the year ended June 30, 2015, the reserve is calculated to be \$232 per bed.

Revenue account - Required account that is the depository account for all rental revenue collected by the University on behalf of the Corporation. The Corporation must request transfers from this account routinely to pay operating expenses.

EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

3. DEBT (CONTINUED)

The balances in these funds as of June 30, 2015 and 2014, presented in the accompanying statements of financial position as funds held by trustee, are as follows:

	<u>2015</u>	<u>2014</u>
Debt service account	\$ 36,768	\$ 36,768
Revenue account	9,873,856	8,612,226
Debt service reserve account	4,458,979	4,458,973
Reserve for replacement	<u>3,279,453</u>	<u>3,002,484</u>
	<u>\$ 17,649,056</u>	<u>\$ 16,110,451</u>

The bonds subject the Corporation to certain positive and negative covenants, for which the Corporation was in compliance as of June 30, 2015. The recorded value of the debt approximates fair value at June 30, 2015 and 2014.

4. TRANSACTIONS WITH AFFILIATES

Pursuant to a contract dated July 31, 2001, the Corporation purchases management, maintenance, marketing and billing and collection services from the University on a cost-to-provide basis. During 2015 and 2014, the Corporation incurred costs of approximately \$3,316,290 and \$3,213,619, respectively, under this contract, of which \$859,353 and \$875,369 were outstanding in accounts payable as of June 30, 2015 and 2014, respectively. Net rental income not yet remitted to the Corporation as of June 30, 2015 and 2014 was \$33,283 and \$36,824, respectively.

The Corporation has a contract with the University at Albany Foundation through June 30, 2018 for accounting, financial reporting and cash management services at an annual fee of \$30,000. Payments made under this contract as of June 30, 2015 and 2014 were \$30,000.

A resolution was adopted by the Corporation's board of directors during fiscal year 2014 authorizing the transfer of residual funds in the amount of \$909,000 from fiscal year 2013 to the University. These funds were to be used to support the University's Campus Financial Plan. This transfer was made and recorded in December 2014. Residual funds from fiscal year 2012 of \$909,000 were transferred during fiscal year 2014.

The Corporation, in accordance with its mission to provide residential services to students at the University, entered into an agreement with the University to provide financial support from residual Corporation funds to the University for general student housing operations support. It is anticipated that a minimum of \$1,049,000 in housing support will be paid to the University each fiscal year. The decision to provide operating funds to increase the housing support to the University will be made on an annual basis considering the availability of Corporation residual funds. The support for fiscal year 2013 was approved by the Board of Directors and was transferred and recorded in fiscal year 2015.

EMPIRE COMMONS STUDENT HOUSING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015 AND 2014

5. CONCENTRATIONS

As of June 30, 2015 and 2014, the Corporation has cash balances with two financial institutions which exceeded federal depository insurance limits. These financial institution have strong credit ratings and management believes that credit risk related to these deposits is minimal.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

On the date of issuance of the Initial Bonds, Hodgson Russ LLP, Albany, New York, Bond Counsel, proposes to issue its approving opinion as to the Initial Bonds in substantially the following form:

September 22, 2016

City of Albany Capital Resource Corporation
21 Lodge Street
Albany, New York 12207

Re: City of Albany Capital Resource Corporation
Tax-Exempt Revenue Bonds
(Empire Commons Student Housing, Inc. Refunding Project), Series 2016A
in the aggregate principal amount of \$36,675,000

City of Albany Capital Resource Corporation
Taxable Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project),
Series 2016B in the aggregate principal amount of \$4,120,000

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof of the Tax-Exempt Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016A in the aggregate principal amount of \$36,675,000 (the “Series 2016A Bonds”) and the Taxable Revenue Bonds (Empire Commons Student Housing, Inc. Refunding Project), Series 2016B in the aggregate principal amount of \$4,120,000 (the “Series 2016B Bonds”, and collectively with the Series 2016A Bonds, the “Initial Bonds”) by City of Albany Capital Resource Corporation (the “Issuer”) (a public instrumentality of City of Albany, New York), a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”).

The Initial Bonds are being issued under and pursuant to a bond resolution adopted by the members of the Issuer on August 18, 2016, a certificate of determination dated September 22, 2016 (the “Certificate of Determination”) executed by the Chairman, Vice Chairman or Chief Executive Officer of the Issuer and a trust indenture dated as of September 1, 2016 (the “Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), in connection with a project (the “Project”) to be undertaken by the Issuer for the benefit of Empire Commons Student Housing, Inc. (f/k/a University of Albany Foundation Student Housing Corporation) (the “Institution”), said Project consisting of the following: (A) the refunding of all or a portion of the following bonds previously issued by the City of Albany Industrial Development Agency on December 21, 2001 (the “Prior Issuer”): Civic Facility Revenue Bonds (The University at Albany Foundation Student Housing Corporation – Empire Commons East Project), Series 2001A in the original aggregate principal amount of \$14,070,000 (the “Series 2001A Bonds”), Civic Facility Revenue Bonds (The University at Albany Foundation Student Housing Corporation – Empire Commons West Project), Series 2001B in the original aggregate principal amount of \$14,140,000 (the “Series 2001B Bonds”), Civic Facility Revenue Bonds (The University at Albany Foundation Student Housing Corporation – Empire Commons North Project), Series 2001C in the original aggregate principal amount of \$14,275,000 (the “Series 2001C Bonds”) and Civic Facility Revenue Bonds (The University at Albany Foundation Student Housing Corporation – Empire Commons South Project), Series 2001D in the original aggregate principal amount of \$18,205,000 (the “Series 2001D Bonds” and collectively with the Series 2001A Bonds, Series 2001B Bonds and Series 2001C Bonds, the “Prior Bonds”), which Prior Bonds were issued for the purpose of financing a portion of the costs of a project (the “Prior Project”) consisting of the following (all capitalized terms not defined herein are defined in the amended and restated indenture dated as of September 1, 2009 (the “Prior Indenture”) by and between the Institution and Manufacturers and Traders Trust Company, as prior trustee (the “Prior Trustee”)): EAST FACILITY: Collectively, (i) five (5) three-story apartment buildings with approximately 61 apartments, (ii) an approximately 13,000 square foot building containing related office space, general meeting and gathering areas, an exercise facility and mail facility, and (iii) necessary roadways, parking for

approximately 125 vehicles, greenspace and hardcourt recreation areas and a network of sidewalks and pedestrian pathways; WEST FACILITY: Collectively, (i) six (6) three-story apartment buildings with approximately 73 apartments, together with (ii) necessary roadways, parking for approximately 155 vehicles, greenspace and hardcourt recreation areas and a network of sidewalks and pedestrian pathways; NORTH FACILITY: Collectively, (i) six (6) three-story apartment buildings with approximately 73 apartments, (ii) an approximately 2,100 square foot maintenance building to be used to house maintenance, landscaping and snowplowing equipment, maintenance materials, supplies and a workshop for maintenance staff, and (iii) necessary roadways, parking for approximately 189 vehicles, greenspace and hardcourt recreation areas and a network of sidewalks and pedestrian pathways; and SOUTH FACILITY: Collectively, (i) eight (8) three-story apartment buildings with approximately 97 apartments, together with (ii) necessary roadways, parking for approximately 219 vehicles, greenspace and hardcourt recreation areas and a network of sidewalks and pedestrian pathways, all of the East Facility, West Facility, North Facility and South Facility located on an approximately 25.1 acre parcel of land located on the campus of the University of Albany of the State University of New York generally bounded to the north by Washington Avenue, to the west by Fuller Road, to the south by Tricentennial Drive and to the east by West University Drive in the City of Albany, Albany County, New York; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; and (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds, any hedge termination fees and any reserve funds as may be necessary to secure the Initial Bonds. The Issuer will make a loan to the Institution of the proceeds of the Initial Bonds (the "Loan") for the purpose of assisting in financing the Project, and document the Loan by entering into a loan agreement dated as of September 1, 2016 (the "Loan Agreement") between the Issuer, as lender, and the Institution, as borrower.

The Initial Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest at the rates set forth therein. The Initial Bonds are subject to (A) optional, special and mandatory redemption prior to maturity, and (B) acceleration prior to maturity, all as set forth in the Indenture and in the Initial Bonds.

The principal of, redemption premium, if any, and interest on the Initial Bonds are payable from loan payments to be made by the Institution under the Loan Agreement. As security for the Initial Bonds, the Issuer has executed and delivered to the Trustee a pledge and assignment dated as of September 1, 2016 (the "Pledge and Assignment") which assigns to the Trustee certain of the Issuer's rights under the Loan Agreement.

As additional security for the Initial Bonds, the Institution has previously executed a master trust indenture dated as of September 1, 2009 (the "Master Indenture"), and the board of trustees of the Institution has authorized the Institution to execute a third supplemental trust indenture dated as of September 1, 2016 (the "Third Supplemental Indenture") (the Master Indenture and the Third Supplemental Indenture being sometimes collectively referred to as the "Institution Indenture") between the Institution and Manufacturers and Traders Trust Company, as master trustee (the "Master Trustee"), pursuant to which the Institution has issued its Series 2016A Bond (the "Institution Series 2016 Bond") to secure the payment of the principal of, premium, if any, and interest on the Initial Bonds.

You have received an opinion of even date herewith of Bond, Schoeneck & King, PLLC, counsel to the Institution, upon which you are relying as to the validity and enforceability of the Institution Indenture, the Institution Series 2016 Bond and the security documents securing same. No opinion as to such matters is expressed herein.

We have examined a specimen Initial Bond and executed counterparts of the Indenture, the Loan Agreement and the Pledge and Assignment (collectively, the "Issuer Documents") and a certain tax regulatory agreement dated the date hereof from the Institution to the Trustee and the Issuer (the "Tax Regulatory Agreement") and such certified proceedings and such other documents as we deemed necessary to render this opinion.

With respect to the due authorization, execution and delivery by the Institution of the agreements to which it is a party, we have relied on the opinion of Bond, Schoeneck & King, PLLC, counsel to the Institution. With respect to the due authorization, execution and delivery by Manufacturers and Traders Trust Company (both in its

corporate capacity as signatory of the Indenture and in its capacity as Trustee) of the agreements to which it is a party, we have relied on the opinion of Harris Beach PLLC, counsel to the Trustee.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Issuer were duly executed and delivered by said other person or persons and that said documents constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

In rendering the opinions expressed in paragraphs (D) and (E) below, we note that the exclusion of the interest on the Series 2016A Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145, 147, 148 and 149 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (collectively, the “Tax Requirements”). In our opinion, the Tax Regulatory Agreement and the other Financing Documents (as defined in the Indenture) establish requirements and procedures, compliance with which will satisfy the Tax Requirements. It should be noted, however, that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2016A Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Institution.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained herein, we are of the opinion, as of the date hereof and under existing law, as follows:

(A) The Issuer was duly created and is validly existing as a not-for-profit corporation under the laws of the State of New York with the corporate power to enter into and perform its obligations under the Issuer Documents and to issue the Initial Bonds.

(B) The Issuer Documents have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as specified below.

(C) The Initial Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authentication thereof by the Trustee, are valid and binding special obligations of the Issuer payable with respect to the Issuer solely from the revenues derived by the Issuer from the revenues derived from the Loan Agreement.

(D) The interest on the Series 2016A Bonds is excludable from gross income for federal income tax purposes and is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed by the Code; provided, however, that (a) the Institution or another Person, by failing to comply with the Tax Requirements, may cause interest on the 2016A Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the 2016A Bonds is included in determining (i) the tax base for purposes of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) under Section 56 of the Code, and the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code, (ii) passive investment income for purposes of computing the tax on net passive income imposed on certain subchapter S corporations under Section 1375 of the Code, and (iii) the modified adjusted gross income of a taxpayer for purposes of computing the portion of Social Security or Railroad Retirement benefits included in gross income under Section 86 of the Code.

(E) The Series 2016A Bonds do not constitute “arbitrage bonds”, within the meaning of Section 148 of the Code, except as specified below.

(F) So long as interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes, the interest on the Series 2016A 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).

(G) The interest on the Series 2016B Bonds is not excludable from gross income for federal income tax purposes and interest on the Series 2016B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

(H) The Initial Bonds do not constitute a debt of the State of New York or of the City of Albany, New York, and neither the State of New York nor the City of Albany, New York is liable thereon.

We call your attention to the fact that the Institution or another person, by failing to comply with the Tax Requirements as set forth in the Code and the Tax Regulatory Agreement, may cause interest on the Series 2016A Bonds to become subject to federal income taxation from the date hereof. We express no opinion regarding other federal tax consequences arising with respect to the Series 2016A Bonds.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Prior Project, (B) the priority of any liens, charges, security interests or encumbrances affecting the Prior Project or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Prior Project or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Prior Project or with respect to the requirements of filing or recording of any of the Financing Documents, or (D) the laws of any jurisdiction other than the State of New York and other than the securities and the tax laws of the United States of America.

Certain agreements, requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Regulatory Agreement and the other Financing Documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion with respect to the exclusion of interest on the Series 2016A Bonds from gross income for federal income tax purposes is expressed herein as to the Series 2016A Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Hodgson Russ LLP.

The scope of our engagement has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution or the Project Facility other than specifically hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Initial Bonds.

Our opinions set forth herein are based upon the facts in existence and the laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof

We have rendered this opinion solely for your benefit and this opinion may not be relied upon by, nor copies hereof delivered to, any other person without our prior written approval.

Very truly yours,

HODGSON RUSS LLP

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