

In the opinion of Hodgson Russ LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming compliance with certain covenants and the accuracy of certain representations, (1) interest on the Series 2021 Bonds is excluded 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 Internal Revenue Code of 1986, as amended (the “Code”), except that (a) the Institution (as hereinafter defined) or another Person (as hereinafter defined), by failing to comply with certain requirements contained in the Code, may cause interest on the Series 2021 Bonds to become subject to federal income taxation and certain other taxes from the date of issuance thereof, and (b) interest on the Series 2021 Bonds is included in the tax base for purposes of computing the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code, and (2) so long as interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2021 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). For a more complete discussion, including certain other tax considerations, see “TAX MATTERS” herein.



\$48,150,000

CITY OF ALBANY CAPITAL RESOURCE CORPORATION
Tax-Exempt Revenue Refunding Bonds
(The College of Saint Rose Project), Series 2021

Dated: November 12, 2021**Due:** July 1, as shown on inside cover

The above-referenced City of Albany Capital Resource Corporation Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2021 (the “Series 2021 Bonds”) are special limited obligations of City of Albany Capital Resource Corporation (the “Issuer”) payable exclusively from the Trust Estate as described in this Official Statement. Undefined capitalized terms on this cover are defined in the text hereof or in APPENDIX C of this Official Statement.

The Series 2021 Bonds are special limited obligations of the Issuer, payable as to principal, Sinking Fund Payments, Redemption Price and interest, from and secured in part by (i) certain unconditional loan payments to be made by The College of Saint Rose, a New York not-for-profit education corporation (the “Institution” or the “College”) pursuant to the loan agreement dated as of November 1, 2021, between the Issuer and the Institution, (ii) a pledge of certain funds and accounts established under the trust indenture dated as of November 1, 2021 (the “Indenture”), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), (iii) a mortgage relating to the Project Facility (as defined below) and (iv) a pledge and security agreement, dated as of November 1, 2021 between the Institution and the Trustee. Neither the State of New York (the “State”) nor any political subdivision thereof, including the City of Albany (the “City”), will be obligated to pay the principal or Redemption Price of, Sinking Fund Payments for, or the interest on, the Series 2021 Bonds. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the City, is pledged to the payment of the Series 2021 Bonds. The Series 2021 Bonds will not be payable out of any funds of the Issuer other than those pledged therefor pursuant to the Indenture. The Series 2021 Bonds will not give rise to a pecuniary liability or charge against the credit or taxing powers of the State or any political subdivision thereof, including the City. No recourse will be had for the payment of the principal or Redemption Price of, Sinking Fund Payments for, or the interest on, the Series 2021 Bonds against any member, officer, director, employee or agent of the Issuer. The Issuer has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS” in this Official Statement.

Proceeds derived from the sale of the Series 2021 Bonds will be used by the Institution for (A) the refunding of all or a portion of the Issuer’s Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2011A (the “Series 2011 Bonds”) issued on July 19, 2011 in the aggregate principal amount of \$21,235,000, (B) the refunding of all or a portion of the Issuer’s Tax-Exempt Multi-Mode Revenue Refunding Bonds (The College of Saint Rose – Refunding Project), Series 2015A (the “Series 2015A Bonds”) issued on November 13, 2015 in the original aggregate principal amount of \$39,760,000 and (C) paying a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs and funding reserves with respect to the Series 2021 Bonds. See “THE PROJECT AND PLAN OF FINANCE” in this Official Statement.

The Series 2021 Bonds will be issued as fully registered bonds initially issued in the minimum authorized denomination of \$5,000 or any integral multiple thereof in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of the Series 2021 Bonds will be made in book-entry form only. Purchasers of beneficial interests will not receive physical certificates. The Series 2021 Bonds are subject to optional and mandatory redemption as described in this Official Statement. Interest on the Series 2021 Bonds will be payable on July 1 and January 1 of each year, commencing January 1, 2022. See “THE SERIES 2021 BONDS” in this Official Statement. **An investment in the Series 2021 Bonds is subject to certain risks. See “RISK FACTORS” in this Official Statement. Investors must read the entire Official Statement, including the Appendices hereto.**

The Series 2021 Bonds are offered, subject to prior sale, when, as and if accepted by the underwriter and subject to an opinion as to the validity of the Series 2021 Bonds and the tax-exempt status of the Series 2021 Bonds by Hodgson Russ LLP, Albany, New York, Bond Counsel; the approval of certain legal matters for the Issuer by Marisa Franchini, Esq., Corporation Counsel, for the Institution by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York, for the Trustee by its counsel, Barclay Damon, Albany, New York, and for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York, and certain other conditions. It is expected that delivery of the Series 2021 Bonds will be made on or about November 12, 2021 through the facilities of DTC.



D | A | DAVIDSON
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\$48,150,000

**CITY OF ALBANY CAPITAL RESOURCE CORPORATION
TAX-EXEMPT REVENUE REFUNDING BONDS
(THE COLLEGE OF SAINT ROSE PROJECT), SERIES 2021 BONDS**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

\$48,150,000 Serial Bonds

Maturity Date	Amount	Interest Rate	Yield	CUSIP⁽¹⁾
7/1/2025	1,025,000	4.000%	1.700%	012432DH0
7/1/2026	1,065,000	4.000%	1.880%	012432DJ6
7/1/2027	1,105,000	4.000%	2.050%	012432DK3
7/1/2028	1,150,000	4.000%	2.220%	012432DL1
7/1/2029	1,195,000	4.000%	2.380%	012432DM9
7/1/2030	1,245,000	4.000%	2.510%	012432DN7
7/1/2031	1,295,000	4.000%	2.640%	012432DP2

\$7,295,000 4.00% Term Bond Due July 1, 2036, Priced to Yield† 2.890% CUSIP⁽¹⁾ 012432DQ0

\$8,865,000 4.00% Term Bond Due July 1, 2041, Priced to Yield† 3.030% CUSIP⁽¹⁾ 012432DR8

\$23,910,000 4.00% Term Bond Due July 1, 2051, Priced to Yield† 3.230% CUSIP⁽¹⁾ 012432DS6

(1) Copyright, American Bankers Association. 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 Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity 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 certain maturities of the Bonds.

†- Priced to the first optional redemption date of July 1, 2031.

This Official Statement does not constitute an offering of any security, other than the original offering of the Series 2021 Bonds specifically offered hereby. No person has been authorized by the Issuer or the Institution to give any information or to make any representation with respect to the Series 2021 Bonds, other than that contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the Issuer or the Institution. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall be no sale of the Series 2021 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. This Official Statement has been approved by the Issuer and the Institution and its use and distribution for the purposes set forth above have been authorized by the Issuer and the Institution. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any usage made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of the Issuer or the Institution since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL WHICH MIGHT NOT OTHERWISE PREVAIL IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2021 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Trust Indenture 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 2021 Bonds in accordance with applicable provisions of the securities laws of the states, if any, in which the Series 2021 Bonds have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof.

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. No representation, warranty or guarantee is made by the Underwriter as to the accuracy or completeness of any information in this Official Statement, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriter.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. Summaries of the principal legal documents are presented in Appendix A hereto. Any statements made in this Official Statements involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or the Institution, the proposed operation of the Project or the other matters described herein since the date hereof or the date as of which specified information is given, if earlier.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT INCLUDING THE APPENDICES ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2021 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT, IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE INSTITUTION, THE PROJECT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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THE INFORMATION UNDER THE CAPTIONS “INTRODUCTORY STATEMENT”, “THE INSTITUTION”, “THE SERIES 2021 BONDS”, “SECURITY FOR THE SERIES 2021 BONDS”, “ANNUAL DEBT SERVICE REQUIREMENTS”, “SOURCES AND USES OF FUNDS”, “BONDHOLDERS’ RISKS”, “LITIGATION”, “LEGAL MATTERS”, “TAX MATTERS”, “UNDERWRITING”, “FINANCIAL ADVISOR”, “RATING”, “CONTINUING DISCLOSURE”, “FINANCIAL STATEMENTS”, “OTHER MATTERS”, APPENDIX A, APPENDIX B, APPENDIX C AND APPENDIX D HAS BEEN FURNISHED BY THE INSTITUTION, BOND COUNSEL OR OTHERS, AND NOT BY THE CITY OF ALBANY CAPITAL RESOURCE CORPORATION, WHICH MAKES NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IT DID NOT FURNISH.

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OFFICIAL STATEMENT
Relating to the
\$48,150,000
CITY OF ALBANY CAPITAL RESOURCE CORPORATION
TAX-EXEMPT REVENUE REFUNDING BONDS
(THE COLLEGE OF SAINT ROSE PROJECT), SERIES 2021 BONDS

INTRODUCTORY STATEMENT

This Introductory Statement is subject in all respects to the more complete information appearing elsewhere in this Official Statement. This Introductory Statement is not to be read or used without reference to the entire Official Statement. For the definitions of certain capitalized terms used in this Official Statement, which are not otherwise defined, reference should be made to the definitions appearing in Appendix C hereto.

Purpose of this Official Statement: The purpose of this Official Statement and the Appendices attached hereto is to provide certain information concerning the issuance by the City of Albany Capital Resource Corporation (the “Issuer”) of its \$48,150,000 aggregate principal amount of Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2021 (the “Series 2021 Bonds”).

The Series 2021 Bonds are issued pursuant to the terms of a Trust Indenture dated as of November 1, 2021 (the “Trust Indenture” or “Indenture”), by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the “Trustee”). The Series 2021 Bonds, together with any other series of bonds hereafter issued under the Trust Indenture (the “Additional Bonds”) are referred to herein as the “Bonds”.

The proceeds of the Series 2021 Bonds will be used to (A) refund all or a portion of the Issuer’s Tax-Exempt Revenue Bonds (The College of Saint Rose Project), Series 2011A (the “Series 2011A Bonds”) issued on July 19, 2011 in the aggregate principal amount of \$21,235,000, (B) refund all or a portion of the Issuer’s Tax-Exempt Multi-Mode Revenue Bonds (The College of Saint Rose – Refunding Project), Series 2015A (the “Series 2015A Bonds”) issued on November 13, 2015 in the original aggregate principal amount of \$39,760,000 (the Series 2011A Bonds and the Series 2015A Bonds are collectively referred to herein as the “Prior Bonds”) and (C) pay a portion of the costs incidental to the issuance of the Series 2021 Bonds and funding reserves with respect to the Series 2021 Bonds (the “Project”). The Series 2011A Bonds and the Series 2015A Bonds are collectively referred to as the “Prior Bonds”.

The Issuer: City of Albany Capital Resource Corporation (the “Issuer”) is a not-for-profit corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the “Act”) and is authorized by the Act to issue the Series 2021 Bonds. See “THE ISSUER” in this Official Statement.

The Institution: The College of Saint Rose (the “College” or the “Institution”) is a not-for-profit educational corporation organized and existing under the laws of the State of New York. It is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is exempt from federal income taxation pursuant to Section 501(a) of the Code. See Appendix A hereto, “Certain Information Concerning the College.”

The Series 2021 Bonds: The Series 2021 Bonds will be issued as fully registered bonds, in the form and in the denominations, with semiannual interest payments, maturing, and with certain redemption provisions, all as set forth on the inside cover page of this Official Statement and herein. See “THE SERIES 2021 BONDS - General Terms” herein.

Sources of Payment of and Security for the Series 2021 Bonds: The Series 2021 Bonds are limited obligations of the Issuer payable from the Trust Revenues held by the Trustee under the Trust Indenture and from payments made by the Institution under the Loan Agreement dated as of November 1, 2021 (the “Loan Agreement”) by and between the Issuer and the Institution. Under the Loan Agreement, the Institution is required to make payments corresponding to the principal or redemption price of and interest on the Series 2021 Bonds. As security for the Bonds, the Issuer will execute and deliver to the Trustee a pledge and assignment dated as of November 1, 2021 (the “Pledge and Assignment”) from the Issuer to the Trustee, and acknowledged by the Institution, which Pledge and Assignment will assign to the Trustee all of the Issuer’s right, title and interest in the Loan Agreement, with the exception of the right to receive payments of certain fees, the right to indemnity, and the right to grant certain approvals and to enforce certain remedies.

As further security for the Series 2021 Bonds, (A) the Institution will execute and deliver to the Issuer a mortgage and security agreement dated as of November 1, 2021 (the “Mortgage”) from the Institution to the Issuer, which Mortgage among other things grants to the Issuer a first mortgage lien on, and a security interest in several Institution buildings which comprise portions of the Institution’s main campus located 432 Western Avenue, Albany, New York (the “Mortgaged Property”); and (B) the Issuer will execute and deliver to the Trustee an assignment of mortgage dated as of November 1, 2021 (the “Mortgage Assignment”) from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the Trustee.

Pursuant to a guaranty dated as of November 1, 2021 (the “Guaranty”), the Institution will make certain covenants for the benefit of the Trustee for the benefit of the holders of the Series 2021 Bonds and any Additional Bonds under the Indenture. Pursuant to a pledge and security agreement dated as of November 1, 2021 (the “Pledge and Security Agreement”), between the Institution and the Trustee, the Institution will pledge and grant to the Trustee a security interest in Gross Revenues as security for the payment and performance of obligations of the Institution under the Guaranty. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS” and “RISK FACTORS” in this Official Statement.

THE BONDS DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE CITY OF ALBANY, NEW YORK, THE STATE OF NEW YORK OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK. SEE “SECURITY FOR THE SERIES 2021 BONDS” HEREIN.

Continuing Disclosure: In accordance with the requirements of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission, the Institution will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Series 2021 Bonds and (iii) timely notice of any failure by the Institution to provide the required annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the Institution. In the event the obligations of the Institution are terminated with respect to the Series 2021 Bonds, the Institution will also be relieved of the obligation to provide information under Continuing Disclosure Agreement. See “CONTINUING DISCLOSURE” and “Appendix E – Form of Continuing Disclosure Agreement” herein.

Bondholders’ Risks: There are risks associated with the purchase of the Series 2021 Bonds. See the caption “BONDHOLDERS’ RISKS” for a discussion of certain of these risks.

Miscellaneous: This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Institution, the Trust Indenture, the Loan Agreement, the Pledge and

Assignment, the Mortgage, the Guaranty, the Pledge and Security Agreement and the Continuing Disclosure Agreement. Those descriptions are qualified by reference to the entire text of such documents, including the forms of the Series 2021 Bonds contained in the Trust Indenture.

Terms used in this Official Statement have the meanings ascribed to those terms in the Trust Indenture, unless otherwise defined in this Official Statement or unless the context indicates a different meaning. For a summary of certain terms defined in the documents described above and not otherwise defined in this Official Statement, see the definitions appearing in Appendix C hereto. Copies of such documents will be available for inspection at the corporate trust office of the Trustee at Manufacturers and Traders Trust Company, 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202-1885.

THE ISSUER

The Issuer is a not-for-profit corporation organized under the laws of the State. The Issuer is formed for the purpose of (a) promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for citizens of the City of Albany, New York (the “City”) by developing and providing programs for not-for-profit institutions, manufacturing and industrial business and other entities to access low interest tax-exempt and non tax-exempt financing for their eligible projects, and (b) undertaking projects and activities within the City for the purposes of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging the development of, or retention of, industry in the City, and lessening the burdens of government and acting in the public interest.

The Issuer has seven directors. The directors of the Issuer are appointed by, and serve at the pleasure of, the City’s Common Council.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE THEREBY SOLELY OUT OF CERTAIN FUNDS PLEDGED THEREFOR, NOTHING IN THE SERIES 2021 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 2021 BONDS OR THE SATISFACTION OF ANY OTHER OBLIGATION OF THE ISSUER UNDER THE SERIES 2021 BONDS, THE INDENTURE OR THE LOAN AGREEMENT. NEITHER THE ISSUER NOR ITS MEMBERS, DIRECTORS, OFFICERS, AGENTS, SERVANTS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE SERIES 2021 BONDS SHALL BE LIABLE PERSONALLY WITH RESPECT TO THE 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 2021 BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR THE CITY OF ALBANY IS PLEDGED TO SUCH PAYMENT. THE ISSUER HAS NO TAXING POWER.

THE INSTITUTION

The College of Saint Rose (the “College” or the “Institution”) is a not-for-profit educational corporation organized and existing under the laws of the State of New York. It is an organization described in Section 501(c)(3) of the Code and is exempt from federal income taxation pursuant to Section 501(a) of the Code. For a description of the College, its management, programs, activities and financial position, see Appendix A — “Certain Information Concerning the College” and Appendix B — “Audited Financial Statements of The College of Saint Rose as of and for the Years Ended June 30, 2020 and June 30, 2021”.

THE SERIES 2021 BONDS

General Terms

The Series 2021 Bonds bear interest at the rates per annum and mature in the years and in the principal amounts shown on the inside cover page of this Official Statement, subject to redemption prior to maturity as hereinafter described. The Series 2021 Bonds are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any multiple in excess thereof.

Interest and any Sinking Fund Payment or principal payment due prior to maturity on any Bond which is payable, and which is punctually paid or duly provided for, on any Bond Payment Date shall be paid to the Person appearing on the bond register as the Holder of that Bond (or one or more Predecessor Bonds) at the close of business on the Regular Record Date, by check or draft of the Trustee mailed by the Trustee on such Bond Payment Date to such Holder at such Holder’s address as it appears on the bond register; provided that, at the written request of any Holder of Bonds in an aggregate principal amount of \$250,000 or greater, the Trustee shall cause such amounts to be transmitted on such Bond Payment Date by wire transfer at such Holder’s written request to the bank account number on file with the Trustee, provided such Holder has delivered adequate instructions regarding the same to the Trustee at least ten (10) Business Days prior to such Bond Payment Date.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered bonds 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 or more fully-registered Series 2021 Bond certificates will be issued for each principal amount of the Series 2021 Bonds maturing on a specified date and bearing interest at a specified rate, each in the aggregate principal amount of such quantity of the Series 2021 Bonds, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing

corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct or 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. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bonds. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2021 Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE SERIES 2021 BONDS. REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE SERIES 2021 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

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

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

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

Each person for whom a Participant acquires an interest in the Series 2021 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NONE OF THE ISSUER, THE UNDERWRITERS, OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 BONDS.

NEITHER THE ISSUER, THE INSTITUTION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021 BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE OR ANY OTHER AGREEMENT TO BE GIVEN TO HOLDERS OF THE SERIES 2021 BONDS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS.

Redemption Prior To Maturity

Extraordinary Redemption Without Premium.

The Series 2021 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 2021 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 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, non-appealable decree or judgment of any court of competent jurisdiction, 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 pursuant to Section 406(G) of the Indenture in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Loan Agreement, in each case to the extent of such excess. In any such event, the 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 Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Optional Redemption. The Series 2021 Bonds maturing on or after July 1, 2032 are also subject to redemption prior to maturity on or after July 1, 2031, at the option of the Institution by exercise of its right to prepay the Loan Payments payable under the Loan Agreement as provided in Section 5.3 thereof, 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>
July 1, 2031 and thereafter	100%

Sinking Fund Redemption. (1) The Series 2021 Bonds issued as Term Bonds maturing on July 1, 2036 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on July 1 of each year, commencing July 1, 2032 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

<u>Sinking Fund Payment Date</u> <u>(July 1)</u>	<u>Sinking Fund Payment</u>
2032	\$1,350,000
2033	\$1,400,000
2034	\$1,455,000
2035	\$1,515,000

Following retirement by mandatory sinking fund redemption prior to their Stated Maturity, there will remain \$1,575,000 principal amount of the Initial Bonds issued as Term Bonds maturing on July 1, 2036 to be paid at maturity, unless otherwise redeemed pursuant to the Indenture.

(2) The Initial Bonds issued as Term Bonds maturing on July 1, 2041 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on July 1 of each year, commencing July 1, 2037 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

<u>Sinking Fund Payment Date</u> <u>(July 1)</u>	<u>Sinking Fund Payment</u>
2037	\$1,635,000
2038	\$1,705,000
2039	\$1,770,000
2040	\$1,840,000

Following retirement by mandatory sinking fund redemption prior to their Stated Maturity, there will remain \$1,915,000 principal amount of the Initial Bonds issued as Term Bonds maturing on July 1, 2041 to be paid at maturity, unless otherwise redeemed pursuant to the Indenture.

(3) The Initial Bonds issued as Term Bonds maturing on July 1, 2051 are subject to scheduled mandatory sinking fund redemption, by lot in such manner as the Trustee shall deem fair and appropriate, prior to maturity, on July 1 of each year, commencing July 1, 2042 by the application of Sinking Fund Payments at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date, without premium, in the principal amounts set forth opposite the respective dates set forth below:

<u>Sinking Fund Payment Date</u> <u>(July 1)</u>	<u>Sinking Fund Payment</u>
2042	\$1,990,000
2043	\$2,070,000
2044	\$2,155,000
2045	\$2,240,000
2046	\$2,330,000
2047	\$2,425,000
2048	\$2,520,000
2049	\$2,620,000
2050	\$2,725,000

Following retirement by mandatory sinking fund redemption prior to their Stated Maturity, there will remain \$2,835,000 principal amount of the Initial Bonds issued as Term Bonds maturing on July 1, 2051 to be paid at maturity, unless otherwise redeemed pursuant to the Indenture.

Selection of Bonds to be Redeemed. In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date from maturities designated in writing by the Institution, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate, provided that for so long as the Bonds shall be Book Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity may be selected by lot by the Depository in such manner as the Depository may determine. If any maturity of the Bonds which is subject to sinking fund redemption is to be redeemed in part, the Trustee shall apply any partial redemption payments (other than a scheduled mandatory redemption) to the schedule of mandatory Sinking Fund Payments thereon as designated by the Institution. Further, the Trustee may provide for the selection for redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

Notice of Redemption. Notice of the intended redemption of each Bond subject to redemption shall be given by the 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 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 Trustee by registered or certified mail to each registered Owner who has not submitted a 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 Bonds to be redeemed, the numbers of the Bonds to be redeemed if less than all of the Bonds 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 Bonds or portions thereof to be redeemed; that upon presentation and surrender to the Trustee of any Bond being redeemed in part, a new Bond in the principal amount of the unredeemed portion of such Bond will be issued; and that the 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 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 Bond with respect to which no such failure to give notice, or defect therein, has occurred.

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

If, on the redemption date, moneys for the redemption of all Bonds or portions thereof to be redeemed, in an amount equal to the principal of such 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 Trustee so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall cease to bear interest, and such 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 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 the Indenture and shall continue to be secured by and be entitled to the benefits of the Indenture until paid.

Any notice of redemption given with respect to a Book-Entry Bond shall comply with the requirements for notice contained in the Letter of Representations from the Issuer to the Depository relating to such Book-Entry Bond.

Transfer and Exchange

The Trustee is designated and agrees to act as Bond Registrar and shall cause a bond register to be kept on behalf of the Issuer at the Office of the Trustee for the registration and transfer of Bonds. Except as provided in the Indenture related to Book-Entry Bonds, any Bond, upon the surrender of such Bond to the Bond Registrar for registration of transfer, may be transferred, but only upon delivery to the Bond Registrar of an assignment duly executed by the registered Owner or his duly authorized legal representative in the form imprinted on the Bond or in such other form as shall be satisfactory to the Bond Registrar.

Additional Bonds

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 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; and/or (5) 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.

(B) 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) an amendment to the Loan Agreement to reflect 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 trustees 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 opinion 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, including, without limitation, exceptions relating 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 applicable to the Institution 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) 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

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

(C) 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.

(D) 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. 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 (5) 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.

Acceleration

Upon (1) the occurrence of an Event of Default under the Indenture, the Trustee will, or (2) the occurrence of an Event of Default under the Indenture 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 will, 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 will thereupon become and be immediately due and payable. Upon any such declaration, the Trustee will 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. Upon the occurrence of any declaration by the Trustee under the Indenture, the principal of the Bonds then Outstanding and the interest accrued thereon will thereupon become and be immediately due and payable, and interest will continue to accrue thereon until the date of payment. See "RISK FACTORS" and "APPENDIX C—DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF INDENTURE, LOAN AGREEMENT, PLEDGE AND ASSIGNMENT, GUARANTY, PLEDGE AND SECURITY AGREEMENT AND MORTGAGE—Events of Default and —Remedies on Default" in this Official Statement.

SECURITY FOR THE SERIES 2021 BONDS

General

The Series 2021 Bonds will be issued under and will be equally and ratably secured under the Indenture, pursuant to which the Issuer will grant a security interest in, pledge and assign to the Trustee the following:

1. All right, title and interest of the Issuer in and to (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 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) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (D) 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 (E) 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;
2. Any and all moneys, securities and other investment property from time to time held by the Trustee under the terms of the Indenture, except (A) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, (B) moneys on deposit in the Rebate Fund (as hereinafter defined), and (C) unclaimed funds held under Section 409 of the Indenture; and
3. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by anyone in its behalf or with its written consent in favor of the Trustee.

The Indenture is intended to constitute a security agreement under the Uniform Commercial Code of the State so that the Trustee shall have and may enforce a security interest, to secure payment of all sums due or to become due under the Bonds and the Indenture, in so much of the Property described in 1 through 3 above as may be made subject to such a security interest, including the moneys held by the Trustee under the Indenture. Subject, however, to Permitted Encumbrances and excepting therefrom, the Unassigned Rights. See Appendix C under the caption "Summary of Certain Provisions of the Indenture."

Special, Limited Obligations

THE SERIES 2021 BONDS, TOGETHER WITH THE INTEREST PAYABLE THEREON AND ALL PAYMENTS BY THE ISSUER PURSUANT TO THE INDENTURE, ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE BY THE ISSUER SOLELY FROM THE TRUST ESTATE AS PROVIDED IN THE INDENTURE, THE SERIES 2021 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER AND SHALL NEVER CONSTITUTE A DEBT 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 SHALL BE LIABLE THEREON, NOR SHALL THE SERIES 2021 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR.

Loan Agreement

Under the Loan Agreement between the Institution and the Issuer, (A) the Issuer will agree (1) to issue the Series 2021 Bonds, and (2) to make a loan to the Institution of the proceeds of the Series 2021 Bonds (the “Loan”) for the purpose of refinancing the Prior Bonds, funding a reserve fund and paying the costs of issuing the Series 2021 Bonds (the “Project”), and (B) in consideration of the Loan, the Institution will agree (1) to undertake the Project, (2) to use the proceeds of the Loan disbursed under the Indenture to pay (or reimburse the Institution for the payment of) the costs of the Project, and (3) to make payments in amounts sufficient to pay when due all amounts due with respect to the Series 2021 Bonds (the “Loan Payments”) to or upon the order of the Issuer in repayment of the Loan, which Loan Payments shall include amounts equal to the Debt Service Payments (as defined in the Indenture) due on the Series 2021 Bonds. See Appendix C under the caption “Summary of Certain Provisions of the Loan Agreement.”

Pledge and Assignment

As security for the Series 2021 Bonds, (A) the Issuer will execute and deliver to the Trustee a pledge and assignment dated as of November 1, 2021 (the “Pledge and Assignment”) from the Issuer to the Trustee, and acknowledged by the Institution, which Pledge and Assignment will assign to the Trustee certain of the Issuer’s rights under the Loan Agreement, and (B) pursuant to the Pledge and Assignment, payments made by the Institution under the Loan Agreement are to be paid directly to the Trustee.

Mortgage

As additional security for the Series 2021 Bonds, (A) the Institution will execute and deliver to the Issuer a mortgage and security agreement dated as of November 1, 2021 (the “Mortgage”) from the Institution to the Issuer, which Mortgage among other things, grants to the Issuer a first mortgage lien on, and a security interest in the Mortgaged Property (as defined therein) and (B) the Issuer will execute and deliver to the Trustee an assignment of mortgage dated as of November 1, 2021 (the “Mortgage Assignment”) from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the Trustee.

Pledge and Security Agreement

As additional security for the Series 2021 Bonds, the Institution will execute and deliver a pledge and security agreement dated as of November 1, 2021 (the “Pledge and Security Agreement”) from the Institution to the Trustee, pursuant to which, among other things, the Institution grants to the Trustee, among other things, a security interest in the Gross Revenues (as defined therein) of the Institution.

Liquidity Covenant

Pursuant to the terms of the Guaranty, the Institution covenants that on June 30 and December 31 of each year (each, a “Testing Date”), it shall have maintained a ratio of Liquid Assets to Debt of no less than 0.20x (estimated to be \$10,000,000) (the “Liquidity Covenant”); provided, that the Institution may spend its Liquid Assets between Testing Dates without any restriction other than being in compliance with the Liquidity Covenant by the next Testing Date.

On or prior to February 15 and August 15 of each year, commencing February 15, 2022, the Institution shall file with the Issuer and the Trustee a covenant compliance certificate of an Authorized Representative of the Institution stating whether the Liquidity Covenant is satisfied for the immediately preceding Testing Date and the calculation upon which such statement is based.

If the certificate required above shows that the Liquidity Covenant is not satisfied for two consecutive Testing Dates, the Institution covenants to retain a Management Consultant, within fifteen (15) Business Days after the second certificate required above is filed with the Issuer and Trustee, to make recommendations to achieve the Liquidity Covenant on the next Testing Date. Any Management Consultant so retained shall be required to submit such recommendations to the Issuer and the Trustee within forty-five (45) days after being so retained. The Institution agrees that it shall, to the maximum extent permitted by law, follow the recommendations of the Management Consultant. So long as the Institution retains a Management Consultant and follows the Management Consultant's recommendations to the extent permitted by law, the Liquidity Covenant shall be deemed to have been complied with, even if the Liquidity Covenant for any such Testing Date was not met, provided the Institution shall meet the Liquidity Covenant required on the next Testing Date. The Trustee has no duty or obligation to monitor the Institution's compliance with any recommendations and the Trustee's sole responsibility is to forward such recommendations to the Bondholders.

So long as the Institution is otherwise in full compliance with its obligations under the Loan Agreement and Guaranty, including following, to the fullest extent practicable, the recommendations of the Management Consultant, it will not constitute an Event of Default under the Guaranty if the Institution fails to meet the Liquidity Covenant.

Debt Service Coverage Covenant

Pursuant to the terms of the Guaranty, the Institution covenants to maintain during each Fiscal Year, Net Income Available for Debt Service with respect to the Fiscal Year then ended of at least 100% of the Annual Debt Service (the "Debt Service Coverage Ratio"). No later than the earlier of the ensuing December 31 or four (4) weeks after completion of the Institution's audit for the previous Fiscal Year, the Institution will provide to the Trustee a covenant compliance certificate of an Authorized Representative of the Institution stating whether as of the last day of the previous Fiscal Year the Debt Service Coverage Ratio is satisfied and the calculations upon which the statement is based.

If the Institution does not comply with the Debt Service Coverage Ratio for two consecutive Fiscal Years, then the Trustee will give notice thereof to the Bondholders, and upon the written direction of Holders of not less than 51% of the principal amount of Bonds then Outstanding, the Institution agrees to promptly employ a Management Consultant to review and analyze the operations and administration of the Institution, inspect the Project Facility, and submit to the Institution and the Trustee written reports, and make such recommendations as to the operation and administration of the Institution as such Management Consultant deems appropriate, including any recommendation as to a revision of the methods of operation thereof. The Institution agrees to consider any recommendations by the Management Consultant and, to the fullest extent practicable, to adopt and carry out such recommendations. The Trustee has no duty or obligation to monitor the Institution's compliance with any recommendations and the Trustee's sole responsibility is to forward such recommendations to the Bondholders.

So long as the Institution is otherwise in full compliance with its obligations under the Loan Agreement and Guaranty, including following, to the fullest extent practicable, the recommendations of the Management Consultant, it will not constitute an Event of Default under the Guaranty if the Institution fails

to satisfy the Debt Service Coverage Ratio (as evidenced by Institution's audited financial statements for such Fiscal Year).

Regardless of whether the Institution has retained a Management Consultant, if at the end of the Fiscal Year ending June 30, 2022 or any subsequent Fiscal Year, the Net Income Available for Debt Service as of the end of such Fiscal Year is less than 100% of the Annual Debt Service of such Fiscal Year (as evidenced by Institution's audited financial statements for such Fiscal Year), then the Trustee will give notice thereof to the Bondholders, and Holders of not less than 51% of the principal amount of Bonds then Outstanding may (1) direct the Trustee to declare an Event of Default under the Indenture, the Guaranty or the Loan Agreement and (2) direct the Trustee to exercise one or more of the remedies permitted under the Indenture, the Guaranty or the Loan Agreement.

Additional Indebtedness

The Guaranty limits the Indebtedness that the Institution can incur. The Institution may incur additional Long-Term Indebtedness, which may be evidenced by supplementing the Loan Agreement and the Indenture. Such additional Long-Term Indebtedness may be secured in whole or in part by Liens on the Institution's properties and a security interest in the Gross Revenues on a parity with amounts secured by the Lien of the Mortgage and the security interest in the Gross Revenues granted by the Pledge and Security Agreement if: (1) the Net Income Available for Debt Service for the most recent Fiscal Year for which an audit has been completed is sufficient to pay an amount representing not less than 120% of the combined Maximum Annual Debt Service for outstanding Long-Term Indebtedness and the projected annual debt service for the Long-Term Indebtedness proposed to be incurred; and (2) a Management Consultant reports that the Net Income Available for Debt Service will equal not less than 120% of the combined Maximum Annual Debt Service payments for the outstanding Long-Term Indebtedness and the projected annual debt service for the Long-Term Indebtedness proposed to be incurred for three (3) consecutive Fiscal Years after the earlier of: (a) the date the new facility for which additional debt is being undertaken to finance is placed into service; or (b) the year in which provision for payment of debt service by capitalized interest has been made.

The Institution may incur Short-Term Indebtedness from time to time, provided that the principal amount of the Short-Term Indebtedness to be incurred, when added to the outstanding principal amount of all other Short-Term Indebtedness does not exceed ten percent (10%) of the Gross Revenues.

The Institution may incur additional Indebtedness as permitted above which is secured by Liens on the Project Facility or Gross Revenues that are subordinate to the Lien of the Mortgage and the security interest in the Gross Revenues granted by the Pledge and Security Agreement.

The following definitions apply for purposes of the covenants set forth above:

"Annual Debt Service" means the actual sum of the principal and sinking fund installments of and interest on outstanding Long-Term Indebtedness payable during a fiscal year, provided that (a) with respect to any Long-Term Indebtedness that bears a variable rate of interest, the debt service shall include any credit enhancement costs and (b) with respect to any Long-Term Indebtedness subject to an interest rate exchange agreement, the debt service shall include the net payments made to or received from the counterparty.

"Cash and Marketable Securities" means cash, cash equivalents, federal and state government securities, readily marketable stock, bonds and other securities, all valued at fair market value.

“Debt” means the outstanding balance of bonds payable and right of use liabilities-finance leases as evidenced by the Institution’s audited financial statements for such fiscal year.

“Debt Service Coverage Ratio” means the ratio of Net Income Available for Debt Service to Annual Debt Service.

“Indebtedness” means all Debt of the Institution for borrowed moneys and right of use liabilities-finance leases as evidenced by the Institution’s audited financial statements and, with respect to the Indebtedness incurred under the Financing Documents, shall mean (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from the Issuer or the Institution to the Trustee pursuant to the Loan Agreement or any other 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 the Loan Agreement or any other Financing Document, (D) the monetary obligations of the Institution to the Issuer and its members, officers, agents, servants and employees under the Loan Agreement and the other Financing Documents, and (E) all interest accruing on any of the foregoing.

“Liquidity Ratio” means Liquid Assets to Debt.

“Liquid Assets” means Cash and Marketable Securities less Restricted Cash.

“Long-Term Indebtedness” means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the Institution has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof. The term “Long-Term Indebtedness” does not include operating leases as evidenced by the Institution’s audited financial statements.

“Management Consultant” means a firm or firms which is not, and no member, stockholder, director, officer, trustee or employee of which is, an officer, director, trustee or employee of the Institution, or any affiliate thereof, and which is a professional consultant of national repute for having the skill and experience necessary to render the particular report, advice, or documentation required by the provision hereof in which such requirement appears.

“Maximum Annual Debt Service” means on any date, when used with respect to any Long-Term Indebtedness, the greatest amount required in the then current or any future Bond Year to pay the sum of: (1) interest on such Series of the Bonds payable in such Bond Year, excluding accrued interest received upon the issuance of such Series of the Bonds and capitalized interest financed by the issuance of such Series of the Bonds; and (2) the principal and the Sinking Fund Payments due on such Series of the Bonds in such Bond Year.

“Net Income Available for Debt Service” means total unrestricted operating revenues, including funds made available for operations from endowment funds and from other temporarily restricted resources, minus total unrestricted operating expenses, excluding depreciation, amortization, and interest expenses as displayed or included in the Debtor’s audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Debtor, and excluding any non-cash adjustment for changes in accounting estimates, change in generally accepted accounting principles, or other non-cash adjustments made in accordance with generally accepted accounting principles.

“Restricted Cash” means cash, cash equivalents, federal and state government securities, readily marketable stock, bonds and other securities, all valued at fair market value, that are in accounts designated for debt service reserve funds, funds held pursuant to the Indenture, upfront funding of multi-year restricted private grants, donor restricted endowments and federal funds.

“Short-Term Indebtedness” means any Indebtedness that is not Long-Term Indebtedness.

Financial and Operational Reporting

Pursuant to the Continuing Disclosure Agreement, the Institution covenants and agrees that it will have its books and records audited annually, commencing with the Fiscal Year ending June 30, 2022, by an Accountant as soon as practicable after the close of each Fiscal Year. The Institution agrees that it will furnish:

(1) to the Trustee and the Rating Agency, within 150 days after the end of each Fiscal Year to the Trustee and Rating Agency, if any, a copy of the audit report certified by an Accountant including the Accountant’s statement as to the calculation of the Liquidity Ratio and the Debt Service Coverage Ratio;

(2) to the Trustee within 60 days after December 31 an “Officer’s Report” containing (a) unaudited financial statements of the Institution, a year-to-date income statement with a comparison to the operating budget, a balance sheet and a comparison to the prior year, (b) the actual spring enrollment for the Institution (c) covenant compliance certificate, (i) a copy of the Institution’s annual budget, as amended or supplemented as of the reporting date, for the then current Fiscal Year; and

(3) to the Trustee, commencing March 31, 2022, an “Interim Officer’s Report” setting forth the following information, within the time periods set forth below (a) annual operating budgets of the Institution within 30 days of their adoption; (b) results of any federal or State testing within 45 days of receipt by the Institution; (c) within 14 days of receipt, notification or report of any potential or alleged violation of the charter by the Institution; (d) within 14 days of submission, any information that the Institution has provided to the Rating Agency, if any, as part of such Rating Agency’s ongoing surveillance to the extent such information has not otherwise been filed or is being filed on EMMA as part of the Continuing Disclosure Agreement; and (v) within 14 days of receipt, any notice or allegation of a violation of governmental approvals in connection with the operation of the Project Facility.

In the Continuing Disclosure Agreement, the Institution also covenants that it will at its sole cost and expense at all times while the Series 2021 Bonds are outstanding take all action reasonably necessary to maintain from one or more Rating Agency a rating on the Series 2021 Bonds.

Reserve Fund

On the Closing Date for the Series 2021 Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to the Initial Bonds into the Reserve Fund. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund.

If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay the Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make the Debt Service Payments coming due on the Bonds on such Bond Payment Date, to enable the Trustee to make all such Debt Service Payments coming due on the Bonds on such Bond Payment Date.

THE BONDS ISSUED PURSUANT TO THE TRUST INDENTURE WILL BE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS PLEDGED THEREFOR OR OTHERWISE AVAILABLE TO THE TRUSTEE FOR THE PAYMENT THEREOF, INCLUDING REVENUES DERIVED FROM THE INSTITUTION UNDER THE LOAN AGREEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE CITY OF ALBANY, NEW YORK, THE STATE OF NEW YORK, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF NEW YORK. THE HOLDERS OR OWNERS OF THE BONDS WILL HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE CITY OF ALBANY OR THE STATE OF NEW YORK OR THE TAXING AUTHORITY OF ANY POLITICAL SUBDIVISION FOR THE PAYMENT THEREOF.

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each year ending June 30, the amounts required each year to be made available for debt service payments by the Institution with respect to the Series 2021 Bonds offered hereunder.

Period Ending	Principal	Coupon	Interest	Debt Service
6/30/2022			\$262,150	\$262,150
6/30/2023			1,926,000	1,926,000
6/30/2024			1,926,000	1,926,000
6/30/2025			1,926,000	1,926,000
6/30/2026	\$1,025,000	4.000%	1,905,500	2,930,500
6/30/2027	1,065,000	4.000%	1,863,700	2,928,700
6/30/2028	1,105,000	4.000%	1,820,300	2,925,300
6/30/2029	1,150,000	4.000%	1,775,200	2,925,200
6/30/2030	1,195,000	4.000%	1,728,300	2,923,300
6/30/2031	1,245,000	4.000%	1,679,500	2,924,500
6/30/2032	1,295,000	4.000%	1,628,700	2,923,700
6/30/2033	1,350,000	4.000%	1,575,800	2,925,800
6/30/2034	1,400,000	4.000%	1,520,800	2,920,800
6/30/2035	1,455,000	4.000%	1,463,700	2,918,700
6/30/2036	1,515,000	4.000%	1,404,300	2,919,300
6/30/2037	1,575,000	4.000%	1,342,500	2,917,500
6/30/2038	1,635,000	4.000%	1,278,300	2,913,300
6/30/2039	1,705,000	4.000%	1,211,500	2,916,500
6/30/2040	1,770,000	4.000%	1,142,000	2,912,000
6/30/2041	1,840,000	4.000%	1,069,800	2,909,800
6/30/2042	1,915,000	4.000%	994,700	2,909,700
6/30/2043	1,990,000	4.000%	916,600	2,906,600
6/30/2044	2,070,000	4.000%	835,400	2,905,400
6/30/2045	2,155,000	4.000%	750,900	2,905,900
6/30/2046	2,240,000	4.000%	663,000	2,903,000
6/30/2047	2,330,000	4.000%	571,600	2,901,600
6/30/2048	2,425,000	4.000%	476,500	2,901,500
6/30/2049	2,520,000	4.000%	377,600	2,897,600
6/30/2050	2,620,000	4.000%	274,800	2,894,800
6/30/2051	2,725,000	4.000%	167,900	2,892,900
6/30/2052	2,835,000	4.000%	56,700	2,891,700
Total	\$48,150,000		\$36,535,750	\$84,685,750

SOURCES AND USES OF FUNDS

Estimated Sources of Funds

Principal Amount of Series 2021 Bonds	\$48,150,000.00
Release from Prior Reserve Fund	1,506,331.31
College Equity Contribution	1,081,916.00
Net Premium	3,752,325.20
Release from Prior Debt Service Fund	159.94
Total Sources of Funds	\$54,490,732.45

Estimated Uses of Funds

Refunding Escrow Deposits	\$50,454,570.06
Deposit to Reserve Fund	2,952,800.00
Costs of Issuance	1,081,916.00
Other Uses of Funds:	1,446.39
Total Uses of Funds	\$54,490,732.45

BONDHOLDERS' RISKS

The discussion herein of risks to the registered owners of the Bonds is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters that could affect payment on the Bonds. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal office of the Trustee.

General

The Series 2021 Bonds are payable from payments to be made by the Institution under the Loan Agreement. The ability of the Institution to comply with its obligations under the Loan Agreement depends primarily upon the ability of the Institution to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The Institution expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement and the Institution will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the Institution from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2021 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the Institution to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the Institution to provide the services required by students, economic developments in the Albany, New York area and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the Institution to provide for payments. The future financial condition of the Institution could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. Approximately 99% of the Institution's undergraduate students receive some form of financial assistance from the Institution. The level of financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the Institution.

Investment Income

The Institution's endowment funds are professionally managed by outside asset management firms. Committees of the Board of Trustees of the Institution periodically review the asset allocation of the investment pool in the context of the primary financial objective to provide funds for the current and future operations of the Institution, including its programs and affiliates. An equally important objective is the financial goal of preserving and enhancing the endowment fund's inflation-adjusted purchasing power, while providing a relatively predictable, stable and continuous stream of income. Although the unrestricted portion of the Institution's endowment funds and the payout therefrom are available for debt service payments on the Series 2021 Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fund Raising

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

Risks as Employer

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

Changes in Law

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

operations and financial condition of the Institution by requiring it to pay income or real property taxes (or other *ad Valorem* taxes).

Certain Matters Relating to Enforceability of the Indenture and Loan Agreement

The obligation of the Institution to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors' rights. The Institution may file for the reduction of its debts in a proceeding under the federal Bankruptcy Code, which could include provisions modifying, eliminating or altering the rights of creditors generally, or any class of them, secured or unsecured. If the Institution should file a plan of reorganization ("Plan"), when confirmed by the court, such Plan binds all creditors who had notice or knowledge of the Plan and discharges all claims against the debtor provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

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

Secondary Market for the Series 2021 Bonds

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

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

THE BONDS ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW YORK, THE CITY OF ALBANY, NEW YORK, OR ANY POLITICAL SUBDIVISION THEREOF, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK OR ANY SUCH POLITICAL SUBDIVISION, BUT ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE REVENUES RECEIVED BY THE ISSUER FROM THE INSTITUTION IN ACCORDANCE WITH THE LOAN AGREEMENT, THE FUNDS AND ACCOUNTS HELD PURSUANT TO THE TRUST INDENTURE (EXCEPT THE REBATE FUND) AND CERTAIN INVESTMENT INCOME THEREON. THE ISSUER HAS NO TAXING POWER.

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. If an Event of Default occurs under the Trust Indenture, the Trustee may accelerate the maturity of all Bonds Outstanding and interest will cease to accrue on the date of acceleration, notwithstanding the fact that the Bondholders may not receive notice of such acceleration until after such date. In addition, no premium will be received upon an acceleration of the Bonds due to a default.

Additional Bonds

So long as the Loan Agreement and Guaranty are in effect and no Event of Default exists thereunder or under the Trust 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 of the Institution complying with the provisions of the Trust Indenture, issue one or more series of Additional Bonds, (See the caption “Summary of Certain Provisions of the Indenture - Additional Bonds” in Appendix C attached hereto).

Each series of Additional Bonds will be equally and ratably secured under the Trust Indenture without preference, priority or distinction of any Bond over any other. The consent of the Bondholders is not required prior to the issuance of Additional Bonds.

Governmental Regulation and Accreditation Activities

The Institution is subject to regulation, certification and licensure by various federal, state and local government agencies and by certain non-governmental agencies. No assurance can be given as to the effect of existing laws, regulations, and standards for certification, licensure or accreditation or of any future changes in such laws, regulations and standards on the Institution’s future operations.

Internal Revenue Code Limitations

The Code contains restrictions on the issuance of tax-exempt bonds for the purpose of financing and refinancing different types of facilities for not-for-profit organizations, including facilities generating taxable income and for-profit organizations, including business organizations with which not-for-profit organizations like the Institution may wish to enter into joint ventures or other arrangements. Provisions of the Code could thus adversely affect the Institution’s ability to finance its future capital needs and could have other adverse effects on the Institution that cannot be predicted at this time. The Code continues to subject unrelated business income of not-for-profit organizations to taxation.

No Additional Interest in Case of Loss of Tax Exemption

The exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes is dependent upon continuing compliance with the provisions of Section 145 of the Code relating to Qualified 501(c)(3) Bonds as well as certain other provisions of the Code. There is no provision for acceleration of the Bonds or for the payment of additional interest if the interest on the Bonds becomes included in gross income for federal income tax purposes. See “TAX MATTERS” herein.

Event of Taxability

If the Institution does not comply with certain covenants of the Institution set forth in the Loan Agreement generally related to restrictions on use of the facilities, arbitrage limitations, rebate of certain excess investment earnings, and restrictions on the amount of issuance costs financed with the proceeds of the Bonds, or if certain representations or warranties made by the Institution in the Loan Agreement, or in certain certificates or agreements of the Institution, are false or misleading, the interest payable on the Bonds may become includable in the gross income of the owners of the Bonds for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance or misrepresentation is ascertained. In the event that interest on the Bonds should become includable in the gross income of the owners of the Bonds for purposes of federal income taxation, the owners of the Bonds shall not have the option of redemption. As such, the after-tax return on their investment shall be reduced accordingly.

Reduction in Rating

There is also no assurance that the bond rating initially assigned to the Series 2021 Bonds by the rating service will not be lowered or withdrawn, which could adversely affect the market price and the market for the Series 2021 Bonds. See “RATING” herein.

Appraisal

The Institution engaged John F. O’Neill, NYS Certified General Real Estate Appraiser to prepare an appraisal of the Mortgaged Property (the “Appraiser”). The Appraiser determined that the fair market value of the Mortgaged Property in its “as is condition” as of September 8, 2021 was \$78,000,000. In the event of a foreclosure, there can be no assurance that the value of the Mortgaged Property or the amount received for the Mortgaged Property will be sufficient to pay the principal of and interest due on the Series 2021 Bonds.

Special Purpose Building

The Mortgaged Property is comprised of special purpose buildings that were constructed for use as educational buildings and facilities. Accordingly, in the event of a foreclosure, the market for the buildings comprising the Mortgaged Property is likely to be limited. Costs to change or retrofit the facilities to enhance their market appeal may be prohibitive.

Summary

The foregoing is intended only as a summary of some of the risk factors attendant to an investment in the Series 2021 Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Series 2021 Bonds are an appropriate investment.

LITIGATION

The Institution

In the fall of 2020, the College reduced certain academic programs, which resulted in faculty layoffs. Affected faculty members were notified in December 2020 that their employment will end in December 2021. On September 16, 2021, four of the affected faculty members commenced litigation against the College, in a combined Article 78 proceeding and breach of contract action. Other affected faculty members have threatened, but not commenced litigation. The College is being defended in this litigation by its insurance carrier, United Educators. The College's insurance policy, however, includes a cap of one million dollars in the aggregate for claims arising out of a reduction in programs. The College intends to vigorously defend this litigation.

No other litigation or proceedings are pending or, to the knowledge of the Institution, threatened against it except (i) litigation involving claims for liability in which the probable recoveries and the estimated costs and expenses of defense, in the opinion of the Institution, will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or within the applicable self-insurance reserves of the Institution and (ii) litigation involving other types of claims which if adversely determined would not, in the opinion of the Institution, materially and adversely affect the financial condition or the operation of the Institution.

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2021 Bonds or questioning or affecting the validity of the Series 2021 Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization nor existence of the Issuer nor the title of any of the present members or other officials of the Issuer to their respective offices is being contested. There is no litigation pending or, to the Issuer's knowledge, threatened, which in any manner questions the right of the Issuer to enter into the Trust Indenture or the Loan Agreement or to secure the Series 2021 Bonds in the manner provided in the Indenture.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the approving legal opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel. A signed copy of such opinion, dated and speaking as of the date of original delivery of the Series 2021 Bonds will be delivered at the time of such original delivery, in substantially the form set forth in Appendix E hereto.

Certain legal matters will be passed upon for the Issuer by Marisa Franchini, Esq., Corporation Counsel for the Issuer. Certain legal matters will be passed upon for the Institution by Whiteman Osterman & Hanna LLP, Albany, New York, counsel to the Institution. Certain legal matters will be passed upon for the Trustee by Barclay Damon LLP, Albany, New York. Certain legal matters will be passed upon for the Underwriter by Trespasz & Marquardt, LLP, Syracuse, New York.

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 2021 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 certain requirements contained in the Code, may cause interest on the Series 2021 Bonds to become subject to federal income taxation and certain other taxes from the date of issuance thereof, and (b) interest on the Series 2021 Bonds is included in the tax base for purposes of computing the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code; and (2) so long as interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2021 Bonds.

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Series 2021 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 2021 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 2021 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 2021 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 2021 Bonds or the market value of the Series 2021 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 2021 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.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2021 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 2021 BONDS.

Tax Requirements

The Tax Requirements referred to above, which must be complied with in order that interest on the Series 2021 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 2021 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 2021 Bonds be used for any private business use, treating as private business use (i) use (directly or indirectly) in a trade or business carried on by any entity other than (i) a state or local governmental unit or (ii) a Section 501(c)(3) organization in a trade or business related to such Section 501(c)(3) organization's exempt purposes and (c) possession of certain interests in the property financed or refinanced with proceeds of the Series 2021 Bonds by any entity other than (i) a state or local governmental unit or (ii) 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 2021 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 2021 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 2021 Bonds be utilized to finance the costs of the issuance of the Series 2021 Bonds. The Institution has indicated in the Tax Regulatory Agreement that not more than two percent (2%) of the proceeds of the Series 2021 Bonds will be utilized to finance the costs of issuance of the Series 2021 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 2021 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 2021 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 airplane, skybox or other private luxury box, 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 2021 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

Prospective purchasers should also be advised that the Series 2021 Bonds are subject to, among others, the following provisions contained in the Code:

(1) interest on the Series 2021 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;

(2) interest paid by certain financial institutions on debt allocable to the cost of acquiring and carrying the Series 2021 Bonds is not deductible from Federal income taxation; and

(3) a property and casualty insurance company's deduction for losses incurred is reduced by 15% on tax-exempt income received from the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should also be aware that ownership of, accrual or receipt of interest on, or disposition of, the Series 2021 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 2021 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 2021 Bonds. Bond Counsel will express no opinion regarding these consequences.

Information Reporting and Backup Withholding

Interest paid on the Series 2021 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 interest on the Series 2021 Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2021 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (1) are not "exempt recipients," and (2) 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 2021 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 2021 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 2021 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 2021 Bonds. There can be no assurance that legislation enacted or proposed or actions by a court after the date of issuance of the Series 2021 Bonds will not have an adverse effect on the tax status of the interest paid or payable on the Series 2021 Bonds or the market value or marketability of the Series 2021 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 2021 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 2021 Bonds.

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 2021 Bonds or the tax consequences of ownership of the Series 2021 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 2021 Bonds may occur.

Prospective purchasers of the Series 2021 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 2021 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 2021 Bonds ends with the issuance of the Series 2021 Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Series 2021 Bonds may affect the tax status of interest paid or payable on the Series 2021 Bonds.

Unless separately engaged for such purpose, Bond Counsel is not obligated to defend the Issuer or the owners of the Series 2021 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 2021 Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Series 2021 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 2021 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 2021 Bonds, and may cause the Issuer, the Institution or the Bondholders to incur significant expense.

Premium Series 2021 Bonds

The excess, if any, of the tax adjusted basis of a maturity of any Series 2021 Bonds purchased as part of the initial public offering by a purchaser (other than a purchaser who holds such Series 2021 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 2021 Bonds with bond premium (a "Premium Series 2021 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 Series 2021 Bond may realize taxable gain upon disposition of Premium Series 2021 Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring such Premium Series 2021 Bonds. In general, bond premium is amortized over the term of a Premium Series 2021 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 Series 2021 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 Series 2021 Bond is required to decrease such Owner's adjusted basis in such Premium Series 2021 Bond by the amount of amortizable bond premium attributable to each taxable year such Premium Series 2021 Bond is held. The amortizable bond premium on such Premium Series 2021 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 Series 2021 Bond.

Prospective purchasers of any Premium Series 2021 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 Series 2021 Bond and with respect to the state and local tax consequences of acquiring, owning and disposing of such Premium Series 2021 Bond.

New York State Taxes

In the opinion of Bond Counsel, so long as interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2021 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).

Tax Risks - Loss of Federal Tax Exemption

As described above, interest on the Series 2021 Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2021 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 2021 Bonds may be deemed to be taxable from the date of issuance. The Series 2021 Bonds are not subject to mandatory redemption or to mandatory acceleration in the event of such an occurrence. No premium or additional interest will be paid to the Bondholders or former Bondholders to compensate the Bondholders for any losses they may incur as a result of the interest on the Series 2021 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 Approving Opinion of Bond Counsel" in APPENDIX D.

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2021 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 2021 BONDS.

UNDERWRITING

The Series 2021 Bonds are being purchased by D.A. Davidson & Co. (the "Underwriter"), who has agreed to purchase the Series 2021 Bonds at an aggregate underwriting fee of \$582,135.00. The Underwriter

may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing Series 2021 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 2021 Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all Series 2021 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.

RATING

Fitch Ratings, Inc. (“Fitch”) has assigned a rating of “BB/Stable” to the Series 2021 Bonds. Such rating reflects only the views of Fitch and an explanation of the significance of such rating may be obtained only from Fitch. There can be no assurance that the rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely, if in Fitch’s judgment, circumstances so warrant. The Underwriter has taken no responsibility either to bring to the attention of the holders of the Series 2021 Bonds any proposed revision or withdrawal of the rating on the Series 2021 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2021 Bonds. The rating should not be taken as a recommendation to buy or hold the Series 2021 Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Institution has undertaken in a Continuing Disclosure Agreement dated as of November 1, 2021 (the “Continuing Disclosure Agreement”) between the Institution and the Trustee, for the benefit of the holders of the Bonds, to provide to the Trustee certain annual information and notices required to be provided by Rule 15c2-12. The Continuing Disclosure Agreement may be amended or modified without the consent of the holders of the Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure Agreement when executed by the parties thereto at or prior to the delivery of the Bonds will be on file at the principal corporate trust office of the Trustee. The Issuer has not committed to provide any continuing disclosure to the owners of the Bonds or to any other person. The Institution has covenanted with the Trustee for the benefit of Bondholders to provide certain financial information and operating data relating to the Institution, as specified in Appendix E – “Form of Continuing Disclosure Agreement” by not later than 150 days following the end of the Institution’s fiscal year beginning with the fiscal year ending June 30, 2022 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events, if deemed by the Institution to be material. The Annual Report will be filed on behalf of the Institution with the Municipal Securities Rulemaking Board. In the event the obligations of the Institution are terminated with respect to the Bonds, such parties will also be relieved of the obligation to provide information under the Continuing Disclosure Agreement.

During the previous five years, the College has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

FINANCIAL STATEMENTS

The Financial Statements of the Institution as of and for the fiscal years ended June 30, 2020 and June 30, 2021 included in Appendix B of this Official Statement have been audited by UHY, LLP, independent auditors, as stated in their Report appearing therein.

THE TRUSTEE

The Issuer has appointed Manufacturers and Traders Trust Company to serve as Trustee, Custodian, Bond Registrar and Paying Agent. The Trustee is a banking corporation organized and existing under the laws of the State of New York, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture and the other Security Documents. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Series 2021 Bonds (other than the Trustee's certificate of authentication), or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Issuer of any of the Series 2021 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2021 Bonds by the Institution. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2021 Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Series 2021 Bonds, or the investment quality of the Series 2021 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

The mailing address of the Trustee is 285 Delaware Avenue, 3rd Floor, Buffalo, New York 14202-1885, Attention: Corporate Trust Administration. Additional information about the Trustee may be found at its website at <https://www.wilmingtontrust.com/wtcom/index.jsp@section=Corp>. The Trustee's website is not incorporated into this Official Statement by such reference and is not a part hereof.

OTHER MATTERS

The Institution has furnished information in this Official Statement relating to itself and the Project. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward looking statements, which are based on the Institution's management's beliefs as well as assumptions made by, and information currently available to, the Institution's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Institution files with the repositories. When used in Institution documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

The foregoing summaries or descriptions of provisions of the Series 2021 Bonds, the Trust Indenture, the Loan Agreement, the Pledge and Assignment, the Mortgage, the Mortgage Assignment and all references to other materials not purporting to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. For a complete statement of the provisions of the Trust Indenture, the Loan Agreement, the Pledge and Assignment, the

Pledge and Security Agreement, the Mortgage, and the Mortgage Assignment, reference is made to such documents in their entirety.

The agreement of the Issuer with the owners of the Series 2021 Bonds is fully set forth in the Trust Indenture. Neither any advertisement of the Series 2021 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2021 Bonds. Statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of facts.

The attached Appendices A through E are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Series 2021 Bonds, but neither the failure to print such numbers on any Series 2021 Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Series 2021 Bonds.

The information assembled in this Official Statement has been supplied by the Institution and other sources believed to be reliable, and, except for the statements under the heading "THE ISSUER" herein and information relating to the Issuer under the heading "LITIGATION - The Issuer," the Issuer makes no representations with respect to nor warrants the accuracy of such information. The Institution has agreed to indemnify the Issuer and the Underwriter against certain liabilities relating to the Official Statement.

The Institution has reviewed the information contained herein which relates to it, their property and other assets and their operations, and has approved all such information for use within this Official Statement.

The execution and delivery of this Official Statement have been duly authorized by the Issuer and the Institution.

**CITY OF ALBANY CAPITAL RESOURCE
CORPORATION**

By: /s/Susan Pedo
Susan Pedo
Chairperson

THE COLLEGE OF SAINT ROSE

By: /s/Marcia J. White
Marcia J. White
President

By: /s/ Debra Lee Polley
Debra Lee Polley
Vice President for Finance and Administration

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CERTAIN INFORMATION CONCERNING THE COLLEGE

THE INSTITUTION

HISTORY

The College of Saint Rose (the "Institution") is an independent, nonsectarian, coeducational institution of higher education located in Albany, New York. The Institution was founded in 1920 by the Sisters of St. Joseph of Carondelet to open doors to women to private higher education in upstate New York. Since 1970, an independent Board of Trustees has governed the Institution. The Institution continues to fulfill the value of its founders to meet the needs of the times. From preparing expert and skilled teachers, forensic psychologists, and social workers, to the development of the Flex MBA, the Institution continues to change to meet the needs of its students and society. Recently, the Institution demonstrated its ability to be nimble during the pandemic.

As it celebrates its Centennial, the Institution continues its commitment to transforming lives through education. Today, the Institution has approximately 3,800 students, offers 35 undergraduate degrees, 24 graduate degrees and 22 advanced certificates. With more than 46,000 alumni, 28,000 of whom have teaching-related degrees, the Institution is widely recognized for its impact on the Capital Region of New York and beyond.

Mission-centric, and guided by the Institution's Strategic Plan 2016-2022, faculty, administrators and staff are committed to the Institution's core values including academic excellence, service to others, and integration of the Institution with the City of Albany, as fully detailed in the Institution's Mission Statement below. Note, the Institution is currently examining its mission in relation to our on-going strategic planning process.

Current Mission Statement

The College of Saint Rose community engages highly motivated undergraduate and graduate students in rigorous educational experiences. In the progressive tradition of the founding Sisters of St. Joseph of Carondelet, we welcome students from all religious and cultural backgrounds. In addition to developing their intellectual capacities, students have the opportunity to cultivate their creative and spiritual gifts in a diverse learning community that fosters integrity, interdependence, and mutual respect.

The College delivers distinctive and comprehensive liberal arts and professional programs that inspire our graduates to be productive adults, critical thinkers, and motivated, caring citizens. Our engagement with the urban environment expands the setting for educational opportunities and encourages the Saint Rose community's energetic involvement and effective leadership in society.

Institutional Goals

- *To offer curricula that encourages students to integrate personal development.*
- *To offer courses, programs, and intellectual opportunities that nurture critical thinking, value formation and responsible citizenship.*
- *To provide opportunities and institutional resources for the social, intellectual, cultural, spiritual, and physical development of all students.*

- *To foster an awareness of and respect for diversity through curricular and extracurricular activities, and through active efforts to encourage persons with various ethnic, religious and personal backgrounds to join the College community.*

COVID-19 IMPACT

In December 2019, a novel strain of coronavirus disease (“COVID-19”) was first reported in Wuhan, China. Less than four months later, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic.

The extent of COVID-19’s effect on the Institution’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall long-term impact of COVID-19 on the Institution’s finances.

In response to the New York Governor’s March 16, 2020 executive order, which required the closure of New York State schools for a two-week period, the Institution transitioned all coursework to distant learning on March 16, 2020 through the end of the academic semester. Due to this change, it was determined that all residential students would be entitled to an adjustment for Spring Room and Board charges for approximately \$3,400,000, of which \$1,100,000 was refunded and \$2,300,000 was applied to Summer 2020 and Fall 2020 Student Tuition and Fees. Course fee adjustments of approximately \$50,000 were also made.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. CARES Act, Section 18004(a)(1), Pub. L. No. 116-136 authorizing the Secretary of Education based on a formula driven grant funds to award the Institution \$3,475,163. Section 18004(c) of the CARES Act required the Institution to use no less than fifty percent of the funds received to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to the coronavirus (including eligible expenses under a student’s cost of attendance such as food, housing, course materials, technology, health care, and child care). This grant also allowed the Institution to use up to 50 percent of the funds received to cover costs associated with significant changes to the delivery of instruction due to the coronavirus including but not limited to lost revenue with limited restrictions. In accordance with the CARES Act grant, during the year ended June 30, 2020, the Institution provided \$700,931 of financial aid awards to students for expenses related to the disruption of campus operations due to the coronavirus and used \$700,931 to offset lost room and board revenues. The remaining funds were awarded to students and utilized by the Institution during the year ending June 30, 2021.

With New York State in a state of emergency and the Institution fully remote in Spring 2020, all in-person campus visits for prospective students were eliminated. The required limited access to the facilities provided less opportunity for the Institution’s signature personal recruiting approach. This resulted in a decline of Fall 2020 and Fall 2021 first-year and new transfer enrollment. The pandemic has also had a deep personal/financial impact on the Institution’s Pell-eligible, first generation and families of color. Those students who did not enroll questioned the value of a college experience with reduced in-person classes, reduced and restricted student life events, both distinctive aspects of the Saint Rose experience, and many reported that they were taking a gap year and did not enroll in any Institution.

For Fall 2019, the Institution enrolled its second largest first-year class of 640 students. For Fall 2020, the Institution budgeted for a first-year class of 640; while the actual first-year enrollment landed at 491. The estimated loss of revenue due to COVID for fiscal year 2021 was approximately \$2,800,000 for tuition and fees and \$4,100,000 for room and board. The Institution's housing policy requires all first-year students who live outside a 60-mile radius from campus to live on campus. The Institution waived this requirement for Fall 2020, to provide options to students and to limit the number of students in dense congregate housing. There were 95 students who attended virtually for the academic year 2020-2021.

The Institution partially resumed in person in Fall 2020. Classes were hybrid, and guest and visit policies were highly constricted with limited student engagement. Social distancing continued through the semester and the Institution closed all residential spaces at the Thanksgiving break, as rates of COVID positive cases increased significantly in Albany County.

In accordance with the HEERF I Act, during the year ended June 30, 2021, the Institution provided \$1,036,651 of financial aid awards directly to students for expenses related to the disruption of campus operations due to the coronavirus and received \$1,036,651 to offset lost room and board revenues from fiscal year 2020. A total of 1,715 students directly received funds for the CARES act, which is now referred to as Higher Education Emergency Relief Funds (HEERF).

The Institution received funds, as part of the HEERF II funding, during fiscal year 2021 in the amount of approximately \$3,550,000 and students directly received approximately \$1,700,000 as part of the HEERF II funding. The Institution has been notified that it is eligible for approximately \$4,700,000 for HEERF III and students are eligible to directly receive approximately \$4,700,000 in fiscal year 2021-2022.

The Institution is qualified to receive funds from the Strengthening Institutions Program Education Stabilization funds. The Institution was eligible for these funds due to the number of Pell students enrolled at the College. The Institution received \$398,591 during fiscal year 2021 and is eligible to receive \$416,174 in fiscal year 2022.

PROJECTED IMPACT OF PANDEMIC ON OPERATIONS IN FISCAL YEAR 2022 AND BEYOND

The continued spread or future outbreaks of COVID and its impact on social interaction for our students, travel, family economies and financial markets may have a material adverse impact on the Institution's finances and operations in the future. Potential adverse consequences of COVID that are specific to the Institution include, but are not limited to, decreases in net tuition and fee revenue due to a decline in enrollment and decline in demand for student housing and other auxiliary services. In Fall 2021, new student enrollment was down by approximately 30%. 2021 retention for returning undergraduate students exceeded expectations. Overall all, the result was an approximate net revenue decrease of \$1,000,000. For Fall 2021, the on-campus housing population was below expectations resulting in an approximate revenue decrease of \$2,800,000. More broadly, the COVID pandemic and its continued impact on economies and financial markets may materially adversely affect the ability of the Institution to conduct its operations and the cost of operations. However, because of the unknown duration and trajectory of the COVID outbreak and the evolving nature of federal, state and local responses thereto, the Institution cannot presently project or forecast with any reasonable degree of certainty the extent the pandemic will affect the Institution's financial condition or operations.

FINANCIAL TURNAROUND AND STRATEGIC PLAN

The Institution has initiated a turnaround under the leadership of President Marcia White. An alum and 20-year Trustee, President White previously led Saratoga Performing Arts Center (SPAC) replacing 15 years of financial deficits with 12 consecutive surpluses. She has expertise in fundraising, communications and government relations. In her first year as President, she created a culture of transparency, accessibility, collaboration, and formed partnerships with college presidents, elected officials, and local business leaders.

While the higher education climate is challenging, the Institution is confident in its future, and this re-building of a strong Saint Rose includes: a cohesive, expert management team, and actions aligned with financial sustainability including fundraising success, reorganization to streamline decision making, inclusive strategic planning, and re-tooling and development of programs with an emphasis on competitive advantage and flexibility.

In July of 2020, President White created a turnaround team: Vice President for Finance and Administration (CFO), Provost/Vice President for Academic Affairs (CAO), Chief of Staff (COS) and Trustees with finance expertise. This team developed a multi-year deficit reduction plan to produce a cash positive budget within three years. Phase 1— \$8 million in non-academic reductions—was implemented last summer and included the elimination 53 administrative positions, the freezing of the pension plan for hourly wage employees, reducing of administrative salaries over \$50,000, a phased retirement plan for senior faculty, reduction of departmental operating expenses, and sale of properties considered not mission critical.

Even with these cost saving measures, additional reductions were needed to reduce the structural deficit. On July 20, 2020, the Institution's Board approved President White's recommendation for her to work with the faculty to reduce academic expenses by \$6 million. In the late summer and fall of 2020, with the charge of the President, a joint working group of faculty members elected by the full faculty, and the CAO, CFO and COS presented a set of recommendations for program reductions and other academic cost savings to the President. These recommendations were subsequently presented and unanimously approved by the Board in early December 2020.

The Institution announced the elimination of 25 academic programs, (16 undergraduate degrees, 6 unique graduate degrees, 3 advanced certificates) along with the consequent reduction of 33 of the Institution's 151 tenured and tenure-track positions, and 8 one-year visiting faculty positions. As per the Institution's Faculty Manual, professors were provided one-year notice that their employment would end after the Fall 2021 semester. These programs impacted 10% of undergraduate and 4% of graduate students. All students were provided with teach-out plans and are able to complete their degrees at Saint Rose.

The Institution implemented these reductions cognizant of the impact they would have on the faculty and current students, and with the acknowledgement that some of the Institution's most venerable programs would no longer be offered at Saint Rose. The financial result of these reductions is \$5.97 million in permanent savings which will be phased in over two fiscal years. The Institution has 81 programs now offered to new students including 35 undergraduate degrees, and 24 graduate degrees and 22 advanced certificates.

The Institution's strategy to achieve financial sustainability is not solely based on reductions—it is based on developing a plan for a future Saint Rose that is grounded in our founding value of meeting the needs of students. Being conducted in conjunction with the Middle States Commission on Higher Education Self-Study process, the Institution's new strategic plan will include objectives to strengthen existing academic programs, enhance modes of delivery, and develop new programs and certificates to expand enrollment. The Institution is developing more flex graduate programs so that students can experience a course or class (in-person, or online) in ways that meets their needs in real time. Based on this successful pilot, the Institution's graduate programs in computer science and educational leadership will move to the flex format this Fall. The Institution has also launched 2 in 4-degree pathways in which students earn their bachelor's and master's degrees faster and without duplication of course content. This saves students up to \$12,000; and puts them into the job market one year earlier with higher earning potential. Each of these initiatives is being guided by faculty and the Institution's mission and demonstrated strengths.

Another aspect of the plan is to increase yield by transitioning recruitment from an expensive national model to a focus on recruitment from local, regional and key territories, which have higher yield of applicants to enrolled students. With enrollment management now part of Academic Affairs, the focus is on academic program differentiation, a more personalized approach, and new marketing strategies to grow inquiries and affinity.

Fundraising is also a pivotal aspect of the Institution's financial plan, and is one way we are honoring the Institution's 100 years of serving students and the community. In the "First 100 Years" phase of the Campaign which ended this past June 30, the Institution raised \$28 million. The Institution is now in the "**Second Century**" phase with a goal of raising \$24-\$32 million. In fiscal year 2020-2021, the Institution raised \$5.7 million from strong community donor support, \$2.4 million in unrestricted support. This year's fundraising had 100% trustee participation, and the Centennial gala raised more than double the goal with strong corporate sponsors indicative of the local business support of the Institution.

During the pandemic, the Institution exercised proactive financial management and will continue its commitment to financial discipline including: increasing net tuition revenue, decreasing the financial aid discount rate, continuous expenditure controls, reviewing open/vacant positions, increasing fundraising, and reducing debt service. The Institution is working diligently to maintain and improve financial stability in order to ensure the quality service to the students and employees.

FALL 2021 ENROLLMENT

While the data is not yet frozen, the Institution is projecting a fall 2021 first-year class at 315, and new transfer students at 98, with total undergraduate enrollment at 1,785. Graduate enrollment is at 706 students enrolling in 5,957 credits, exceeding the budget goal. Although Fall undergraduate new student recruitment fell short of budget goals, continuing undergraduate enrollment exceeded the budgeted goal. Due to a number of factors, we believe this year to be an anomaly, and that the Institution has a recruitment plan and staffing in place for the Institution to regain market share and recruit a Fall first year class of between 490- 550 as it has for at least the last 10 years. Below, we will explain why this year class did not meet the target goal, and the changes that have already been made, and plans put in place to ensure that this scenario will not be repeated.

In previous years, the Institution engaged thousands of prospective students and parents through on-campus activities that exemplified why Saint Rose was the right choice. With the challenges to provide a safe, interactive experience to demonstrate our value proposition, 50% less prospective students visited campus. A strong percentage of Saint Rose applicants come from the NYC Metro area, a region severely impacted by COVID. In addition, due to the financial impact of the pandemic, fewer students applied from families with Lower Expected Family Contribution (incomes from \$0-\$60,000) resulting in a 45% drop in applications from those students from previous years. The drop in applicants led to a delay of the distribution of financial aid packages. By the time some students had received the Institution's financial offer they had already made their choice of a college, or decided not to attend college at all. The Institution has reviewed and updated procedures for Fall 2022 to eliminate delays in distribution of financial aid packages.

NEW ENROLLMENT MANAGEMENT TEAM

In Spring of 2021, it was clear that restructuring was needed in undergraduate admissions, and President White moved the undergraduate admissions to Academic Affairs along with graduate admission creating a unified enrollment management department under the current Director of Graduate Admissions, Daniel Gallagher, a seasoned professional with years of experience at other private institutions. The Undergraduate admissions operation has now been completely reorganized with his leadership, realignment of responsibilities, and adding additional staff to focus on faster application review and increased personal engagement with prospective students and families.

NEW ADMISSIONS AND RECRUITMENT STRATEGY

The Institution is confident in its ability to enroll new first-year and transfer classes similar in size to the classes of the last two decades. The strategy to do so is based on strengthening the yield rate. Multiple achievable tactics have been added to improve yield including additional information sessions and the creation of a more personalized campus visit experience. Students will be incentivized to complete their applications including new financial aid awards that will be offered throughout the entire admissions process. A new financial aid packaging strategy has been approved that aligns with other competitor institutions. The Institution intends to hold the discount rate flat for next year, and these incentives have been built in to the projections. The financial aid packages are being prepared and will be sent to accepted students before the Thanksgiving break-almost 3 months earlier than last year.

The financial aid strategy has been developed with a focus on meeting the needs of students while keeping the Institution's overall discount rate stable, and increasing average net tuition revenue per student. In the past, while the Institution experienced larger classes, net revenue declined as the discount rate increased beyond sustainable levels. The Institution is highly cognizant of this as an unsustainable practice, and is now focused on recruiting students based first on characteristics rather than price.

Another key aspect to the Institution's future recruitment success is a focusing staff and other recruiting resources on geographic areas that traditional yield the highest, and dividing these areas into recruitment territories for each of the admissions counselors. Counselors will have goals for each of their territories which includes the different regions of New York State, as well as New England, New Jersey and Pennsylvania, and other states and international students. Staff have

received training in personalized recruiting, list building, interviewing, and leveraging financial aid. The goal is not only to increase numbers, but to recruit students who can be successful at Saint Rose, increasing retention and graduation rates over the long term, important hallmarks of reputation and quality indicators for institution of higher education.

RE-ENGINEERED MARKETING STRATEGY WITH IN-HOUSE TALENT AND RESOURCES

The Institution's in-house marketing and communications team, also led by a dynamic creative former newspaper and magazine editor, worked quickly, collaboratively and intensively to re-engineer the Institution's marketing approach to new students and families. Messages will now be strategically timed to reach target audiences and focus on overall value proposition. All marketing materials are now aligned with admissions cycle needs, including the improvement of all academic program website pages, and the development of specialized landing pages. A unique feature developed in-house is the "Authentically You Awards" which speaks to an aspect of Saint Rose, "that you can be yourself here..." that students often describe, and enables students to create their own scholarship packages based on their attributes—community service, first generation, from a Saint Rose alumni family, etc. The Institution is excited about these new strategies and how they reflect the actual lived experiences of students.

ACADEMIC FOCUS

Most important, the Institution is concentrating its recruiting on its core product—its academic programs. Marketing and recruitment efforts will capitalize on the long-established and strong reputation of the Institution's Thelma P. Lally School of Education as retirements and other factors are projecting a significant increase in the need for new teachers in New York state in the next 5 years. The Institution re-tooled its education degrees to align with new New York state standards, and to enable students to earn multiple certifications. Due to the respect statewide for the Institution's programs in education, and the re-organization of the degree programs, the Institution has been able to stabilize enrollment in its undergraduate education programs and increase enrollment in its graduate programs. In fact, this year, while most other undergraduate programs declined in enrollment, the childhood education increased in enrollment mostly driven by an increase in new students. With high retention, this should drive an increase in the Institution's overall retention rate.

Other aspects of the education-focused marketing plan include outreach and advertising aimed at the more than 28,000 of the Institution's teacher-education alumni across the states who as educators, play a critical role in guiding high school students' college choices. The new branding campaign for the Institution's graduate school and *Teachers Teaching Teachers*, a more targeted campaign for the graduate programs in education, are consistently among the top-performing digital and social campaigns.

The Institution is also focused on continued growth of graduate programs including the MBA and School District Business Leader programs, which have grown 140% and 400% respectively. Market research this fall will help inform recruitment strategies and shape any needed program changes, such as flexibility in delivery, in established graduate programs including Communication Sciences and Disorders, Social Work, and Computer Science.

LITIGATION

In the fall of 2020, the Institution reduced certain academic programs, which resulted in faculty layoffs. Affected faculty members were notified in December 2020 that their employment will end in December 2021. On September 16, 2021, four of the affected faculty members commenced litigation against the Institution, in a combined Article 78 proceeding and breach of contract action. Other affected faculty members have threatened, but not commenced litigation.

The College is being defended in this litigation by its insurance carrier, United Educators. The College's insurance policy, however, includes a cap of one million dollars in the aggregate for claims arising out of a reduction in programs. The College intends to vigorously defend this litigation.

No other litigation or proceedings are pending or, to the knowledge of the Institution, threatened against it except (i) litigation involving claims for liability in which the probable recoveries and the estimated costs and expenses of defense, in the opinion of the Institution, will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or within the applicable self-insurance reserves of the Institution and (ii) litigation involving other types of claims which if adversely determined would not, in the opinion of the Institution, materially and adversely affect the financial condition or the operation of the Institution.

FACILITIES

The Institution is on a 48-acre urban campus in Albany, New York, the state's capital. Albany's population was 96,400 in 2020. The greater metropolitan area, commonly referred to as the Capital Region, had a population exceeding 1,000,000. The Institution is the centerpiece of the City of Albany's Pine Hills neighborhood. The beautiful signature Victorian houses are symbolic of Saint Rose and of Albany's history.

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Below is the campus map:



FUTURE FACILITIES PLANS

The College of Saint Rose owns 85 buildings totaling approximately 1,140,000 Gross Square Feet (GSF) as well as two leased facilities (Brubacher Hall and the Plumeri Sports Complex, and two leased parking lots. The Institution is in the process of terminating the lease agreement with the University at Albany for Brubacher hall effective June 2022. Of the 85 buildings currently owned, 57 are less than 10,000 GSF totaling 326,787 GSF and over 50 years old. These smaller buildings comprise 21% of all campus GSF while the average large building size is 41,000 GSF. The majority of the smaller buildings consist of previously owned private neighborhood residences built near the turn of the last century (1900) that have been adapted for institutional use as offices, program or departmental space, and student residences. The campus physical plant has approximately 69% of spaces that are less than 25 years old and are designated for Student Life, Academic, or Administrative uses, while 63% of spaces that are more than 25 years old are used for Student Residences. It is understood and appreciated that these older buildings provide “a sense of place” and emotional connection between the College and its students, employees, faculty, and alumni. That remains an important legacy for the College and needs to be preserved, yet a reasonable balance between that emotional connection, the historical significance, and the cost of maintaining the older facilities must be achieved. The College has hired a consulting team from the National Association of College and University Business Officers, including a national expert on facilities and planning to assist the College in strategic and master planning. One of the deliverables of the consulting engagement is an assessment and recommendations on the most effective use of the buildings on College’s signature beautiful campus in the heart of Albany. An aspect of these recommendations may be to sell some of the older single-family houses on the periphery of the campus that are not essential and have high maintenance costs.

Over the longer term, the Institution plans to review class room and student study space, along with areas for offices and student services. The Institution's facilities efforts are most likely to be focused on selectively adapting and renovating existing buildings for reuse including potential renovations to modernize its classroom and lab facilities, and to review the need to add to its student on campus housing stock.

GOVERNANCE

Full authority to manage and direct the affairs of the Institution is vested in an independent Board of Trustees (the "Board of Trustees"). There are currently twenty-eight voting members, with the president serving as ex-officio, non-voting member. According to the by-laws, not less than one-quarter of these voting members are Sisters of Saint Joseph of Carondelet, one of who is appointed by the Leadership Team of the Albany Province of the Sisters of Saint Joseph of Carondelet.

A total of thirty-six Trustees may be elected to three-year renewable terms. The Board of Trustees meets regularly three times a year, with additional special meetings called if necessary. Officers of the Board of Trustees are the Chair, the Past Chair, the Chair-elect, the First Vice Chair, the Second Vice Chair, and the Secretary. There are standing committees for Student Affairs and Student Success, Development, Academic Affairs, Enrollment Management, Combined Financial Affairs/Physical Plant, Audit, Investment, Trustee Affairs and Governance, Mission and Values, Presidential Evaluation and Compensation and Legal Affairs. The Executive Committee of the Board is composed of a minimum of seven members, including the Board Chair. At least one-quarter of the Executive Committee members shall be composed of representatives of the Sisters of St. Joseph, one of whom shall be designated by the Province Leadership Team, Albany Province of the Sisters of St. Joseph of Carondelet from among its membership. The President is an ex-officio member of all Committees.

The following are the current members of the Board of Trustees as of January 1, 2021:

Board Member	Initial Election	Term Expires	Professional Affiliation/Location
Jeffrey D. Stone <i>Board Chair</i> <i>Chair, Executive Committee</i> <i>Chair, Evaluation and Compensation Committee</i>	2012	2023	Senior Vice President, Retail Branch Banking, Berkshire Bank, Albany, NY
Sr. Mary Anne Heenan, CSJ '68 <i>Past Board Chair</i> <i>Chair, Trustee Affairs & Governance Committee</i>	1988	2022	Retired Province Director, Albany Province Sisters of St. Joseph of Carondelet, Latham, NY
Michelle Borisenok '80 <i>First Vice Chair</i>	2016	2023	Owner, Brown Road Racing LLC, Saratoga Springs, NY
Sharon M. Duker G'15 <i>Second Vice Chair</i> <i>Vice Chair, Audit Committee</i>	2017	2023	President and Co-Owner, Westco Inc., Westerlo, NY
Sr. Diane Zigo, CSJ, Ph.D. '80 <i>Secretary</i> <i>Chair, Enrollment Management Committee</i>	2009	2023	Province Leadership, Albany Province, Sisters of St. Joseph of Carondelet, Latham, NY Retired Associate Professor, Associate Chair Education Department, Le Moyne College, Syracuse, NY
James J. Barba	2018	2024	President Emeritus, Albany Medical Center, Albany, NY

Sr. Danielle Bonetti, CSJ	2020	2023	Sisters of St. Joseph Province Justice Committee, Latham, NY
Rita B. Crotty '70 <i>Chair, Development Committee</i>	1999	2023	Retired Executive Director, Women's Forum, New York, NY
Denise DiNoto '95 G'96 <i>Alumni representative</i>	2021	2024	Communications and Outreach Specialist, Consumer Direct Choices, Albany, NY
Sr. Margaret Edic, CSJ '72 <i>Chair, Mission & Values Committee</i>	2008	2023	Province Leadership, Albany Province, Sisters of St. Joseph of Carondelet, Latham, NY Former Learning Workshop Coordinator, Academy of the Holy Names, Albany, NY
Ryan P. Halliday '99 <i>Vice Chair, Investment Committee</i>	2013	2022	CEO, Managing Partner, and Founder, Crewe Capital Advisors, Salt Lake City, UT
Sr. Katherine Hanley, CSJ '61, '16 (Hon.) <i>Vice Chair, Academic Affairs and Mission & Values Committees</i>	2000	2024	Co-Director, Holy Ground, Albany, NY Retired Associate Dean and Director, Albany Extension of St. Bernard's School of Theology and Ministry, Albany, NY
George R. Hearst III	2003	2023	Publisher and CEO, Albany Times Union, Albany, NY <i>*One of Albany Business Review's 2021 Power 50</i>
Julie Massry Knox G'04	2005	2023	Sales and Marketing Manager, Tri City Rentals, Albany, NY
Sr. Joan Lescinski, CSJ, Ph.D. '70 G'74 <i>Vice Chair, Enrollment Management Committee</i>	1992	2022	Retired President, St. Ambrose University, Davenport, IA
Hai Ling '93	2019	2022	Co-President Asia Pacific, MasterCard, Singapore
I. Norman Massry <i>Vice Chair, Trustee Affairs & Governance Committee</i>	1988	2024	Principal, Massry Partners/Tri City Rentals, Albany, NY <i>*One of Albany Business Review's 2021 Power 50</i>
Matthew H. Mataraso '99 (Hon.)	1989	2022	Of Counsel, Pitta Bishop Del Giorno & Giblin LLC, Albany, NY
Dr. Lee A. McElroy, Jr. <i>Vice Chair, Student Affairs & Student Success Committee</i>	2016	2022	Director of Athletics, Rensselaer Polytechnic Institute, Troy, NY
Daniel P. Nolan '14 (Hon.)	1990	2023	President, CEO, and Partner, Hugh Johnson Advisors LLC, Albany, NY <i>*One of Albany Business Review's 2021 Power 50</i>
Kevin O'Connor <i>Chair, Financial Affairs & Physical Plant Committee</i>	2002	2023	Director, Albany County Department of Economic Development, Conservation, and Planning, Albany, NY
Michael J. O'Hanlon '77 <i>Chair, Investment Committee</i>	2020	2023	Senior Advisor, Sixth Street Partners, New York, NY
Kathleen S. Ricker Ph.D. '70 <i>Vice Chair, Development Committee</i>	2009	2024	Psychologist, Leadership Development Coach, Colorado Springs, CO
Sr. Patricia St. John, CSJ, Ph.D. '79 <i>Chair, Academic Affairs Committee</i>	1999	2024	Adjunct Professor, Teachers College of Columbia University, New York, NY
James J. Sandman '13 (Hon.) <i>Chair, Audit and Legal Affairs Committees</i>	2014	2023	Distinguished Lecturer and Senior Consultant, University of Pennsylvania Carey Law School President Emeritus, Legal Service Corporation, Washington, DC
Sr. Miriam Ukeritis, CSJ, Ph.D. '69	2016	2022	Director of Vocations, Sisters of St. Joseph of Carondelet, Latham, NY
Sr. J. Elizabeth Van Deusen, CSJ '84 <i>Chair, Student Affairs & Student Success Committee</i>	2012	2024	Community Partnerships, Catholic Charities, Albany, NY
Marcia J. White '00 <i>President (ex-officio)</i>			President, The College of Saint Rose, Albany, NY

Harold L. Williams <i>Vice Chair, Financial Affairs & Physical Plant Committee</i>	2018	2022	Past Chairman, Security Supply Corporation, Selkirk, NY Past President, PHAC Products, Inc.
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<u>Trustees Emeriti</u>	<u>Professional Affiliation/Location</u>
Rhea Picotte Clark	President, Review Foundation, New York, NY
Joanne Esposito '69, G'82	Bookkeeper, Esposito & Ginburg Associates, Albany, NY
The Hon. Leonard A. Weiss '92 (Hon.)	Retired Presiding Justice, Appellate Division of the New York State Supreme Court, Third Department, Albany, NY

ADMINISTRATION

The President of the Institution is appointed by the Board of Trustees. As Chief Executive Officer, the President is charged with the principal responsibility of administration for the Institution. The principal administrative personnel of the Institution include:

Marcia J. White, President

Marcia J. White began her tenure as the interim president of The College of Saint Rose on July 1, 2020 and, in August 2021, was unanimously appointed by the Saint Rose Board of Trustees as president of Saint Rose through June 2023. She earned a B.A. in communications from Saint Rose and has served for 20 years on the Saint Rose Board of Trustees and has chaired its trustee affairs and governance committees. She was honored in 2016 as the recipient of Saint Rose's A Community of Excellence award for her service and contributions to the College and the Capital Region. She is president of Marcia White Consulting, LLC, and a former registered nurse. Ms. White also held the position of press secretary to the majority in the New York State Senate and served as president and executive director of the Saratoga Performing Arts Center (SPAC). She is widely credited for having led a financial and artistic transformation that ensured SPAC's continuation as a preeminent cultural institution and major economic driver in the Capital Region. Ms. White has been a director of the governing board of the New York State Commission on Independent Colleges and Universities and is a member of the commission's Alumni Hall of Distinction. She has also served on the boards of several Capital Region nonprofit organizations. In 2021, Ms. White was named to the Albany Business Review's Power 50 List for her work at Saint Rose.

Margaret McLane, Provost and Vice President for Academic Affairs

Margaret McLane has been employed by the College of Saint Rose for over 30 years serving as a faculty member, department chair, dean of the School of Education, Institutional Strategist, Associate Provost for Graduate and Continuing Education and has been Interim Provost since October, 2020. In August 2021, she was appointed to continue as provost and vice president of that division through June 2023. She has led multiple successful program accreditation efforts. As provost, Dr. McLane currently serves as the chief academic officer and is second to the President in overall authority. The units that report to the Provost include Undergraduate and Graduate Admissions, Financial Aid, the School of Arts and Humanities, Thelma P. Lally School of Education, Huether School of Business, School of Mathematics and Sciences, Neil Hellman Library, the Registrar, the Academic Success and Career Centers, Academic Advising, and Online Learning Services. The provost also chairs the College's Strategic Planning and Priorities Committee, the Undergraduate Academic Committee and the Graduate Academic Committee. Dr. McLane holds degrees from Mount St. Mary College, The College of Saint Rose and the State University of New York at Albany where she completed her Ph. D. in Educational Psychology/Special Education in 1998.

Lisa Haley Thomson, Chief of Staff

In her 30th year at The College of Saint Rose, Lisa Haley Thomson is currently chief of staff and liaison to the Board of Trustees, after 17 years managing the College's Strategic Communications and Marketing Department as assistant vice president, and then vice president. She has been a member of the President's Cabinet since 1999. She manages the President's Office, the President's Cabinet, the Board of Trustees, Student Development, Violence Prevention and Education, Facilities and Space Management, and Institutional Effectiveness. She also chairs the Colleges' Pandemic Recovery Team and co-chairs the College's Emergency Management Team. She is the lead on the BOLD Women's Scholars program funded by a \$1 million grant from the Helen Gurley Brown Foundation. She earned a B.A. in political science from Drew University, and an M.S. in Ed. from Saint Rose. She is currently a member of the Board Professionals Leadership Group of the Association of Governing Boards, and was co-chair of the International Leadership Association Conference for Women in 2020.

Debra Lee Polley, Vice President for Finance and Administration

Debra Lee Polley joined the institution in 1994 as an accountant. She became the director of financial services in 1998, the assistant vice president for finance and comptroller in 2004 and the vice president for finance and administration in 2016. As vice president, she oversees Financial Reporting, the Bursar, Financial Planning, Purchasing and Auxiliary Services, Human Resources and Risk Management, Information Technology Services and Conferences and Events. Prior to coming to The College of Saint Rose, Ms. Polley was a manager at UHY (Formerly Urbach, Kahn and Werlin, PC) a certified public accounting firm. Ms. Polley holds a Bachelor of Science in Economics with a minor in Accounting from SUNY Oneonta. She has been a Certified Public Accountant since 1990.

Lori Ancil, Associate Vice President and Director of Athletics

Lori Ancil spent 14 years at Siena College in various roles within the athletics department, leading up to deputy director of athletics. In 2001, Ms. Ancil left Siena College to serve as director of men's basketball operations at Seton Hall University before returning to Siena in 2007 as the assistant athletic director for development. She joined Saint Rose as associate vice president and director of athletics in 2019, overseeing 19 varsity athletic programs, fundraising, compliance, sports medicine, training and strength and conditioning. Ms. Ancil holds a bachelor's degree in Legal Studies, and a master's degree in Higher Education Administration, both from the University of Buffalo.

Yolanda Caldwell, Chief Diversity Officer, Director, The Women's Leadership Institute, Director, BOLD Women's Leadership Network

Before joining Saint Rose in 2018, Yolanda Caldwell began her professional journey as a management intern at Prudential Insurance of America, Inc. She served on the team to take Prudential public and progressed through a number of assignments of increasing scope and responsibility, including vice president – employee service center. Her professional experience also includes serving as associate director of career services at Seton Hall University and a professional staff member in the Office of the Albany County Executive. In addition to her role as Chief Diversity Officer, Ms. Caldwell oversees the College's Women's Leadership Institute and BOLD Leadership Women's Network, a program that provides intensive mentoring and significant scholarship and fellowship support to 14 Saint Rose students, funded by the Helen Gurley Brown Foundation through a \$1 million grant. She is a graduate of Seton Hall University with a Bachelor of Science in Marketing and SUNY Empire State University with a Master of Arts

in Social and Public Policy, and a graduate certificate in Non-Profit Management. She has held a host of civic and community posts, serving as president for multiple community-based organizations, including an elected seat as a library trustee within the Upper Hudson Library System. Currently, she serves as board president for the Albany Center for Economic Success and is a board member for multiple organizations.

Robert J. Di Vito, Interim Executive Director for Institutional Advancement

Robert Di Vito joined the College of Saint Rose in January 2021. Mr. Di Vito leads the Development and Alumni Relations team and is focused on creating meaningful relationships between Saint Rose and alumni and friends that result in philanthropic contributions to Saint Rose. Mr. Di Vito is responsible for all fundraising functions, including campaign planning and execution, annual and planned giving, federal and non-federal grants, and stewardship. Prior to Saint Rose, Mr. Di Vito was an independent consultant providing fundraising consultancy services to academic and healthcare-related clients. Prior to his consultancy practice, he served as vice president of philanthropy at Medstar Health in Columbia, Maryland, and prior to that was chief operating officer of the Piedmont Healthcare Foundation in Atlanta, Georgia. Mr. Di Vito holds a bachelor of business administration from Temple University in Philadelphia and a law degree from Thomas M. Cooley Law School in Lansing, Michigan. In addition, he is a certified fundraising executive.

Jennifer Gish, Associate Vice President for Marketing and Communications

Jennifer Gish followed a 20-year career as a nationally award-winning newspaper journalist in 2017 to lead marketing efforts at Saint Rose out of a strong belief in the power of higher education as a transformational tool and key to upward social mobility. Before coming to Saint Rose, she was a senior editor at the Times Union in Albany, New York. Gish holds degrees in journalism and women's studies from Pennsylvania State University and is currently a student in the online Integrated Marketing Communications (IMC) master's degree program at West Virginia University. She is a member of the American Marketing Association and has served as a contest judge for the Council for Advancement and Support of Education (CASE). Outside of her role at Saint Rose, she is the founder of Strong Through Every Mile, a nonprofit organization that empowers survivors of domestic abuse through the sport of running.

Jeffrey Knapp, Associate Vice President for Human Resources and Risk Management

Jeffrey Knapp began employment with the College in 1997 and currently has oversight responsibility for human resources, the College's property and casualty insurance, security and environmental health and safety. Prior to employment with the College, he worked in the human resources field in both health insurance and banking. He has a bachelor's degree from Hamilton College and a master's degree in Business Administration from the State University of New York at Albany.

Jen Richardson, Associate Vice President for Student Development

As associate vice president for student development, Jen Richardson currently oversees the areas of Academic Opportunity and First Year Programs, Career Services, Community Service, Counseling & Health Services, Residence Life, Spiritual Life, Student Conduct, and Violence Prevention and Education. Ms. Richardson began working at The College of Saint Rose as the director of residence life in July 2007. She held this position until July 2019 when she was promoted to assistant vice president for student development and then to associate vice president in October 2020. Prior to coming to Saint Rose, Ms. Richardson worked at Ithaca College for

seven years as a residence director and assistant director of housing services and communication. She received her bachelor's degree in Math and Secondary Education from Nazareth College of Rochester and her master's degree in Public Administration from Framingham State University.

FACULTY PROFILE

The following table indicates the number of full-time instructional faculty, the number of part-time instructional faculty, the percentage of instructional faculty with tenure and the number of instructional faculty holding terminal degrees, for the past six years. The number of full-time faculty positions has declined in recent years due to program review and academic program restructuring in response to enrollment trends. The financial restructuring is addressed more fully below.

	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>	<u>Fall 2020</u>
Total Full-time Faculty	209	193	176	178	177	167
Total Part-time Faculty	126	132	157	152	169	155
Tenured Faculty	146	133	122	115	116	112
% of Faculty with tenure	70%	69%	69%	65%	66%	67%
% Holding Terminal Degrees	90%	91%	88%	89%	88%	89%
FTE Instructional Employees	246	231	222	224	228	215

TENURE PROCESS

Full-time faculty members at the Institution are eligible to be appointed to continuing, tenured appointments. Probationary faculty members are subject to a rigorous annual review process that focuses on their development as good teachers. They can apply for tenured appointments in the sixth year of full-time faculty employment according to rigorous criteria and after a well defined review process. The application process requires specific information that includes peer evaluation by faculty colleagues and teacher/course evaluation data submitted by students. Applications for tenured appointments are reviewed by the Faculty Committee on Rank and Tenure, which makes recommendations to the Provost/Vice President for Academic Affairs. School Deans also make recommendations. The Provost/Vice President for Academic Affairs then makes a recommendation to the President of the Institution. Final authority for tenured appointments rests with the Board of Trustees. A comparable system is in place to evaluate applications for advancement in academic rank.

EMPLOYEE RELATIONS

The Institution has a collective bargaining agreement with the United Professional and Service Employees Union (UPSEU) for its maintenance and housekeeping staff. The current agreement covers July 1, 2020 to June 30, 2023. It also has a collective bargaining agreement with The Security Officers and Drivers, Association Employed at The College of Saint Rose (SODA) union for its security officers and drivers in the Safety and Security Department. The current agreement covers July 1, 2021 to June 30, 2024. For temporary faculty, the Institution has collective bargaining agreements with the SEIU Local 200 United (SEIU) for both Visiting and Adjunct faculty. The current agreements for these two unions cover July 1, 2019 to June 30, 2022. The

Institution has a history of a strong working relationship with its faculty, professional administrators and support staff.

RETIREMENT PLANS

Full-time faculty, administrative and support staff employees of the Institution are participants in Retirement Annuity Plans sponsored by Teacher's Insurance and Annuity Association (TIAA) which are defined contribution plans. The contribution rate is based on a percentage of a participant's salary. The total retirement expense for this program for fiscal year 2021 amounted to \$497,629. The Institution maintains a non-contributory pension plan for non-exempt employees, which was frozen effective July 31, 2020. The expenses during the 2021 fiscal year were negative \$428,273. As of July 1, 2021, the pension plan was 104.97% funded, on both a market-value and actuarial-value basis.

ACADEMIC PROGRAMS

The Institution is chartered by the Board of Regents of New York State. All of its degrees and programs are registered and its professional programs are fully approved by the Board of Regents through the New York State Education Department. The Institution is accredited by the Middle States Commission on Higher Education (MSCHE). In addition, a number of specialized accrediting agencies recognized by the U.S. Secretary of Education and/or the Council for Higher Education Accreditation (CHEA) have accredited programs offered at The Institution including:

- The School of Business, inclusive of its degree programs at the bachelors and masters level, is accredited by the Association of Collegiate Business Schools and Programs (ACBSP);
- The Communication Sciences and Disorders program at the master's level is accredited by The Council on Academic Accreditation in Audiology and Speech-Language Pathology (CAA) of the American Speech-Language-Hearing Association (ASHA);
- The Department of Art and Design at The College of Saint Rose is accredited by the National Association of Schools of Art and Design (NASAD); (until all art students complete degrees)
- The Department of Music at The College of Saint Rose is accredited by the National Association of Schools of Music (NASM) (until all music education and music performance students complete their degrees)
- The bachelors program in Social Work is accredited by the Council on Social Work Education (CSWE);
- The masters level School Psychology Program at The College of Saint Rose is approved by the National Association of School Psychologists (NASP);
- In December 2019 the faculty in the School of Education in those programs preparing school professionals, voted to align itself with the Association for the Advancement of Quality in Educator Preparation (AAQEP). AAQEP has been approved by NYS Education Department and CHEA. The College of Saint Rose's education programs are considered in good standing under AAQEP and will submitting our AAQEP self-study in the fall of 2023 with an on-site visit scheduled for the spring of '24. This accreditation is current through November 2025.

The Institution's last Middle States Self-Study evaluation visit took place in April of 2014. The Middle States Commission on Higher Education reaffirmed the Institution's accreditation in June of 2014 for 10 years. Follow-up was requested regarding program and general education assessment (Standard 12 and 14), and Saint Rose submitted a Monitoring Report to MSCHE in April 2016, followed by a Progress Report in October 2017. The Progress Report was accepted in November 2017 with no further follow-up requested. MSCHE conducted its Mid-Point Peer Review of the Institution in the Fall of 2019. The Institution was notified in March of 2020 that evidence of improved financial viability and sustainability (Standard IV) must be submitted in conjunction with each Annual Institutional Update prior to the self-study visit in 2022-23. The Institution submitted this evidence in 2020 and 2021.

MAIN PROGRAMS OF STUDY AND ENROLLMENT TRENDS

The Institution has a Carnegie basic classification of "Masters Larger Programs" and offers bachelor and master's degrees, undergraduate, post-bachelor and post-master's certificates, as well as combined-degree programs.

In addition to its main campus in Albany, the Institution offers professional development and post-master's certification programs in metro New York in partnership with the Center for Integrated Teacher Education (CITE). CITE matriculated enrollment has ranged from 700-900 primarily part-time students over the past five years. The Institution also offers professional development and certification programs with the Teacher Education Institute (TEI) and the New York State United Teachers in Western New York (NYSUT).

Main campus enrollment has declined 13% since 2016, while registration in graduate programs is increasing slightly. The Institution enrolled 3,863 students in the Fall of 2020, approximately 80% on its main campus in Albany and 20% at other instructional sites throughout the New York City area through its partnership with CITE.

The following is an overview of the enrollment by school over the past six years:

<u>Undergraduates</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>	<u>Fall 2020</u>
Arts & Humanities	852	802	747	729	692	573
Business	446	440	401	383	397	351
Education	453	436	432	409	400	399
Math and Science	875	903	910	948	920	916
Non-matriculated Students	67	21	33	20	24	10
Total	2,693	2,602	2,523	2,489	2,433	2,249

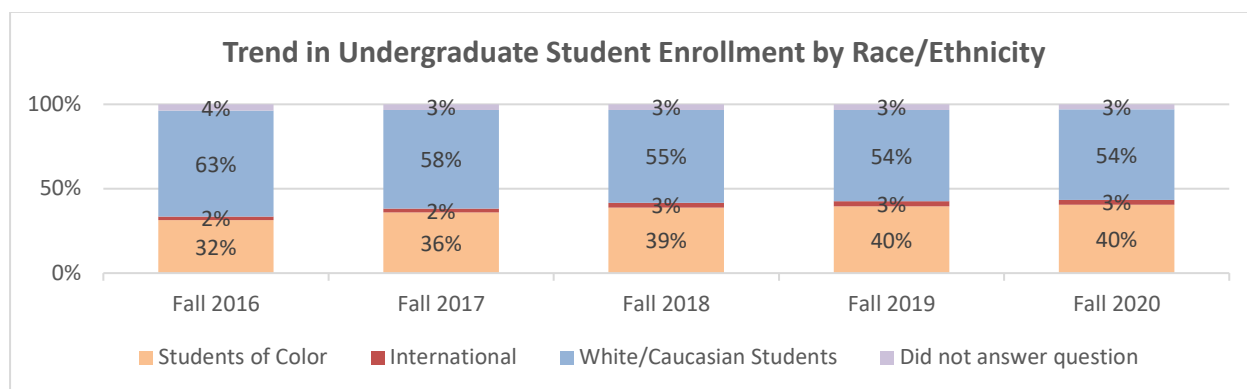
<u>Graduates</u>	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>	<u>Fall 2020</u>
Arts & Humanities	47	27	4	1	1	-
Business	144	138	120	123	116	108
Education	1,374	1,324	1,232	1,295	1,347	1,405
Math and Science	118	110	71	80	106	99
Total	1,683	1,599	1,427	1,499	1,570	1,612

The Institution is a leading provider of teachers in its regional market and provides a wide range of professional and clinical services to educators, children and families.

UNDERGRADUATE STUDENT INFORMATION

Over the last decade, the Institution faced the enrollment consequences of the decline in high school graduates in the northeast, as well as the shrinking market demand of its signature undergraduate and graduate level teacher education programs. In New York state, since 2008, there has been a 50% decline in teacher education enrollment, a trend that has been reflected at the Institution. In reaction to these shifts, faculty developed new programs, and investments in marketing and recruiting resulted in more equally balanced enrollments across programs and geography.

The changing composition of the Institution's student population in terms of program, geography, race, ethnicity and socio-economic factors has enabled the College to become a campus community more reflective of the America of 2021, and we continue to fulfill our founding values of providing educational opportunities to those who have been traditionally underrepresented in higher education with approximately 28% first generation and 40% Pell recipients. Our undergraduate student population is approximately two-thirds women, and increasingly diverse, with 40% of undergraduate students currently identifying as people of color, compared to 32% five years ago, and 16% ten years ago. Our diverse student body not only produces much-sought-after diversity for the workforce but creates graduates, who regardless of race, have cultural literacy and the capacity to work in diverse teams due to their educational experience at Saint Rose.



In summer 2020, in the midst of the national awakening on racial justice, the Institution responded to issues of equity and discrimination brought forward as the result of an Instagram page titled Black@strose. This site was a compilation of anonymous student comments based largely on issues of racism. The Institution engaged students, faculty, staff, and alumni in multiple Zoom forums to openly and actively listen to students and recent graduates, and hear their perspectives. The Institution established the Inclusion, Diversity, Equity and Action (IDEA) Committee to investigate and assess issues of diversity, equity, and inclusion. In 2020-2021, a new more comprehensive policy and process to address complaints of bias were drafted and approved. In addition, the Institution held monthly community conversations open to all students, faculty and staff. The Institution appointed a new Chief Diversity Officer, and hired a Director of Diversity, Equity and Inclusion.

The Institution has focused on the development of fields of study outside of education that have market demand and align with the Institution's mission, diversifying its portfolio of programs. Seeing the downturn in the numbers of students in education-related programs, this new strategy

has resulted in solid increases in psychology (+105), criminal justice (+93) and social work (+62). The Bachelors in Science in Nursing was launched in 2020 and has 29 registered students.

The Institution is proud of its support to veterans, their families, and active military personnel who pursue studies at Saint Rose. Victory Media, publisher of G.I. Jobs and other publications for military personnel, has recognized Saint Rose as a “Military Friendly® School” since 2011. Another publisher, Military Times, recently ranked Saint Rose as “Best for Vets: Colleges” list. This is based on the following services the college provides to current service members, veterans and their family members.

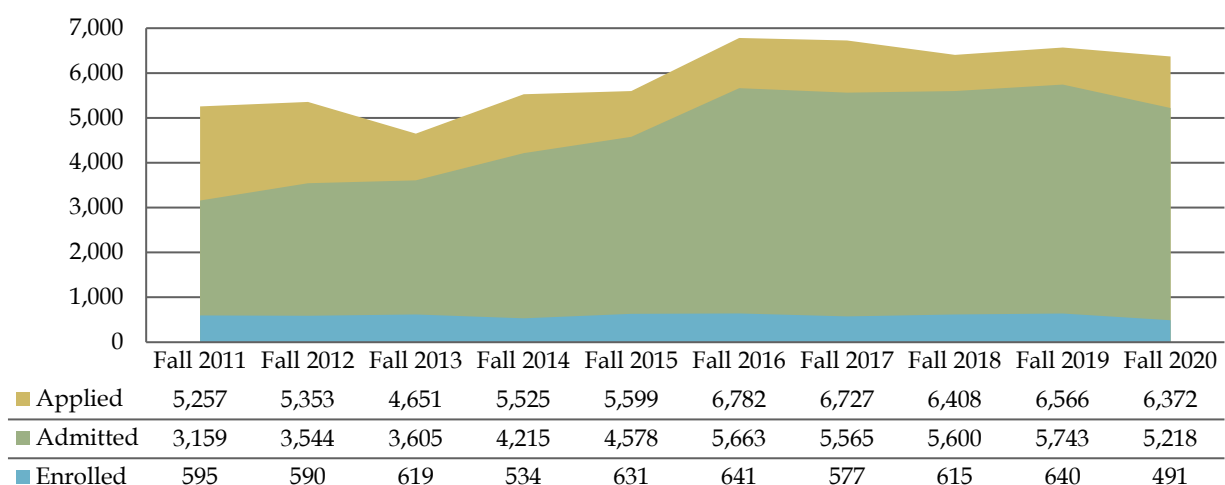
- A dedicated Veteran team that assist this cohort with transition assistance, benefits, and mentoring.
- The College offers a dedicated Veteran’s Center with pass key access. This allows a quiet study space for this community to study, relax and use computers and other resources.
- The Veteran’s Residence is located in the center of campus. This facility has six private rooms for veterans. It also has a complete kitchen, laundry facilities, entertainment area and free Wi-Fi.

APPLICATIONS, ADMISSIONS AND ENROLLMENT – UNDERGRADUATE

ADMISSIONS AND GRADUATION RESULTS						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Fall First-Year Applications	5,599	6,780	6,727	6,408	6,566	6,372
Fall Transfer Applications	657	729	711	716	691	531
Applications for Undergraduate Admissions	7,147	8,642	8,460	7,995	8,334	7,781
Applications for Graduate Admissions	3,306	2,015	1,716	2,002	2,045	1,670
Academic Credentials (Fall First-Year Class)						
Average SAT Score	1,048	1,041	1,074	1,110	1,097	1,112
Number of Test Optional Enrolled Students	207	268	241	269	285	281
Percent Ranked in the Top 25% of High Schools	40%	30%	24%	38%	37%	34%
Retention Rate (First-Year to Second Fall)	79.0%	77.0%	75.0%	74.0%	70.0%	73.0%
4-Year Completion Rate of First-Year Cohort	46.5%	49.0%	46.1%	47.6%	46.0%	47.7%
6-Year Completion Rate of First-Year Cohort	60.5%	59.9%	58.6%	60.7%	61.3%	58.9%

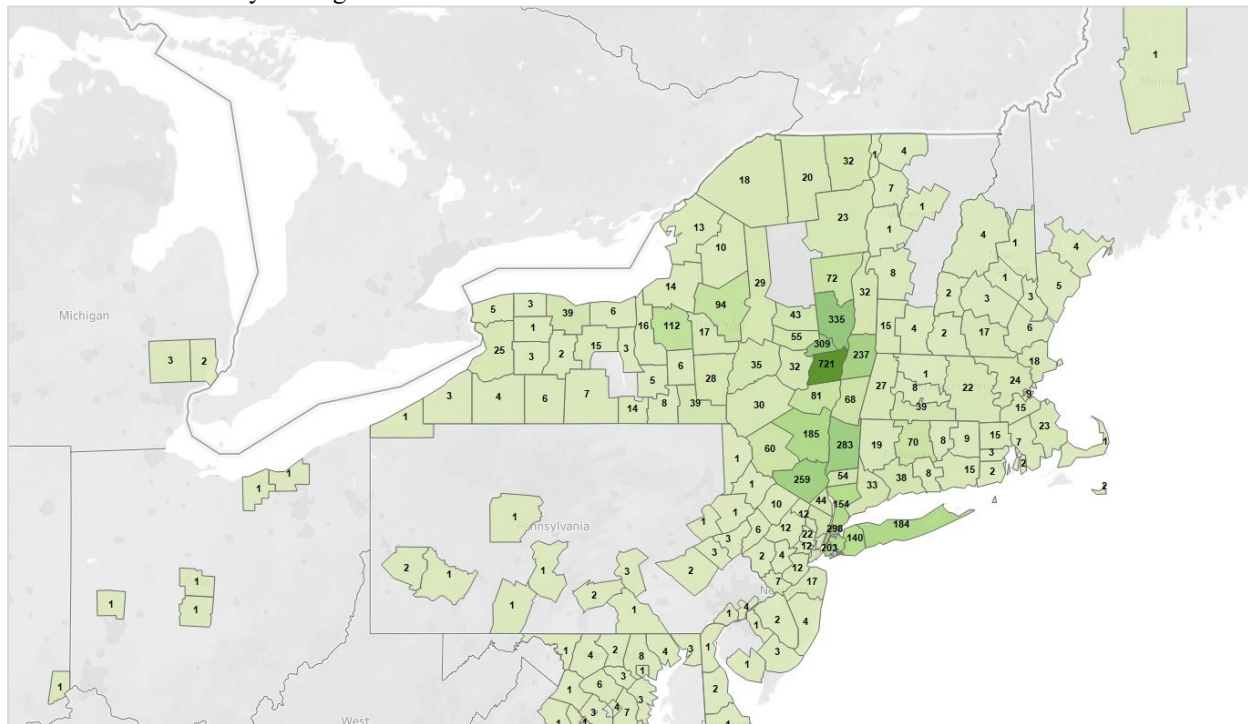
The following table sets forth undergraduate applications received by the Institution from prospective first-year, acceptances, and actual enrollments for the academic years indicated.

First-Time First-Year - Total



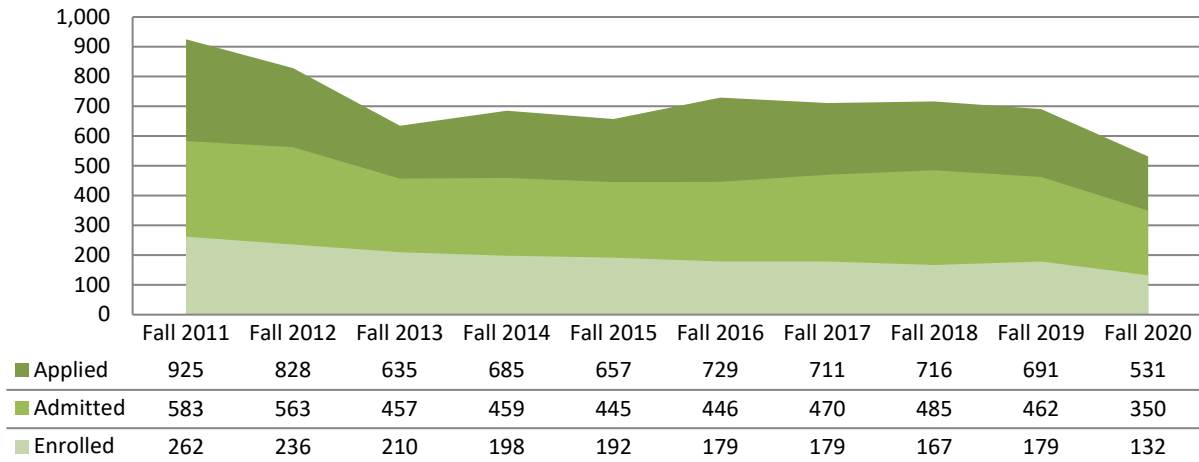
Fall 2011 – 2020 First-Time First-Year Students

New York State County of Origin

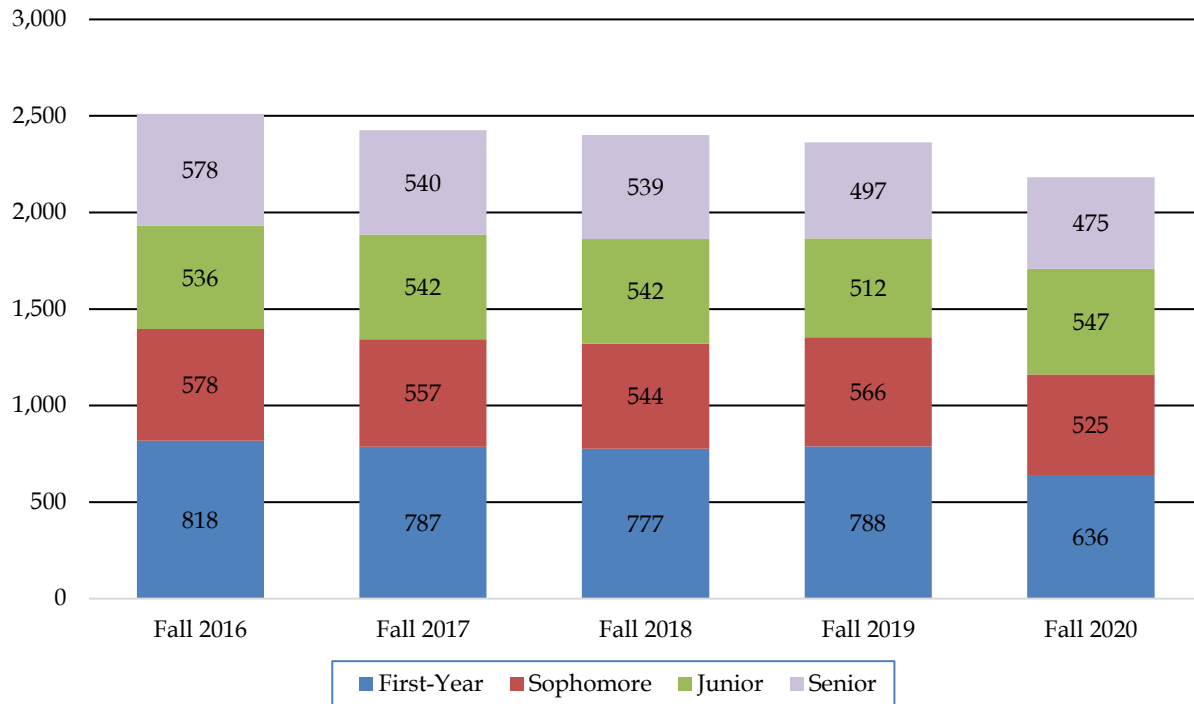


County name	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Grand Total
NY-Albany	87	65	81	74	72	62	56	69	93	62	721
NY-Saratoga	31	48	33	35	35	23	36	24	39	31	335
NY-Schenectady	25	27	44	25	35	27	33	27	32	34	309
NY-Bronx	17	21	27	28	41	43	38	24	37	22	298
NY-Dutchess	36	32	35	33	32	30	18	25	23	19	283
NY-Orange	24	23	20	25	26	32	27	27	30	25	259
NY-Rensselaer	27	23	24	28	21	26	19	24	33	12	237
NY-Kings	10	16	15	8	29	25	37	34	21	8	203
NY-Ulster	19	15	22	18	24	12	21	19	14	21	185
NY-Suffolk	28	25	23	21	14	20	11	12	15	15	184

First-Time Transfer Students - Total



Undergraduate Enrollment by Class (Full-Time Students)



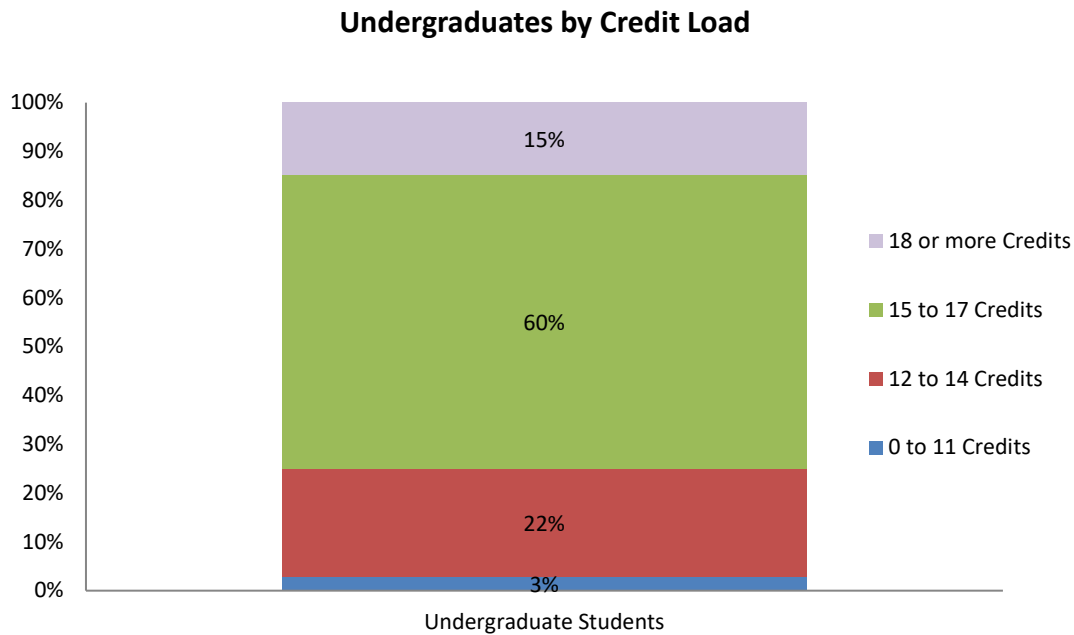
Undergraduate Total (Full- and Part-Time Students)

	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Undergraduate Total	2,602	2,523	2,489	2,433	2,249

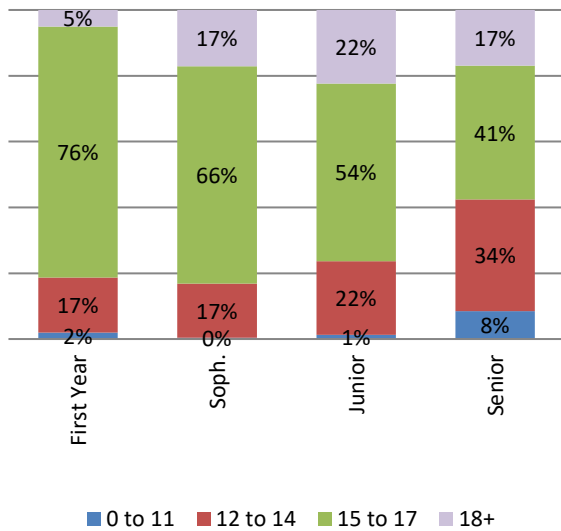
Undergraduate Enrollment Totals by School and Class for Fall 2020 (Full-Time Students)

	First-Year	Soph.	Junior	Senior	Total
School of Arts & Humanities	158	122	155	121	556
School of Business	97	104	86	55	342
School of Education	82	87	93	132	394
School of Mathematics & Sciences	299	212	213	167	891
Total	636	525	547	475	2,183

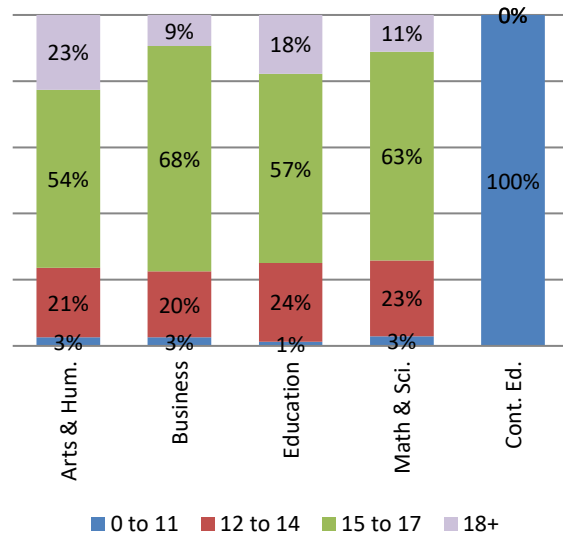
Fall 2020 Enrollment by Credit Load



Student Credit Load by Class



Student Credit Load by School



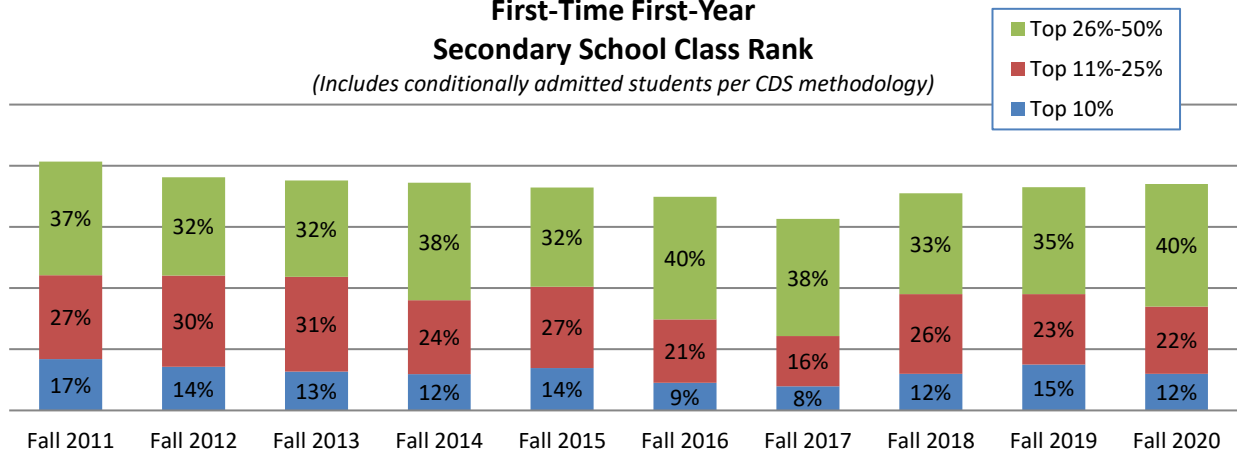
Note: Graduate credits carried by undergraduates are counted. Continuing Education students are included.

STUDENT QUALITY

Quality Statistics for First-Time First-Year Students

First-Time First-Year Secondary School Class Rank

(Includes conditionally admitted students per CDS methodology)



Percent of First-Year Students Submitting Class Rank

64%	65%	63%	54%	67%	37%	52%	62%	61%
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SAT Score Averages

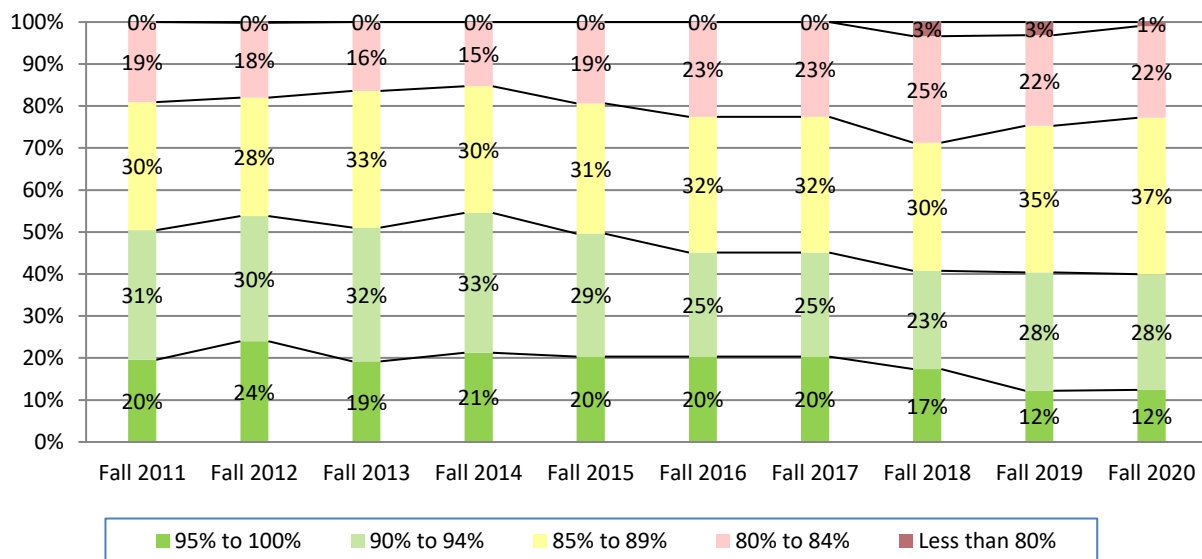
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
<i>Excludes scores of conditionally admitted students. Excludes scores for test-optional students in 2013-20.</i>										
SAT Math	526	530	522	526	521	517	530	550	544	554
SAT Verbal	525	526	523	532	527	524	544	560	553	558
Total Math +Verbal	1,051	1,056	1,044	1,058	1,048	1,041	1,074	1,110	1,097	1,112
Total number of students with SAT scores in average (n)	517	519	446	283	369	307	264	306	310	192
ACT Composite	22.7	23.1	22.6	23.6	22.5	23.6	22.6	23.0	23.3	23.9
Total number of students with ACT scores in average (n)	172	157	137	91	90	91	57	64	36	21
Total number Test Optional (n)	n/a	n/a	113	189	207	268	241	269	285	281
Total number of full-time first-time first-year students	595	590	619	533	631	641	577	615	640	491

Quality Statistics for First-Time First-Year Students

Secondary School Grade Point Average

Top Cross-Application Competitor Schools of First-Time First-Year Students

Secondary School GPA of First-Time First-Year Students



NOTE: The calculations above exclude conditionally admitted students (students in academic opportunity programs.)

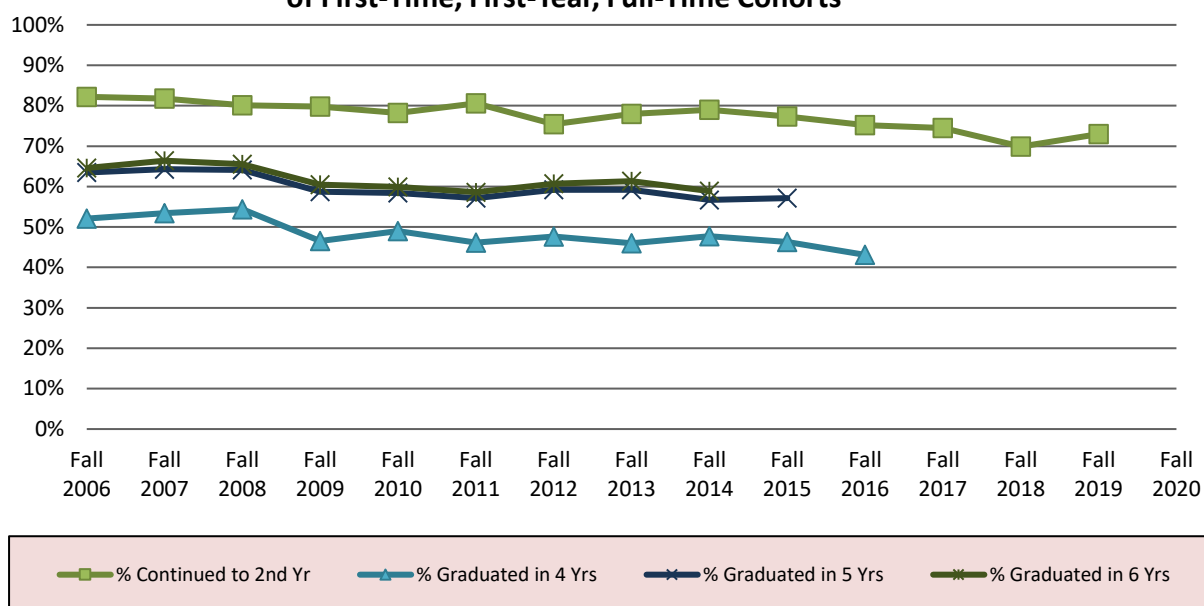
GRADUATION STATISTICS AND OUTCOMES

To improve persistence and graduation, the Academic Success Center which includes the Office for Students with Disabilities, Tutoring and the Writing Center, and the Career Center were recently moved to Academic Affairs and report directly to the provost. This should facilitate better communication and collaboration with academic advising, deans, department chairs and faculty. We are providing additional training to faculty advisors to ensure that students remain on track to graduate within four years. By engaging with new students earlier during the spring and summer we have been able to reduce summer melt and to increase the number of students taking the math placement test by the beginning of the fall semester to 85% compared to 58% in Fall 2020. We are in the second year of using EAB Navigate, an electronic platform that facilitates communication and follow-up with students. This has resulted in better engagement of students and collaboration between student development and academic affairs. We have revised our supports for students on academic probation and are seeing positive results for those students who take advantage of these supports.

Persistence and Graduation of First-Time, First-Year, Full-Time Cohorts

Cohort Year	Head Count	Exclude from Cohort	%	Continued to 2nd Year	%	Graduated Within 4 Years	Did not Grad		%	Graduated Within 5 Years	%	Graduated Within 6 Years
							in 4:	Persisting in				
2006	630			82.2%		52.1%		1.1%		63.5%		64.6%
2007	611			81.8%		53.4%		1.3%		64.2%		66.4%
2008	574			80.1%		54.4%		0.3%		64.1%		65.5%
2009	583			79.8%		46.5%		1.5%		58.7%		60.5%
2010	630			78.2%		49.0%		1.4%		58.4%		59.9%
2011	595	1		80.6%		46.1%		1.3%		57.1%		58.6%
2012	590			75.4%		47.6%		2.5%		59.2%		60.7%
2013	619	2		78.0%		46.0%		4.0%		59.5%		61.3%
2014	533			79.0%		47.7%		2.6%		56.7%		58.9%
2015	631	1		77.3%		46.3%		3.3%		57.1%		
2016	641			75.2%		43.1%		2.3%				
2017	577	2		74.4%								
2018	615			69.9%								
2019	640			73.0%								
2020	491											

Persistence and Graduation of First-Time, First-Year, Full-Time Cohorts



Degrees Awarded by School

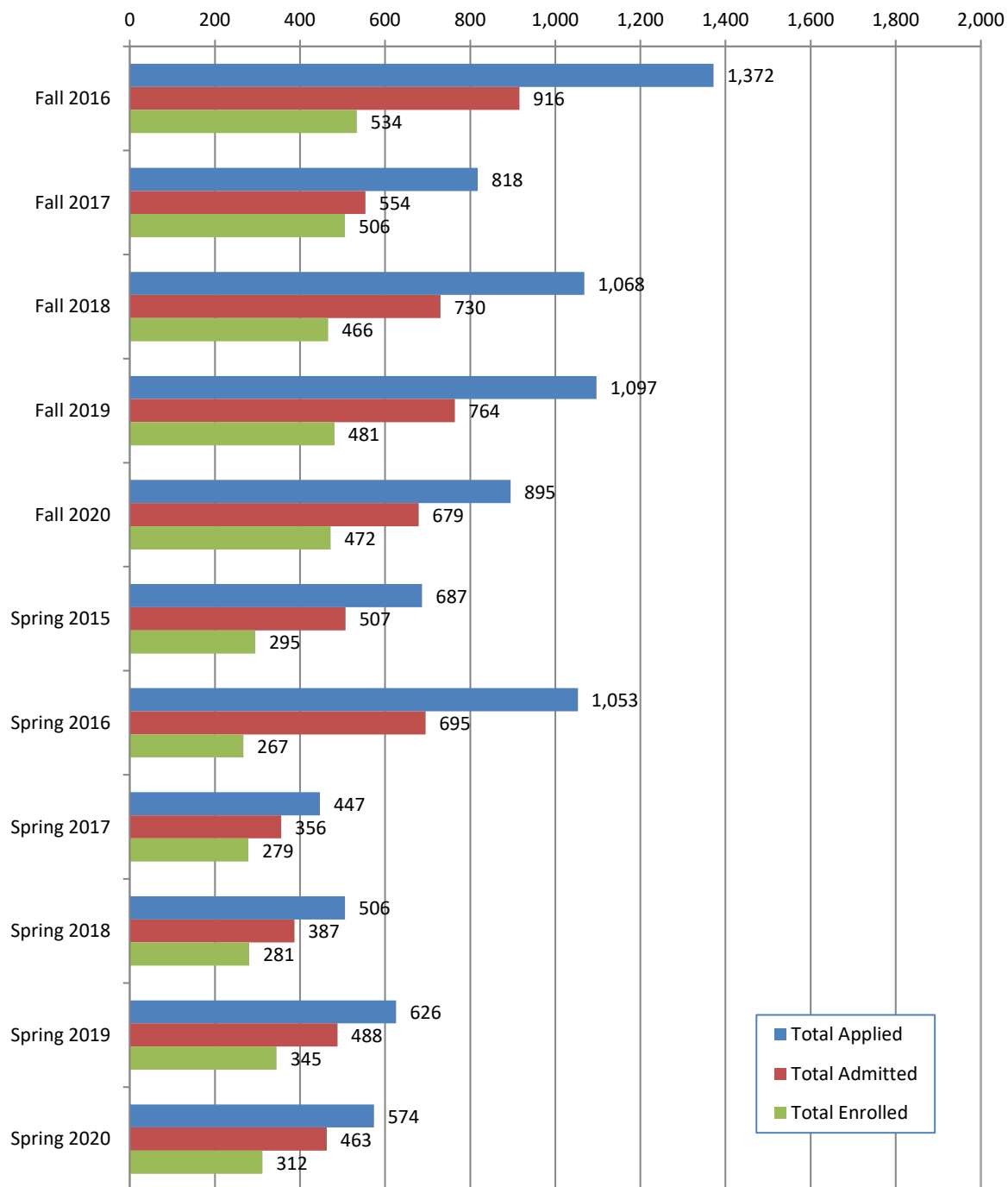
7/1/2019 through 6/30/2020

	UG Certificate	Bachelor's Degrees	Post- Bachelor's Certificates	Master's Degrees	Master's Certificates	Total Degrees
Arts & Humanities	2	148	0	0	0	150
Business	1	104	4	68	0	177
Education	0	94	0	291	1193	1,578
Math & Science	0	157	0	35	0	192
Total	3	503	4	394	1193	2,097

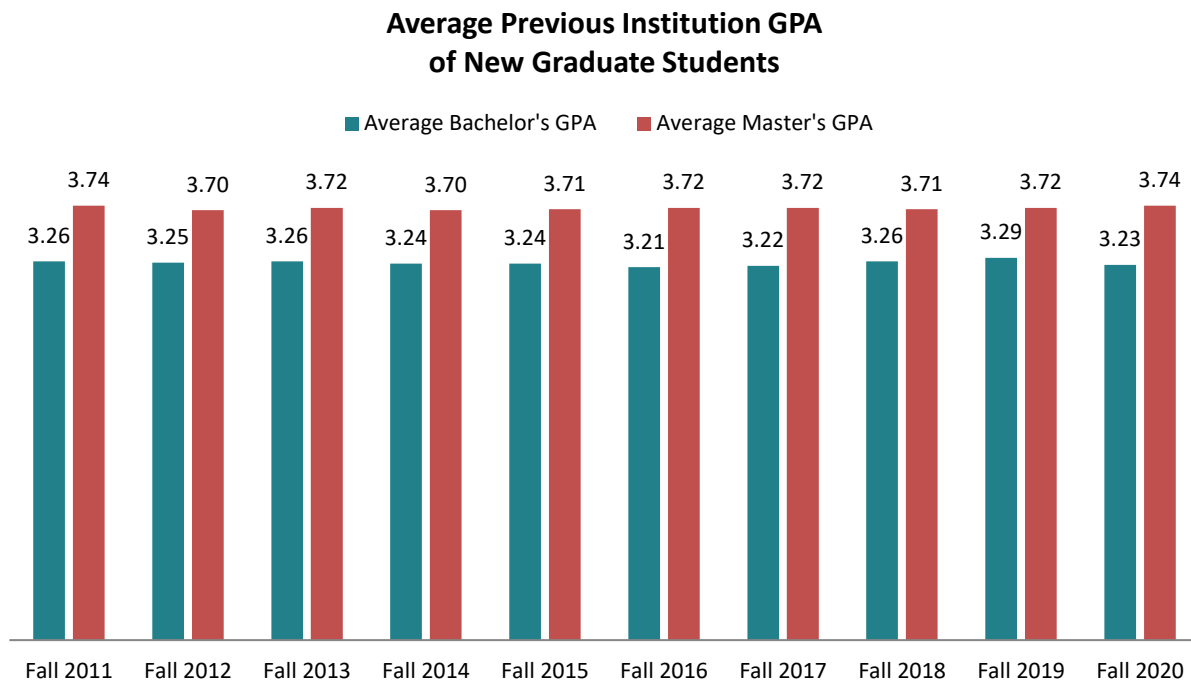
GRADUATE STUDENT INFORMATION

New Graduate Student Admission Data

(Applied, Admitted, Enrolled Full- and Part-Time)



Quality Statistics for New Graduate Students

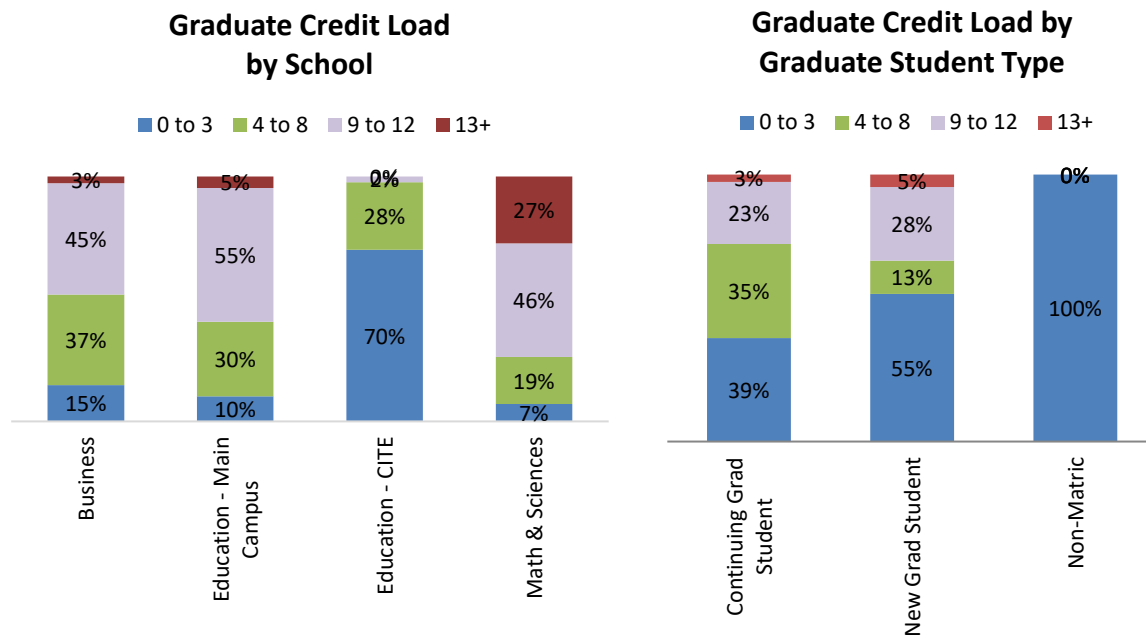
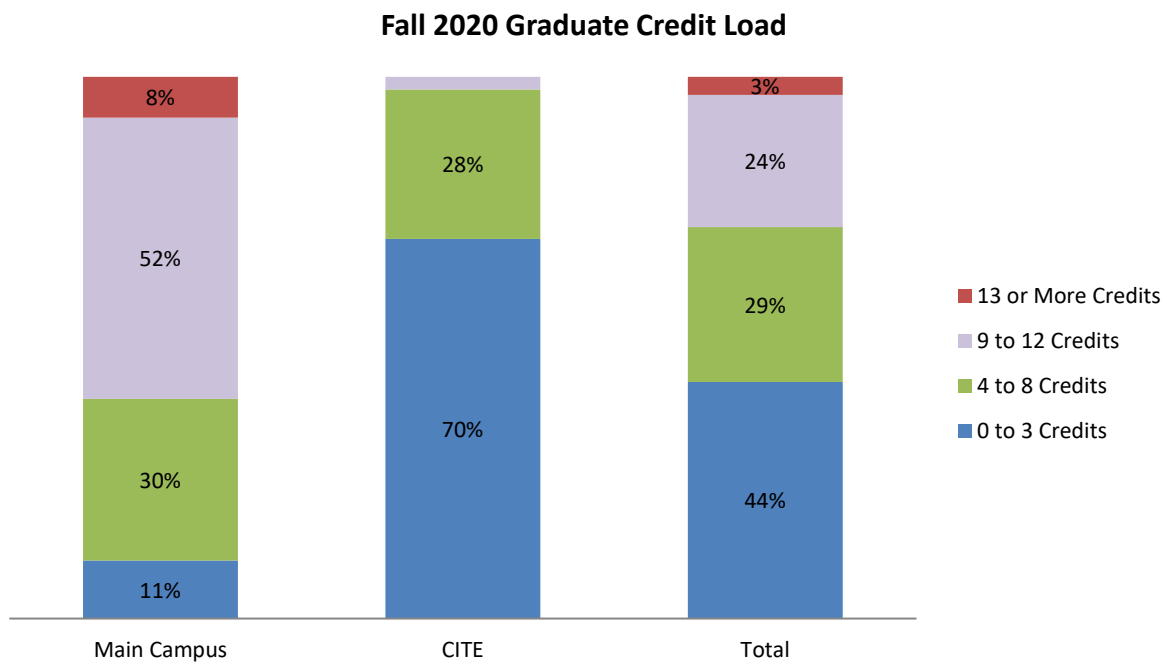


Fall 2020 Top Previous Institutions of New Graduate Students

New Graduate Student (Main Campus)	Bachelor's	Master's	New Graduate Student (CITE)	Bachelor's	Master's
The College of Saint Rose	36	17	CUNY Queens College	12	17
SUNY Albany	13	10	Touro College	0	28
Siena College	7	0	CUNY Brooklyn College	13	15
SUNY New Paltz	7	0	CUNY Hunter College	7	20
Russell Sage College	3	2	CUNY The City College NY	9	13
SUNY Cortland	2	2	St. John's University Jamaica	11	9
Syracuse University	0	3	CUNY Lehman College	7	11
SUNY Binghamton	3	0	CUNY College Staten Island	12	5

Note: Data are limited to Bachelor's and Master's entries that include GPAs.

Enrollment – Fall 2020 Graduate Credit Load



Graduate Enrollment by Student Type

			* Arts & Humanities			Business			Math & Sciences			Education					
Term	Total All Graduate	Non-Matric - No College	New	Continuing	A&H Non-Matric	New	Continuing	Business Non-Matric	New	Continuing	M&S Non-Matric	New Main Campus	Continuing Main Campus	Non-Matric Main Campus	New CITE	Continuing CITE	Non-Matric CITE
Fall 2016	1,609	10		27		33	104	1	14	95	1	147	390	3	340	444	
Fall 2017	1,427			4		42	77	1	28	40	3	148	322	7	288	466	1
Fall 2018	1,503	1		1		40	82	1	36	42	2	144	314	5	246	589	
Fall 2019	1,571	1			1	36	79	1	45	60	1	170	316	2	230	629	
Fall 2020	1,614	2				46	62		29	70		149	359	1	247	649	
Spring 2016	1,613	19	1	43	2	19	114	2	42	93		75	489	4	149	580	
Spring 2017	1,614	6		18		29	108	1	12	83		89	442	16	170	661	
Spring 2018	1,309	1		1		27	101	1	14	43	2	70	404	6	218	469	
Spring 2019	1,563					21	104	1	28	67	1	78	413	1	217	630	
Spring 2020	1,546	4			1	29	89		19	83		64	432	3	200	622	
Summer 1 2016	49	9		8		17	73	1	28	48		65	245				
Summer 1 2017	401	4		2		10	77		3	28		6	271				
Summer 1 2018	410	3				10	63		10	19		14	288	3			
Summer 1 2019	607	2				6	57	1	14	35		23	283			186	
Summer 1 2020	888	2				4	64		8	36		46	328	4		392	4
Summer 2 2016	1,016	17		3			4			23		18	167	54	147	567	16
Summer 2 2017	931	3					2					17	148		98	659	4
Summer 2 2018	855								1	2		18	137	1	659	489	4
Summer 2 2019	989	6					1		3	29		29	101		157	649	14
Summer 2 2020	951	1					2			27		11	159		188	563	

*Graduate programs in the School of Arts and Humanities were eliminated in 2015.

Graduate Totals (Main Campus Only)							
		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
	Fall	967	825	672	668	712	718
	Spring	903	804	670	714	724	854

Graduate Total (Main Campus + CITE)							
		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
	Fall	1,718	1,609	1,427	1,503	1,571	1,614
	Spring	1,613	1,614	1,309	1,563	1,546	1,609

TOTAL STUDENT HEADCOUNT

The following table identifies Undergraduate and Graduate Full-Time and Part-Time student enrollment for the fall terms of each academic year indicated.

	<u>Fall 2015</u>	<u>Fall 2016</u>	<u>Fall 2017</u>	<u>Fall 2018</u>	<u>Fall 2019</u>	<u>Fall 2020</u>
Full-Time	3,185	3,085	2,844	2,831	2,793	2,631
Part- Time	1,226	1,126	1,106	1,161	1,211	1,232
Total Headcount	4,411	4,211	3,950	3,992	4,004	3,863
Total FTE Enrollment	3,787	3,618	3,377	3,368	3,364	3,208

*FTE is defined as the number of full-time students plus the full-time equivalent of part-time students (i.e., part time credit hours divided by full time course load (12))

DEGREES CONFERRED

The following table sets forth the number of academic degrees conferred by the Institution over the past six academic years. This includes degrees earned by students in the partnership program with CITE.

<i>Academic Year</i>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Undergraduate Certificates	9	15	6	11	3	7
Baccalaureate	560	558	534	538	505	498
Graduate Certificates	631	714	769	775	1,197	1,017
Masters	458	486	405	390	394	395

TUITION AND FEES

The following table sets forth the tuition, room, board and mandatory fees for full-time students at the Institution for the past four academic years and for the current academic year.

Tuition and Fees for Undergraduate Students						
Academic Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Full-Time Tuition	\$ 28,820	\$ 29,656	\$ 30,546	\$ 31,432	\$ 32,218	\$ 33,152
Fees (Required)	1,006	1,036	1,068	1,140	1,168	1,202
Room and Board	11,878	12,356	12,356	12,714	12,968	13,158
Total	\$ 41,704	\$ 43,048	\$ 43,970	\$ 45,286	\$ 46,354	\$ 47,512

During the 2021-2022 academic year, the Institution charges \$1,130 per credit for part-time undergraduate students and \$822 per credit for graduate students. Additional required fees charged by the Institution for 2021-2022 total \$1,155 per full-time undergraduate student. In the last five years, the Institution's annual tuition and fee increases have ranged between 2.5% and 2.9%.

COMPARATIVE LIST OF UNDERGRADUATE TUITION AND FEES OF PEER COLLEGES AND UNIVERSITIES

The following is a peer group comparison of tuition and required fees for the 2020-21 academic year.

<u><i>Private Institutions</i></u>	<u><i>FY2020-2021</i></u>
Hartwick College	\$ 48,364
Pace University	\$ 47,684
St. John's University	\$ 43,800
University of New Haven	\$ 41,654
Iona College	\$ 41,580
Siena College	\$ 40,225
Le Moyne College	\$ 35,910
The College of Saint Rose	\$ 34,354
The Sage Colleges	\$ 32,950
Mercy College	\$ 20,378

FINANCIAL AID

During the past five years, the Institution's level of student aid has increased from \$35.4 million in fiscal year 2016 to \$41.7 million in fiscal year 2021. The Institution utilizes a financial aid packaging formula to support both "need based" and "academic merit" scholarships and grants, and the institutional tuition discount rate has remained generally stable.

The Institution's students benefit from numerous scholarship and financial aid programs. In addition, the Institution participates in various Federal and State programs providing aid to individual students. The Institution is a participant in the Direct Lending program, and administers and services student direct loans during the life of a student's collegiate years. Other Federal programs include Supplemental Educational Opportunity Grants, Pell Grants and College Work-Study. State programs include Tuition Assistance Program and Enhanced Tuition Awards. Some students from outside the State benefit from various loan and grant programs of their states of residence.

The Institution participates in the federal Yellow Ribbon program for Veteran. Since fiscal year 2016 the College has given our undergraduate veterans \$2.7 million dollars in scholarships and grants. Over this same time period these students received 3.7 million in VA educational benefits.

Since 2013 The College of Saint Rose has used the Veterans Administration work-study program. This program is separate from traditional work-study program. It allows student veterans or any veteran family member using Veterans Administration educational benefits to earn, tax free income. Typically, the student earns \$3,500 – \$4,500 per semester (tax free). Students in the VA work-study program have earned \$720,000.

In a recent notice sent out by the US Department of Education the default rate for the Institution's Stafford Loan program (the most recent cohort default rate FY 2017) was 5.8% compared to the national average for four-year private colleges of 7.1%. The national average for all public and private colleges/universities was 9.7%

A summary of the funds provided for student financial aid for each of the last six fiscal years is as follows:

Financial Aid for Undergraduate Students						
<i>Academic Year</i>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Institutional Grants	\$ 34,975,551	\$ 37,687,602	\$ 39,627,864	\$ 41,648,758	\$ 43,228,995	\$ 40,799,281
Endowment Grants	\$ 506,662	\$ 554,460	\$ 494,147	\$ 894,005	\$ 1,085,490	\$ 902,458
NYS Grants	\$ 3,324,764	\$ 3,464,637	\$ 3,628,280	\$ 3,929,187	\$ 4,002,719	\$ 2,674,574
Federal Grants	\$ 5,643,437	\$ 5,913,759	\$ 5,613,825	\$ 5,922,072	\$ 5,680,578	\$ 4,913,166
Loans	\$ 27,197,094	\$ 26,901,515	\$ 25,290,524	\$ 24,368,068	\$ 23,959,919	\$ 18,915,511
Grand Total	\$ 71,647,508	\$ 74,521,973	\$ 74,654,640	\$ 76,762,090	\$ 77,957,701	\$ 68,204,990

The following table shows the Institution's gross unrestricted tuition and fee revenue during each of the last six years, scholarships and grants funded by the Institution, and the percentage of tuition and fees that is funded out of Institutional, Endowment and Restricted Scholarships managed by the Institution.

<i>Academic Year</i>	<u>Tuition and Fees</u>	<u>Institutional Grants</u>	<u>Institutional Grants</u>
2015-2016	\$ 90,989,132	\$ 35,547,884	39.07%
2016-2017	\$ 91,280,915	\$ 38,884,504	42.60%
2017-2018	\$ 90,496,308	\$ 47,868,776	52.90%
2018-2019	\$ 91,581,399	\$ 50,837,119	55.51%
2019-2020	\$ 93,350,008	\$ 52,379,101	56.11%
2020-2021	\$ 88,352,967	\$ 51,548,606	58.34%

SCHEDULE OF FINANCIAL POSITION

The following table summarizes the Institution's audited financial position as of the end of the Institution's six most recent fiscal years.

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Assets						
Cash and Cash Equivalents	\$ 3,310,000	\$ 4,364,159	\$ 6,335,745	\$ 3,040,078	\$ 4,295,221	\$ 5,015,592
Restricted Cash	2,636,911	2,641,227	2,658,927	3,694,031	3,306,889	3,984,835
Net Notes and Accounts Receivables	2,246,990	2,372,878	2,860,595	1,809,483	2,612,601	3,712,202
Net Contributions Receivable	3,166,949	2,245,556	1,920,281	2,650,172	2,270,098	1,125,971
Student Loan Receivables	1,143,688	1,136,667	1,014,262	827,191	672,308	493,281
Prepaid Expenses and Inventory	1,188,495	1,362,870	1,486,569	1,471,451	1,434,243	1,620,482
Investments, at market	51,930,319	53,301,670	51,753,395	47,389,169	37,883,071	44,148,601
Net Fixed Assets	124,488,839	119,197,633	113,595,992	111,802,842	107,374,561	102,712,547
Right of use assets- operating leases	-	-	-	-	-	2,878,115
Other Assets	483,695	526,357	541,070	759,594	824,866	797,329
Total Assets	\$ 190,595,886	\$ 187,149,017	\$ 182,166,836	\$ 173,444,011	\$ 160,673,858	\$ 166,488,955
Liabilities						
Accounts Payable	\$ 1,296,055	\$ 1,516,058	\$ 1,440,305	\$ 2,676,003	\$ 972,230	\$ 1,511,836
Accrued Expenses	10,786,800	9,370,580	7,373,742	9,208,662	8,772,317	8,499,992
US Government Advances	1,156,702	1,034,197	976,990	985,860	776,544	635,075
Deferred Student Tuition and Fees	792,956	932,630	1,300,486	743,300	3,015,186	638,972
Right of use liabilities- operating leases	-	-	-	-	-	2,878,115
Right of use liabilities- finance leases	-	-	-	-	-	1,107,274
Bonds Payable	58,074,016	56,559,225	55,003,834	53,402,039	51,748,013	50,045,909
Notes and Leases Payable	1,693,932	1,360,071	1,012,967	651,926	422,844	-
Total liabilities	73,800,461	70,772,761	67,108,324	67,667,790	65,707,134	65,317,173
Net Assets						
Without donor restrictions	95,361,551	92,968,634	89,779,773	79,838,957	77,061,951	76,914,295
With donor restrictions	21,433,874	23,407,622	25,278,739	25,937,264	17,904,773	24,257,487
Total Net Assets	116,795,425	116,376,256	115,058,512	105,776,221	94,966,724	101,171,782
Total Liabilities and Net Assets	\$ 190,595,886	\$ 187,149,017	\$ 182,166,836	\$ 173,444,011	\$ 160,673,858	\$ 166,488,955

Source: Audited Financial Statements of the Institution

For a complete presentation of the Institution's financial position as of June 30, 2021 and June 30, 2020, see the audited financial statements and accompanying notes included as Appendix B attached to this Official Statement.

INVESTMENTS

The following chart summarizes the market value of the endowment and other investments of the Institution at the end of the past six fiscal years.

<u>June 30</u>	<u>Market Value</u>	
2016	\$ 51,930,319	
2017	\$ 53,301,670	
2018	\$ 51,753,395	
2019	\$ 47,389,169	
2020	\$ 37,883,071	
2021	\$ 44,148,601	

Source: Audited Financial Statements of the Institution

The following chart summarizes the market value allocation of the Institution's endowment and other long-term investments at June 30th for fiscal years 2016-2021.

<u>June 30</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Common Stocks	\$ 2,726,572	\$ 3,211,827	\$ 5,871,058	\$ 4,742,935	\$ 2,881,297	\$ 2,063,766
Bonds	5,672,646	6,489,458	948,590	1,041,752	-	-
Mutual Funds/Other	18,045,271	20,230,868	28,082,456	26,301,350	16,669,046	22,483,416
Limited Partnerships	595,951	615,885	714,910	909,437	1,029,825	1,356,020
Alternative investments	11,986,733	10,963,539	8,605,349	12,129,593	9,477,443	10,565,209
International Group Trust	3,534,994	4,321,350	-	-	-	-
Cash and cash Equivalents	9,368,152	7,468,743	7,531,032	2,264,102	7,825,460	7,680,190
Total	\$ 51,930,319	\$ 53,301,670	\$ 51,753,395	\$ 47,389,169	\$ 37,883,071	\$ 44,148,601

Source: Audited Financial Statements of the Institution

The market value of the Institution's permanently restricted endowment funds as of June 30, 2021 was \$14,811,301.

ENDOWMENT MANAGEMENT AND SPENDING POLICIES

The Investment Committee of the Board of Trustees reviews and makes recommendations for the Institution's investments. The Investment Committee consists of seven Board members experienced in investments and finance. The Chair of the Board, the President and Vice President for Finance and Administration serve as ex-officio members of the Investment Committee. The Vice President for Finance and Administration and the Comptroller also provide senior staff support to the Committee. The committee is responsible for recommending investment policy, reviewing the investment managers' performance, and reporting to the Board of Trustees. An external advisory firm assists the Institution in endowment management and focuses on reporting, manager oversight and adherence to its investment policy statement. The Institution has an endowment spend policy that is guided by several factors; most important is the value of the portfolio. Generally, the Board will approve a spending policy limiting annual expenditures for

grants and operating expenses to 4% of the value of fund assets based on the trailing twenty (20) quarters' rolling average market values. The Spending and Distribution Policy will be reviewed annually as part of the budgeting process. Investment managers should be given ample notice of the required withdrawal schedule. Appropriate liquidity should be maintained to fund these withdrawals without impairing the investment process.

STATEMENT OF ACTIVITIES

The following table summarizes the Institution's audited Statement of Activities for the six most recent fiscal years.

For the year ending June 30	2016	2017	2018	2019	2020	2021
Revenues, gains and other support:						
Student tuition and fees	\$ 90,989,132	\$ 91,280,915	\$ 90,496,308	\$ 91,581,399	\$ 93,350,008	\$ 88,352,967
Less institutional aid	(35,547,884)	(38,884,504)	(47,868,776)	(50,837,119)	(52,379,101)	(51,548,606)
Net tuition and fees	55,441,248	52,396,411	42,627,532	40,744,280	40,970,907	36,804,361
Government grants and contracts	5,664,849	5,689,756	6,058,178	6,290,860	7,495,763	13,356,365
Gifts and private grants	3,040,142	2,400,234	3,654,710	2,788,519	3,217,331	2,686,767
Auxiliary enterprises	15,531,661	16,204,596	15,534,965	16,128,794	12,938,769	10,186,586
Investment return designated for operations	735,858	732,772	1,134,452	974,354	805,404	627,368
Other sources	841,224	1,088,267	1,126,357	1,076,537	965,104	1,125,160
Total revenue and gains and other support	81,254,982	78,512,036	70,136,194	68,003,344	66,393,278	64,786,607
Program expenses:						
Educational	61,497,322	57,757,562	49,551,901	51,885,836	51,368,029	45,818,954
Auxiliary enterprises	10,546,482	9,981,759	9,465,630	9,837,948	8,973,761	8,088,832
Administrative and general	12,905,427	13,153,716	12,919,621	15,624,794	13,848,664	11,837,670
Fund raising	2,003,832	1,971,865	2,427,174	2,787,376	2,286,316	1,736,566
Total expenses	86,953,063	82,864,902	74,364,326	80,135,954	76,476,770	67,482,022
Change in net assets from operating activities	(5,698,081)	(4,352,866)	(4,228,132)	(12,132,610)	(10,083,492)	(2,695,415)
Non-operating						
Investment return, net of amounts designated for operations	(2,251,390)	3,800,119	2,573,540	560,661	(1,226,712)	6,523,608
Loss on disposal of fixed assets	(29,046)	(4,344)	(733)	(1,821)	(134,767)	368,121
Interest rate Swap, fair value adjustment	(422,163)	-	-	-	-	-
Capital gifts	451,094	137,922	337,581	2,291,479	635,474	2,008,744
	(2,251,505)	3,933,697	2,910,388	2,850,319	(726,005)	8,900,473
Change in net assets	(7,949,586)	(419,169)	(1,317,744)	(9,282,291)	(10,809,497)	6,205,058
Net assets, beginning of year	124,745,011	116,795,425	116,376,256	115,058,512	105,776,221	94,966,724
Net assets, end of year	\$ 116,795,425	\$ 116,376,256	\$ 115,058,512	\$ 105,776,221	\$ 94,966,724	\$ 101,171,782

Source: Audited Financial Statements of the Institution

For a complete presentation of the Institution's Statement of Activities for the fiscal year ending June 30, 2021 see the audited financial statements and accompanying notes in Appendix B attached to this Official Statement.

GIFTS AND ENDOWMENTS

The following is a summary of total gift and grant funds raised by the Institution over the past five fiscal years.

<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Unrestricted</i>	\$ 891,266	\$ 168,496	\$ 806,971	\$ 722,215	\$ 738,860
<i>Scholarships</i>	45,409	460,053	202,546	153,190	71,392
<i>Restricted</i>	488,221	167,316	327,934	1,602,259	1,664,008
<i>Endowment</i>	195,730	1,821,152	256,643	284,271	502,712
<i>Capital</i>	40,154	17,150	88,271	1,741,203	5,000
<i>Total</i>	\$ 1,662,796	\$ 2,636,184	\$ 1,684,383	\$ 4,505,157	\$ 2,983,992
<i>Source: Institutional Advance at the Institution</i>					

CAPITAL CAMPAIGN

In honor of the Institution's Centennial anniversary of its founding in 1920, the Institution launched a comprehensive fundraising campaign: *To the Second Century: The Campaign for the College of Saint Rose* in 2014. The First 100 years' phase which concluded in June of 2020 raised \$23 million, and the Centennial year phase, (fiscal year 2020-2021) raised \$5.7 million exceeding the goal, nearly \$2.4 million in unrestricted support, and 100% trustee participation. The sponsorship support for the Centennial Celebration virtual gala raised more than double the goal – more than \$540,000, through strong regional corporate support. The Campaign is currently in the Second Century Phase- \$24 million with the majority of support sought for immediate scholarship use to offset the Institution's operational spending on financial aid or unrestricted for budget relief. The campaign is chaired by George R. Hearst III, an Institution trustee and powerful fundraising force in the Capital Region. The current goal of the campaign is \$50 million with a stretch goal of \$60 million. When President White was appointed, she re-organized and re-focused fundraising to be more effective with a revised goal of raising \$6 million annually, a goal considered reasonable. Two Trustees have each just committed \$1 million unrestricted pledges each for first year 2022.

PLANT VALUES

The following table shows the value of the land, buildings and improvements, furniture and equipment, leased equipment and library books in each of the six fiscal years ended on June 30.

<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Land and Land Improvements</i>	\$ 1,974,545	\$ 1,974,545	\$ 1,974,545	\$ 1,974,545	\$ 1,974,545	\$ 1,974,545
<i>Building Improvements</i>	195,439,239	196,448,970	197,438,726	200,319,362	204,926,624	205,255,613
<i>Furniture and Equipment</i>	20,932,544	21,776,271	21,866,870	22,577,184	22,629,960	23,004,783
<i>Leased Equipment</i>	13,151,698	13,151,698	13,151,698	1,638,275	1,695,820	1,284,375
<i>Library Books</i>	1,948,970	2,010,216	2,176,715	2,252,943	2,294,552	2,307,561
<i>Construction in Progress</i>	317,990	315,607	442,338	2,093,801	-	510,199
<i>Subtotal</i>	\$ 233,764,986	\$ 235,677,307	\$ 237,050,892	\$ 230,856,110	\$ 233,521,501	\$234,337,076
<i>Less Accumulated Depreciation</i>	(109,276,147)	(116,479,674)	(123,454,900)	(119,053,268)	(126,146,940)	(131,624,529)
<i>Total</i>	\$ 124,488,839	\$ 119,197,633	\$ 113,595,992	\$ 111,802,842	\$ 107,374,561	\$102,712,547
<i>Source: Audited Financial Statements of the Institution</i>						

As of August 1, 2020, Industrial Appraisal Company made an evaluation for insurance purposes of the Institution's buildings and business contents. Such evaluation, based on original costs, excluding land, indicated the total replacement value to be \$225,242,718. The Institution presently carries a blanket insurance policy in the amount of \$284,305,360 on its buildings and their contents, computers and equipment, based on 100% of the replacement value, excluding land. This also includes properties purchased after the appraisal was completed which are covered at 100% of their purchase price.

MORTGAGED PROPERTY APPRAISAL

On September 8, 2021, an independent appraiser, De L Palmer Appraisal Company, conducted an investigation that resulted in an opinion of the current market value of the fee simple estate in portions of property owned by The College of Saint Rose. The subject property, located on Madison Avenue and Western Avenue in the City of Albany, County of Albany, New York, comprises an assemblage 17 tax map parcels totaling 11.31+/- acres and 14 buildings totaling 535,772 +/- square feet. Based on this inspection and the investigation and analyses undertaken, the market value of the fee simple estate in the subject property in "as is" condition as of September 8, 2021, is estimated at \$78,000,000.

OUTSTANDING INDEBTEDNESS OF THE INSTITUTION

As more fully described below, as of June 30, 2021, the Institution had total outstanding Long-Term Indebtedness of \$50,999,315 consisting of the following:

- (1) City of Albany Capital Resource Corporation Tax-Exempt Revenue Bonds (The College of Saint Rose Project), Series 2011A (the "Series 2011A Bonds") issued on July 19, 2011 in the aggregate principal amount of \$21,235,000, of which \$17,995,000 aggregate principal amount remained outstanding as of June 30, 2021, which Series 2011A Bonds were issued for the purpose of financing (1) the demolition of approximately fourteen (14) existing buildings (collectively, the "Series 2011 Existing Improvements") located on portions of the Institution's approximately 29 acre campus generally located on, but not limited to, Madison Avenue, Western Avenue, Morris Street, Partridge Street, Yates Street and State Street in the City of Albany, and having a mailing address of 432 Western Avenue in the City of Albany, Albany County, New York (collectively, the "Series 2011 Land"), (2) the construction at 930 Madison Avenue on the Series 2011 Land of an approximately 92,000 square foot student residence hall containing approximately 225 beds, a small convenience store and administrative office space (the "Series 2011 Facility"), (3) the renovation of the Institution's Alumni Hall residence building located at 366A Western Avenue on the Land and containing approximately 20,000 square feet of space (the "Series 2011 Existing Facility") and (4) the acquisition and installation thereon and therein of various machinery, equipment and other personal property (collectively, the "Series 2011 Equipment") (the Series 2011 Land, the Series 2011 Existing Improvements, the Series 2011 Facility, the Series 2011 Existing Facility and the Series 2011 Equipment collectively referred to as the "Series 2011 Project Facility"); and

- (2) City of Albany Capital Resource Corporation Tax-Exempt Multi-Mode Revenue Bonds (The College of Saint Rose – Refunding Project), Series 2015A (the “Series 2015A Bonds” and together with the Series 2011A Bonds, the “Prior Bonds”) issued on November 13, 2015 in the original aggregate principal amount of \$39,760,000, of which \$33,004,315 aggregate principal amount remained outstanding as of June 30, 2021, which Series 2015A Bonds were issued for the purpose of financing the refunding of all or a portion of (1) the City of Albany Industrial Development Agency Floating Rate Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2007A (Auction Rate Securities) (the “Series 2007A Bonds”) in the original aggregate principal amount of \$34,000,000 and (2) the City of Albany Industrial Development Agency Floating Rate Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2007B (Auction Rate Securities) (Taxable) (the “Series 2007B Bonds” and together with the Series 2007A Bonds, the “Series 2007 Bonds”) in the original aggregate principal amount of \$6,600,000, respectively, issued on June 27, 2007, which Series 2007 Bonds were issued for the purpose of financing (a) the acquisition of an interest or interests in (i) various portions of the campus generally located on, but not limited to, Madison Avenue, Western Avenue, Morris Street, Partridge Street, Yates Street and State Street in the City of Albany, New York (collectively, the “Campus”), together with various academic, residential and other buildings located thereon (collectively, the “Series 2007 Existing Facilities”) and (ii) the acquisition of an interest or interests in various parcels of land located at 196 Partridge Street, 423 and 425 Western Avenue and 936, 946 and 1006 Madison Avenue in the City of Albany, Albany County, New York (collectively, the “Additional Land” and together with the Campus, the “Series 2007 Land”), together with various buildings located thereon (collectively, the “Series 2007 Additional Facilities”), (b) the renovation and the making of upgrades to the Series 2007 Existing Facilities and the Series 2007 Additional Facilities and the construction of an approximately 50,000 square foot arts center on the Campus (the “Series 2007 New Facility”) (the Series 2007 Existing Facilities, the Series 2007 Additional Facilities and the Series 2007 New Facility being referred to as the “Series 2007 Facility”), (c) the acquisition and installation thereon and therein of various machinery and equipment (the “Series 2007 Equipment”) (the Series 2007 Land, the Series 2007 Facility and the Series 2007 Equipment being collectively referred to as the “Series 2007 Project Facility”) and (d) the refunding of the City of Albany Industrial Development Agency Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2001A in the original aggregate principal amount of \$22,575,000 (the “2001A Bonds”) issued on April 26, 2001, which 2001A Bonds were issued for the purpose of financing previously completed projects, including but not limited to new academic buildings, improvements to dormitories, surface parking and office renovation/expansion.

The proceeds of the Series 2021 Bonds will be used to refund the Prior Bonds and pay a portion of the costs incidental to the issuance of the Series 2021 Bonds and fund reserves with respect to the Series 2021 Bonds.

INSURANCE COVERAGE

The Institution's workers compensation insurance coverage is with The NY College & University Risk Management Group (NYC&URMG), a worker's compensation self-insurance trust. The Institution's property and casualty insurance policies are currently brokered through Willis Towers Watson Northeast in Buffalo, NY and insured through only top-rated insurance carriers, including The Hartford (AM Best Rating of A+), United Educators (AM Best rating of A), and Great American (AM Best Rating of A+).

APPENDIX B

**Audited Financial Statements of the Institution as of and for the years ended June 30, 2020 and
June 30, 2021**

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THE COLLEGE OF SAINT ROSE

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2021 and 2020

THE COLLEGE OF SAINT ROSE

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INDEPENDENT AUDITOR'S REPORT

To The Board of Trustees
The College of Saint Rose

We have audited the accompanying financial statements of The College of Saint Rose (the College) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 The College of Saint Rose as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management's Plan for Future Operations

As discussed in Note 2 to the financial statements, the College has had recurring losses from operations over the past several years. The COVID-19 Pandemic caused disruption in the normal operations of the College since the Spring of 2020 and the extent to which the virus may impact future operations remains uncertain. Management's evaluation of these matters and plans for future operations are also discussed in Notes 2 and 20. Our opinion is not modified with respect to this matter.

UHY LLP

Albany, New York
October 1, 2021

THE COLLEGE OF SAINT ROSE
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,015,592	\$ 4,295,221
Restricted cash	3,984,835	3,306,889
Notes and accounts receivable, net of related allowance of \$873,000 in 2021 and \$661,000 in 2020	3,712,202	2,612,601
Contributions receivable, net	1,125,971	2,270,098
Student loans receivable, net	493,281	672,308
Prepaid expenses and inventory	1,620,482	1,434,243
Investments	44,148,601	37,883,071
Land, buildings and equipment, net	102,712,547	107,374,561
Right of use assets - operating leases	2,878,115	-
Other assets	797,329	824,866
Total assets	<u>\$ 166,488,955</u>	<u>\$ 160,673,858</u>
Liabilities		
Accounts payable	\$ 1,511,836	\$ 972,230
Accrued expenses and other liabilities	8,499,992	8,772,317
U.S. Government advances	635,075	776,544
Deferred student tuition and fees	638,972	3,015,186
Right of use liabilities - operating leases	2,878,115	-
Right of use liabilities - finance leases	1,107,274	422,844
Long-term debt	50,045,909	51,748,013
Total liabilities	<u>65,317,173</u>	<u>65,707,134</u>
Net Assets		
Without donor restrictions	76,914,295	77,061,951
With donor restrictions	24,257,487	17,904,773
Total net assets	<u>101,171,782</u>	<u>94,966,724</u>
Total liabilities and net assets	<u>\$ 166,488,955</u>	<u>\$ 160,673,858</u>

See notes to financial statements.

THE COLLEGE OF SAINT ROSE
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:						
Net tuition and fees	\$ 36,804,361	\$ -	\$ 36,804,361	\$ 40,970,907	\$ -	\$ 40,970,907
Net auxiliary enterprise revenues	10,186,586	-	10,186,586	12,938,769	-	12,938,769
Government grants and contracts	5,322,853	8,033,512	13,356,365	936,672	6,559,091	7,495,763
Gifts and private grants	1,778,732	908,035	2,686,767	2,147,526	1,069,805	3,217,331
Investment return designated for operations	627,368	-	627,368	805,404	-	805,404
Other sources	1,125,160	-	1,125,160	965,104	-	965,104
Total revenue and gains	55,845,060	8,941,547	64,786,607	58,764,382	7,628,896	66,393,278
Net assets released from restrictions						
Time and purpose	9,371,275	(9,371,275)	-	9,769,103	(9,769,103)	-
Release of purpose-restricted funds accumulated in prior years (Note 8)	-	-	-	5,542,114	(5,542,114)	-
Total net assets released from restrictions	9,371,275	(9,371,275)	-	15,311,217	(15,311,217)	-
Total revenues, gains and other support	65,216,335	(429,728)	64,786,607	74,075,599	(7,682,321)	66,393,278
Program expenses:						
Educational	45,818,954	-	45,818,954	51,368,029	-	51,368,029
Auxiliary enterprises	8,088,832	-	8,088,832	8,973,761	-	8,973,761
Administrative and general	11,837,670	-	11,837,670	13,848,664	-	13,848,664
Fundraising	1,736,566	-	1,736,566	2,286,316	-	2,286,316
Total expenses	67,482,022	-	67,482,022	76,476,770	-	76,476,770
Change in net assets from operating activities	(2,265,687)	(429,728)	(2,695,415)	(2,401,171)	(7,682,321)	(10,083,492)
Non-operating						
Investment return (loss), net of amounts designated for operations	1,781,182	4,742,426	6,523,608	(886,026)	(340,686)	(1,226,712)
Gain (loss) on disposal of fixed assets	368,121	-	368,121	(134,767)	-	(134,767)
Capital gifts	-	2,008,744	2,008,744	-	635,474	635,474
	2,149,303	6,751,170	8,900,473	(1,020,793)	294,788	(726,005)
Change in net assets	(116,384)	6,321,442	6,205,058	(3,421,964)	(7,387,533)	(10,809,497)
Transfers	(31,272)	31,272	-	-	-	-
Release of formerly donor perpetuity restricted funds	-	-	-	644,958	(644,958)	-
Net assets, beginning of year	77,061,951	17,904,773	94,966,724	79,838,957	25,937,264	105,776,221
Net assets, end of year	\$ 76,914,295	\$ 24,257,487	\$ 101,171,782	\$ 77,061,951	\$ 17,904,773	\$ 94,966,724

See notes to financial statements.

THE COLLEGE OF SAINT ROSE
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2021 and 2020

	2021					2020				
			Administration and General	Fundraising	Total Expenses			Administration and General	Fundraising	Total Expenses
	Educational	Auxiliary				Educational	Auxiliary			
Salaries	\$ 23,246,229	\$ 702,462	\$ 3,714,329	\$ 678,430	\$ 28,341,450	\$ 24,490,967	\$ 807,980	\$ 5,282,352	\$ 848,899	\$ 31,430,198
Fringe benefits	5,755,659	200,168	854,263	187,103	6,997,193	6,074,571	331,377	1,269,636	259,707	7,935,291
Interest	1,393,953	227,743	283,704	44,457	1,949,857	1,408,791	230,249	294,141	44,903	1,978,084
Depreciation and amortization	5,105,237	834,091	1,155,412	162,819	7,257,559	5,248,501	857,800	1,208,701	167,286	7,482,288
Recruitment and advertising	733,677	-	617,936	26,000	1,377,613	1,493,004	10,367	714,240	37,561	2,255,172
Equipment, software licenses and maintenance	606,219	74,105	1,293,142	27,306	2,000,772	695,973	142,970	1,095,106	132	1,934,181
Management fee	205	3,344,615	56,700	199,417	3,600,937	2,490	3,404,750	97,216	363,320	3,867,776
Equipment lease payments	8,636	157,688	28,045	167	194,536	33,130	256,180	8,665	2,079	300,054
Operation and maintenance	6,888,712	1,513,767	1,403,491	219,699	10,025,669	7,721,297	1,733,622	1,611,601	246,021	11,312,541
Other	2,080,427	1,034,193	2,430,648	191,168	5,736,436	4,199,306	1,198,465	2,267,006	316,408	7,981,185
Total	<u>\$ 45,818,954</u>	<u>\$ 8,088,832</u>	<u>\$ 11,837,670</u>	<u>\$ 1,736,566</u>	<u>\$ 67,482,022</u>	<u>\$ 51,368,030</u>	<u>\$ 8,973,760</u>	<u>\$ 13,848,664</u>	<u>\$ 2,286,316</u>	<u>\$ 76,476,770</u>

See notes to financial statements.

THE COLLEGE OF SAINT ROSE
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 6,205,058	\$ (10,809,497)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,247,026	7,477,883
Donated assets	(54,947)	(83,274)
Capital gifts	(2,008,744)	(635,474)
Net realized and unrealized (gains)/ loss on investments	(6,929,020)	959,571
(Gain) Loss on disposal of fixed assets	(368,121)	134,767
Changes in:		
Notes and accounts receivable	(1,099,601)	(803,118)
Student loans receivable	179,027	154,883
Prepaid expenses and inventories	(186,239)	37,208
Other assets	183,649	5,378
Accounts payable	539,606	(1,703,773)
Accrued expenses and other liabilities	(360,030)	(544,211)
U.S. government advances	(141,469)	(209,316)
Deferred student tuition and fees	(2,376,214)	2,271,886
Asset retirement obligation	1,718	62,070
Net cash provided by (used in) operating activities	<u>831,699</u>	<u>(3,685,017)</u>
Cash Flows From Investing Activities		
Purchase of land, buildings and equipment	(1,669,915)	(3,464,082)
Sale of fixed assets	388,001	426,194
Purchase of investments	(45,815,851)	(61,995,619)
Proceeds from sales and maturities of investments	<u>46,378,176</u>	<u>70,554,770</u>
Net cash (used in) provided by investing activities	<u>(719,589)</u>	<u>5,521,263</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	(1,745,244)	(1,697,165)
Principal payments on finance leases	(121,420)	(286,628)
Capital gifts	2,008,744	635,474
Change in contributions receivable	<u>1,144,127</u>	<u>380,074</u>
Net cash provided by (used in) financing activities	<u>1,286,207</u>	<u>(968,245)</u>
Net change in cash, cash equivalents and restricted cash	<u>1,398,317</u>	<u>868,001</u>
Cash, cash equivalents and restricted cash at beginning of year	<u>7,602,110</u>	<u>6,734,109</u>
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 9,000,427</u></u>	<u><u>\$ 7,602,110</u></u>
Reconciliation of cash, cash equivalents and restricted cash to the Statements of Financial Position		
Cash, unrestricted	\$ 5,015,592	\$ 4,295,221
Restricted cash	<u>3,984,835</u>	<u>3,306,889</u>
	<u><u>\$ 9,000,427</u></u>	<u><u>\$ 7,602,110</u></u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	<u>\$ 1,962,891</u>	<u>\$ 1,990,158</u>
ROU assets obtained in exchange for lease liabilities:		
Finance leases	<u>\$ 1,179,084</u>	<u>\$ 57,545</u>
Operating leases	<u><u>\$ 4,012,564</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The College of Saint Rose (the College) is an independent, nonprofit organization located in Albany, New York that provides post-secondary education focusing on a liberal arts and career preparation education curriculum designed to prepare students for the life-long pursuit of knowledge.

Revenues are derived principally from the College's educational programs in the form of tuition and fees, and from contributions. The majority of students rely on funds received from federal financial aid programs under Title IV of the Higher Education Act of 1965, as amended, to pay for a portion of their tuition. As an educational institution, the College is subject to licensure from various accrediting and state authorities and other regulatory requirements of the United States Department of Education.

Significant Accounting Policies

Presentations

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Financial liabilities are recorded at cost which approximates fair value. Net assets and revenues, gains, other support and program expenditures, and non-operating items are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the College and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the College. The College's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are for a specific purpose or are time related; those restrictions will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Recently Adopted Accounting Standards

Effective July 1, 2020, the College adopted Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"), which requires a lessee to recognize a right of use asset and a lease liability, initially measured at the present value of the lease payments, in its Statement of Financial Position. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The College elected to adopt the transitional relief of ASU 2018-11, which allows the College to change the date of initial application to the beginning of the period of adoption (July 1, 2020) and present the comparative period (period ending June 30, 2020) under ASC 840. The College does not include short term leases within the Statements of Financial Position since it has elected the practical expedient to exclude leases with an initial term of 12 months or less from operating right of use asset and a lease liability. The College has no leases that qualified as short term at the adoption date.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Significant Accounting Policies (Continued)

Recently Adopted Accounting Standards (Continued)

The effects of adopting this guidance resulted in the inclusion of operating lease payments in the Statement of Financial Position as “right of use assets - operating leases” of \$2.9 million and “right of use liabilities - operating leases” of \$2.9 million upon adoption. See Note 13 for the effects of adopting this amendment.

Cash and cash equivalents

Cash and cash equivalents consist of all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid investments with an original maturity of three months or less. Separate cash accounts are maintained if required. This does not include cash and cash equivalents in investment pools, which are considered to be investments.

Restricted cash

Restricted cash consists of debt service reserve funds and bond funds associated with the 2011 Series A and 2015 Series A bonds. The College’s funding of the restricted cash accounts is dictated by the bond indenture and was initially funded with certain proceeds of the bonds. Restricted cash also includes the upfront funding of a multi-year restricted private grant. As expenses are incurred in accordance with the grant agreement, cash is released from restriction.

Notes and accounts receivable / deferred student tuition and fees

Notes and accounts receivable represent amounts primarily owed to the College by current and former students for tuition, room and board charges and fees. Smaller amounts are due from third party vendors and grant awards. As of June 30, 2020, deferred student tuition and fees relates principally to student prepayments and credits related to the COVID-19 pandemic.

Allowance for doubtful accounts

The allowances provided for notes, accounts and contributions receivable doubtful of collection are based upon historical experience and individual account analyses. When all collection efforts have been exhausted, notes, accounts and contributions are written off and, if appropriate, turned over to the College’s attorney for further disposition.

Contributions

Unconditional promises to give that are expected to be collected within one year are recognized as support and recorded as a receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is computed as the estimated present values of expected future cash flows. Provision for estimated losses on collection of unpaid pledges is maintained at a level management believes is sufficient to cover potential nonpayment.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Significant Accounting Policies (Continued)

Contributions (Continued)

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Investment valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements.

Realized and unrealized gains and losses include gains and losses from purchases and sales of investments as well as changes in value of assets held during the year and are recognized in the accompanying Statements of Activities. Gains or losses on investments are recognized as an increase or decrease in net assets without donor restriction unless their use is restricted by explicit donor stipulations or by law.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in investments in the near term would materially affect the amounts reported in these financial statements.

Land, buildings and equipment

Land, buildings and equipment are stated at cost or, if received by gift, at appraised value at the date of gift. Depreciation of buildings and equipment, including capitalized leased equipment, is provided for using the straight-line method, over the estimated useful lives of the assets, ranging from 2 to 30 years.

Annuities and deferred giving arrangements

The College's deferred giving arrangements consist primarily of gift annuities and a charitable remainder trust. For irrevocable deferred gifts where the assets are held by the College, contribution revenues are recognized at the date the deferred gift is established along with a corresponding liability for the present value of the estimated future payments to be made to the donors and/or beneficiaries. Assets are included in investments and the corresponding liability is included in accrued expenses and other liabilities in the Statements of Financial Position.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Significant Accounting Policies (Continued)

Annuities and deferred giving arrangements (Continued)

The College recognizes its beneficial interest in an irrevocable charitable remainder trust at estimated fair value, and classifies this interest in accordance with donor imposed restrictions, if any, in the Statement of Activities.

Assets held in a charitable remainder trust represent the present value of future distributions the College expects to receive from its beneficial interest in an irrevocable charitable remainder trust. The present value of future distributions is an estimate calculated at the time the College becomes aware of its beneficial interest in an irrevocable charitable remainder trust and is based on the trust value at that time plus certain discount factors and actuarial assumptions. The assets of the charitable remainder trust are not held by the College.

Pension and postretirement benefits

The College accounts for pension and postretirement benefits through the recognition of a defined benefit postretirement plan's funded status as either an asset or liability on the statement of financial position. The College has elected to immediately recognize actuarial gains and losses that arise during the current period.

Conditional asset retirement obligations

FASB Accounting Standards Codification provides the framework which requires the current recognition of a liability when a legal obligation exists to perform an asset retirement obligation in which the timing or method of settlement are conditional on a future event that may or may not be under the control of the entity. The New York State Department of Labor Industrial Code Rule 56 requires the controlled removal or encapsulation of asbestos by a licensed contractor in commercial and public buildings, including renovation and partial or complete demolition activities. Such legislation is applicable to the College.

The framework requires an asset retirement obligation (ARO) liability be recognized at its net present value with a corresponding increase to the carrying amount of the long-lived asset to which the ARO relates. The ARO liability is accreted through periodic charges to expense. The initially capitalized ARO long-lived asset cost is depreciated over the useful life of the related long-lived asset (see Note 10).

Bond issuance costs

Bond issuance costs are carried at cost less accumulated amortization, are amortized over the term of the bond using the straight-line method, which approximates the effective interest method, and are netted against the bonds payable balance in the Statement of Financial Position. Amortization expense was approximately \$43,100 in both 2021 and 2020.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Significant Accounting Policies (Continued)

Right of use assets and right of use liabilities

As of July 1, 2020, the College adopted ASC Topic 842 Leases, see Note 1 Recently Adopted Accounting Standards. ASC 842 requires the lessee to recognize a right of use asset and a lease liability, initially measured at the present value of the lease payments, in its Statement of Financial Position. On the Statement of Financial Position, "right of use assets" represent the College's right to use an underlying asset for the lease term and "right of use liabilities" represent the College's obligation to make lease payments arising from the lease based on the present value of lease payments over the lease term. Lease liabilities do not include lease payments that were not fixed at commencement or lease modification. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the College will exercise that option. The exercise of lease renewal options is at the College's sole discretion. The College uses the rate implicit in the lease or their incremental borrowing rate for discounting leases, as applicable. Lease costs are included in operation and maintenance on the Statement of Functional Expenses.

Leases

As of July 1, 2020, the College elected to apply the comparatives under ASC 840 option as outlined in ASU 2018-11, see Note 1 Recently Adopted Accounting Standards. Under ASC 840, equipment operated under leases which transfer to the College substantially all benefits and risks associated with ownership of the assets, are capitalized. The assets and related lease obligations equal to the present value or fair value, if appropriate, of minimum payments over the term of the leases are recognized in the Statements of Financial Position. All other lease payments (operating leases) are charged to expense as payments are made or cost incurred.

Revenue recognition

The College recognizes revenue from exchange transactions, including tuition and auxiliary services revenue as it is earned based on the comprehensive revenue recognition model.

In accordance with ASC 606, tuition and fees are reported net on the statement of activities. For the year ended June 30, 2021 and June 30, 2020, the College recognized \$88,352,967 and \$93,350,008 in gross student tuition and fees, respectively. For the year ended June 30, 2021, the College awarded \$51,548,606 in total aid, this consisted of \$42,712,158 institutional aid and \$8,836,448 in restricted aid. For the year ended June 30, 2020, the College awarded \$52,379,101 in total aid, this consisted of \$44,672,424 institutional aid and \$7,706,677 in restricted aid.

Deferred revenue consists of payments received from students in advance of the start of the academic period, as well as unexpended sponsored awards, which represent amounts received from sponsors for which the College has not yet fulfilled its obligations. Such amounts are recorded as revenues when the performance obligations are met.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are also reported as increases or decreases in net assets without donor restrictions unless the use is restricted by explicit donor stipulation. When a stipulated time restriction expires or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 — NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Significant Accounting Policies (Continued)

Functional allocation of expenses

The costs of providing the various programs and other activities of the College have been summarized on a functional basis in the Statement of Activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

Operation and maintenance, depreciation and amortization and interest expense have been allocated across all functional expense categories. Allocation of expenses have been determined based on building usage and square footage. Operation and maintenance expenses include those related to the operation, preservation and protection of the College's physical plant.

Depreciation expense includes depreciation for buildings, building improvements, furniture and fixtures and equipment. Depreciation expense for the buildings and furniture has been allocated based upon usage and square footage. Depreciation expense for equipment is allocated based on equipment location. These allocations are based on the information obtained through an annual inventory of space and equipment usage.

Interest expense on capital debt, payments on capital leases classified as interest expense and interest expense on other borrowings is allocated based on usage of space. These allocations are based on information obtained through an annual review of capital lease inventory and equipment usage.

Direct expenses such as salaries, fringe benefits, and various other expenses that can be directly attributed to a functional expense category are allocated directly to that category.

Tax exempt status

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code.

The College believes that there are no uncertain tax positions that are material to the financial statements. The College has no federal or state informational returns that are currently under examination by the Internal Revenue Service ("IRS") or state authorities.

Use of estimates

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

Reclassification

Certain reclassifications have been made to the financial statements for 2020 to conform to the presentation for 2021.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 2 — LIQUIDITY AND MANAGEMENT'S PLAN

The following reflects the College's financial assets as of June 30, 2021, reduced by the amounts not available for general use within one year due to contractual or donor-imposed restrictions. Board designated investments could be drawn upon if the governing board so approved.

Cash	\$ 5,015,592
Current notes and accounts receivables	3,712,202
Current contributions receivable, net	452,103
Board designated investments	<u>21,125,043</u>
Financial assets available to meet general expenditures within one year	<u>\$ 30,304,940</u>

In addition to these financial assets available for general expenditures, a significant portion of the College's annual expenditures will be funded by tuition and auxiliary program revenues. The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In July of 2020, the College developed a multi-year deficit reduction plan with the goal of reaching a cash positive budget within 3 years. The first phase was \$8 million in administrative reductions implemented for fiscal year 2021. These reductions included the elimination of administrative positions, the freezing of the pension plan for hourly wage employees, salary reductions, phased retirement plan for senior faculty, reduction of departmental operating expenses, and sale of properties considered not mission critical. The second phase was \$6 million in academic expense reductions for which recommendations were approved by the Board in December 2020. These savings are expected to be recognized over the next two fiscal years. All students who were impacted due to program eliminations were provided with teach-out plans and will be able to complete their degrees at Saint Rose.

The College's strategy to achieve financial sustainability is based on developing a plan for a future Saint Rose that is grounded in its founding value of meeting the needs of students. During fiscal year 2022, the College community will work collaboratively to produce a strategic plan that will include objectives to strengthen existing academic programs, enhance modes of delivery, increase retention of undergraduates, develop new programs and certificates to expand enrollment, increase fundraising and ensure the cost effectiveness of the College's facilities.

The College will continue its commitment to financial discipline including: increasing net tuition revenue, decreasing the financial aid discount rate, continuously controlling expenditures, reviewing of vacant positions, increasing unrestricted gifts fundraising, and reducing debt service.

The original multi-year budget, once implemented, was expected to result in a positive cash-based budget by Fiscal Year 2023. The College's undergraduate enrollment has been negatively impacted by COVID-19 and the program reductions. The multi-year budget plan now reflects a positive cash-based budget by Fiscal Year 2025.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 2 — LIQUIDITY AND MANAGEMENT'S PLAN (Continued)

It is also important to note that even with the loss of revenue and unexpected expenses due to COVID-19, the College has continued to meet all of its debt payment obligations, and has continued to decrease the total amount of the College's debt. Management expects sufficient funds to remain in board-designated investments to support operations, if necessary, for subsequent fiscal years.

Management has evaluated the financial obligations of the College and believes the plans disclosed above and the release of board-designated investments will provide adequate resources to continue operations and meet obligations as they become due.

NOTE 3 — CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the College to concentrations of credit risk consist principally of cash and cash equivalents, investments, and accounts and contributions receivable. The College's investments consist primarily of U.S. Government obligations, investments in common stocks and mutual funds, investments in alternative investments and limited partnerships which are not heavily concentrated in any individual security, industry or institution. Concentrations of credit risk with respect to receivables are limited due to the large number of students and donors comprising the College's contributor base and their dispersion across different industries and geographic areas. The College places its cash with high credit quality institutions. At times these amounts are in excess of the FDIC insurance limit and are not collateralized.

NOTE 4 — CONTRIBUTIONS RECEIVABLE

Unconditional promises to give at June 30, 2021 and 2020 are as follows:

	2021	2020
Receivable in less than one year	\$ 452,103	\$ 1,297,060
Receivable in one to five years	821,955	1,141,440
Receivable in more than five years	-	100,000
Total unconditional promises to give	<u>1,274,058</u>	<u>2,538,500</u>
Less allowance for uncollectible promises to give	<u>(127,100)</u>	<u>(252,322)</u>
Future value	1,146,958	2,286,178
Less discounts to net present value	<u>(20,987)</u>	<u>(16,080)</u>
Net unconditional promises to give	<u><u>\$ 1,125,971</u></u>	<u><u>\$ 2,270,098</u></u>

As of June 30, 2021, the College had also received notification of bequest intentions totaling approximately \$7,034,000. These bequests, if received, would be used for general operations, program activities, scholarships and renovations to facilities. These amounts are not included in contributions receivable due to the conditional nature of the gifts.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 5 — STUDENT LOANS RECEIVABLE

Student loans receivable are comprised of federally sponsored student loans with U.S. government mandated interest rates and repayment terms. Federally sponsored student loans are funded principally with federal advances to the College under the Perkins Loan Program (the "Program"). The Program is comprised of a Federal Capital Contribution (FCC) which is a liability to the federal government and must be repaid as student loans are collected and no new loans are made, and an Institutional Capital Contribution (ICC) which is part of the net assets of the College. The Program expired in September 2017 with no disbursements permitted after June 30, 2018, thus the College is no longer issuing new loans under the Program. Under the Program's closeout provisions, the College can choose to continue to service the outstanding loans or can liquidate the portfolio to the federal government, which would forfeit the College's remaining ICC. In both of these situations, the FCC portion of the loan balance is guaranteed. The College is currently servicing the outstanding loans in its portfolio.

As of June 30, 2021 and 2020, the net receivable balance was approximately \$493,000 and \$672,000, respectively (net of an allowance of approximately \$100,000). As of June 30, 2021 and 2020, these advances under the Perkins Loan Program were approximately \$635,000 and \$777,000, respectively, and are reported as liabilities in the Statements of Financial Position. Interest earned on the revolving loan programs stays in the fund. The College assesses the adequacy of the allowance for doubtful accounts noting that the primary exposure under the program is the remaining ICC portion, which the College considers the allowance to be reasonable and adequate to absorb potential credit losses remaining in the loan portfolio.

During the year ended June 30, 2021, the College made its required repayment of approximately \$148,000. (Approximately \$227,000 during the year ended June 30, 2020). As of June 30, 2021, the College has excess liquid capital in their Perkins Loan Program. Section 466 of the Higher Education Act of 1965, as amended (HEA), requires the return of excess Federal Perkins Loan fund when resources exceed a school's need in the foreseeable future. As such, the College has estimated the federal proportionate share of excess liquid capital required to be returned to approximate \$369,000, which is subject to change upon settlement.

NOTE 6 — INVESTMENTS

Investments held by the College as of June 30, 2021 and 2020 consist of:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 809,446	\$ 2,063,766	\$ 1,573,131	\$ 2,881,297
Mutual Funds	20,609,091	22,483,416	16,642,964	16,669,046
Limited Partnership	200,000	1,356,020	500,000	1,029,825
Alternative Investments	7,666,832	10,565,209	7,886,593	9,477,443
Cash and cash equivalents	7,680,190	7,680,190	7,825,460	7,825,460
	<u>\$ 36,965,559</u>	<u>\$ 44,148,601</u>	<u>\$ 34,428,148</u>	<u>\$ 37,883,071</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6 — INVESTMENTS (Continued)

Unrealized gains or losses are recorded to adjust investments to fair value, and are included in investment return in the Statements of Activities. The following schedule summarizes total investment return and its classification in the Statements of Activities for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Dividends and interest, net	\$ 221,956	\$ 538,262
Change in unrealized gain, net	3,728,119	211,031
Realized gain (loss), net	<u>3,200,901</u>	<u>(1,170,601)</u>
Total gain (loss) on investments	<u>\$ 7,150,976</u>	<u>\$ (421,308)</u>
Less: investment return designated for operations	<u>(627,368)</u>	<u>(805,404)</u>
Investment gain (loss), net of amounts designated for operations	<u><u>\$ 6,523,608</u></u>	<u><u>\$ (1,226,712)</u></u>

NOTE 7 — FAIR VALUE DISCLOSURE

FASB Accounting Standards Codification provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 7 — FAIR VALUE DISCLOSURE (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Common Stocks and Cash and Cash Equivalents: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the daily closing price as reported by the fund.

Alternative Investments and Limited Partnerships: Valued at the net asset value (NAV) of underlying investments. The investments utilize the net asset value (NAV) as a practical expedient for determining the fair value of alternative investments and limited partnerships. In cases where NAV is used as a practical expedient, these investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. Management has considered all other rights and obligations associated with these investments and concluded there would be no significant adjustment required to the net asset value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the College's assets at fair value as of June 30, 2021:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Common Stocks	\$ 5,182,187	\$ -	\$ -	\$ 5,182,187
Mutual Funds	19,364,995	-	-	19,364,995
Total investments at fair value	<u>\$ 24,547,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,547,182</u>
Investments measured at NAV as a practical expedient:				
Private Hedge Fund				\$ 8,997,860
Private Equity Fund				1,567,349
Limited Partnership Hedge Fund				<u>1,356,020</u>
Total				36,468,411
Cash and cash equivalents				<u>7,680,190</u>
				<u>\$ 44,148,601</u>
Other Assets- Charitable Remainder Trust				
	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Charitable remainder trust	\$ -	\$ 624,347	\$ -	\$ 624,347
Total charitable remainder trust	<u>\$ -</u>	<u>\$ 624,347</u>	<u>\$ -</u>	<u>\$ 624,347</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 7 — FAIR VALUE DISCLOSURE (Continued)

The following table sets forth by level, within the fair value hierarchy, the College's assets at fair value as of June 30, 2020:

	Assets at Fair Value			Total
	Level 1	Level 2	Level 3	
Common Stocks	\$ 2,881,297	\$ -	\$ -	\$ 2,881,297
Mutual Funds	16,669,046	-	-	16,669,046
Total investments at fair value	<u>\$ 19,550,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,550,343</u>
Investments measured at NAV as a practical expedient:				
Private Hedge Fund				\$ 7,606,234
Private Equity Fund				1,350,240
Private Real Estate Investment Trust				520,969
Limited Partnership Hedge Fund				1,029,825
Total				30,057,611
Cash and cash equivalents				7,825,460
				<u>\$ 37,883,071</u>

Other Assets- Charitable Remainder Trust

	Assets at Fair Value			Total
	Level 1	Level 2	Level 3	
Charitable remainder trust	\$ -	\$ 468,235	\$ -	\$ 468,235
Total charitable remainder trust	<u>\$ -</u>	<u>\$ 468,235</u>	<u>\$ -</u>	<u>\$ 468,235</u>

Nature and Risk of Certain Investments

The nature and risk of certain investments by major category at June 30, 2021 are presented as follows:

	Fair Value	Redemption Provisions
Alternative Investments		
Private Hedge Fund	\$ 8,997,860	varies from quarterly with 90 days notice to a 1 year lock-up period
Private Equity Fund	1,567,349	varies from quarterly with 30 days notice, 1 year lock-up period to illiquid
Limited Partnership	<u>1,356,020</u>	1 year lock-up period
	<u>\$ 11,921,229</u>	

There are four investments with remaining unfunded capital commitments totaling approximately \$3,562,000. The remaining capital commitment will be funded over several years, as determined by the alternative investment fund. When called, these will be funded from the endowment cash, which is sufficient to fund this full amount as of June 30, 2021.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8 — ENDOWMENT

FASB Accounting Standards Codification provides guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds.

The State of New York has adopted a version of the Uniform Prudent Management of Institutional Funds Act (NYPMIFA). The College has interpreted NYPMIFA as requiring the preservation of the fair value of the donor restricted gift as of the gift date absent explicit donor instructions to the contrary. As a result of this interpretation, the College classifies as gifts with donor restrictions in perpetuity (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the gifts with donor restrictions that are not classified in perpetuity are classified as net assets with donor restrictions restricted with time and/or purpose restrictions. Once net assets restricted for time and/or purpose have satisfied the donors' intentions, they are released.

Endowment Investment Policy

Endowment assets include those assets of net assets with donor restrictions that the organization must hold in perpetuity or for a period of time specified by the donor, as well as net assets without donor restrictions designated by the Board of Trustees for specific use. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets while assuming a moderate level of investment risk.

Endowment Investment Return Spending Policy

The College has an endowment and similar funds "total return" investment spending policy, which is applied to substantially all of the College's endowment and similar fund's investments. It is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets. The amount of endowment and similar funds investment return (yield and appreciation) used annually depends on the type of endowment related fund. For the years ended June 30, 2021 and 2020 there was a 4% spending policy on the average market value, calculated using a trailing twenty quarter average. Expenditures for endowment funds are reflected in operating activity. Investment returns equal to the annual spending rate and investment returns in excess of the spending rate on the restricted amount are reflected as non-operating support in the accompanying Statements of Activities. Investment returns equal to the annual spending rate on board designated funds are reflected as operating support and the investment returns in excess of the spending rate are reflected as non-operating support in the accompanying Statement of Activities.

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 23,023,558	\$ 23,023,558
Board-designated funds	21,023,560	-	21,023,560
Total funds	<u>\$ 21,023,560</u>	<u>\$ 23,023,558</u>	<u>\$ 44,047,118</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8 — ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 16,810,248	\$ 16,810,248
Board-designated funds	22,005,018	-	22,005,018
Total funds	<u>\$ 22,005,018</u>	<u>\$ 16,810,248</u>	<u>\$ 38,815,266</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 22,005,018	\$ 16,810,248	\$ 38,815,266
Contributions	158,447	1,867,599	2,026,046
Investment gain	2,157,328	4,742,426	6,899,754
Expenditures per donor requirements	(809,514)	(396,715)	(1,206,229)
Designation of endowment assets for spending	(487,719)	-	(487,719)
One time endowment spend	<u>(2,000,000)</u>	<u>-</u>	<u>(2,000,000)</u>
Endowment net assets, end of year	<u>\$ 21,023,560</u>	<u>\$ 23,023,558</u>	<u>\$ 44,047,118</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 21,386,878	\$ 23,574,026	\$ 44,960,904
Transfer from charitable gift annuity	-	69,643	69,643
Contributions	-	551,230	551,230
Investment (loss)	(204,535)	(340,686)	(545,221)
Expenditures per donor requirements	(17,322)	(856,893)	(874,215)
Designation of endowment assets for spending	(647,075)	-	(647,075)
Release of formerly donor perpetuity restricted funds	644,958	(644,958)	-
Release of purpose-restricted funds accumulated in prior years	5,542,114	(5,542,114)	-
One time endowment spend	<u>(4,700,000)</u>	<u>-</u>	<u>(4,700,000)</u>
Endowment net assets, end of year	<u>\$ 22,005,018</u>	<u>\$ 16,810,248</u>	<u>\$ 38,815,266</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8 — ENDOWMENT (Continued)

Release of restricted funds accumulated in prior years represents a one time release of funds with donor restrictions. As a result of an internal review of donor restricted net asset classifications and original donor documentation, the College determined that certain contributions previously classified as perpetually restricted net assets were only purpose-restricted, primarily for scholarships. The College has determined that the purpose restrictions have been satisfied and for the year ended June 30, 2020, the College has released these funds from net assets with donor restrictions. In addition, donor restrictions on certain other purpose-restricted net assets accumulated in prior years were released as part of this internal review. The release of formerly donor perpetuity restricted funds line represents restricted endowment gifts, released by the donors in 2020 for the College's operating use. See Note 19 for additional information.

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or NYPMIFA requires the College to retain as a fund of perpetual duration. The College has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

As of June 30, 2021 there are no underwater endowment funds. As of June 30, 2020, nineteen donor-restricted endowment funds had aggregated original values totaling approximately \$973,000, current values totaling approximately \$925,000 and deficiencies totaling approximately \$48,000. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor restricted endowment funds and continued appropriation for certain programs as deemed prudent by the Board of Trustees.

NOTE 9 — LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Land	\$ 1,252,665	\$ 1,252,665
Land improvements	721,880	721,880
Buildings and improvements	205,255,614	204,926,624
Furniture and equipment	23,004,783	22,629,960
Library books	2,307,561	2,294,552
Construction-in-progress	510,199	-
Total	233,052,702	231,825,681
Less accumulated depreciation	(131,278,709)	(124,662,888)
Net	101,773,993	107,162,793
Assets under capital lease	1,284,375	1,695,820
Less accumulated depreciation	(345,821)	(1,484,052)
Net	938,554	211,768
Land, buildings and equipment, net of accumulated depreciation	<u>\$ 102,712,547</u>	<u>\$ 107,374,561</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 9 — LAND, BUILDINGS AND EQUIPMENT (Continued)

Construction-in-progress consists of projects that were not completed or placed in service as of June 30, 2021. As of June 30, 2021, there were several projects in progress, related to rehabilitation initiatives on current buildings. As of June 20, 2020, there was no construction-in-progress.

Depreciation expense was approximately \$7,131,000 in 2021 and \$7,365,000 in 2020. Depreciation expense related to capital leases was \$293,000 in 2021 and \$333,000 in 2020.

NOTE 10 — ACCOUNTS PAYABLE, ACCRUED EXPENSES, AND OTHER LIABILITIES

Accounts payable, accrued expenses, and other liabilities include the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
ACCOUNTS PAYABLE		
Trade	\$ 1,055,578	\$ 873,367
Construction	456,258	98,863
	<u>\$ 1,511,836</u>	<u>\$ 972,230</u>
ACCRUED EXPENSES AND OTHER LIABILITIES		
Payroll	\$ 477,397	\$ 384,072
Employee benefits	3,461,552	5,235,000
Vacation	226,415	312,463
Charitable gift annuity	42,351	51,236
Deferred revenue	2,187,387	688,183
Other	41,374	39,290
Interest	584,750	597,783
Asset retirement obligation	1,478,766	1,464,290
	<u>\$ 8,499,992</u>	<u>\$ 8,772,317</u>

Asset Retirement Obligation (ARO)

In the normal course of operations, the College performs maintenance and repairs on its buildings. The College is also involved in ongoing construction projects. As part of these two activities, the College has identified costs that will be incurred for asbestos removal through 2051. The total estimated future asbestos removal cost is approximately \$1,607,000 at June 30, 2021. To recognize the ARO for asbestos removal cost as of June 30, 2021 and 2020, the College recorded an ARO liability of approximately \$1,479,000 and \$1,464,000, respectively, which represents the present value of the estimated liability through 2051. During 2021 and 2020 the net accrual change related to additional estimates net of payments are approximately \$7,000 and \$58,000, respectively. Amortization expense related to the ARO liability was \$73,000 for the year ended June 30, 2021 and \$70,000 for the year ended June 30, 2020. The ARO has been discounted using a rate of 5%.

NOTE 11 — UNEMPLOYMENT, WORKERS COMPENSATION AND HEALTH AND DENTAL INSURANCE

The College has elected to reimburse New York State for unemployment insurance benefits paid instead of paying taxes limited to a percentage of taxable payroll. The College has provided an estimated liability related to this obligation of \$100,000 at June 30, 2021 and 2020. The College's expense relating to these reimbursements approximated \$211,000 for the year ended June 30, 2020. There was no expense for the year ended June 30, 2021.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 11 — UNEMPLOYMENT, WORKERS COMPENSATION AND HEALTH AND DENTAL INSURANCE (Continued)

The College also has elected to self-insure for workers' compensation insurance as a member of New York College and University Risk Management Group, a self-insurance trust group. The College makes payments to the trust group based on prior year premiums paid, compensation levels and experience ratings. The College's share of costs associated with the workers' compensation self-insurance plan approximated \$270,000 and \$364,000, respectively, for the years ended June 30, 2021 and 2020. The College believes that these payments will be sufficient to meet claims and administrative expenses incurred through June 30, 2021.

The College has elected to self-insure for its employee health care alternatives as well as employee dental insurance. Based on past experience, the College estimates monthly premiums for each participant, who are responsible for paying between 10% and 30% of the premiums for health insurance, depending upon salary level, and 50% for dental insurance (for full-time employees). The College is responsible for health care costs incurred by participants in excess of their 10% - 30% share of monthly premiums, and dental care costs incurred by participants in excess of their 50% share of monthly premiums. The College is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer. Stop-loss coverage was in effect for individual claims exceeding \$150,000 for the period of January 1, 2021 through June 30, 2021 and \$137,500 for the period of July 1, 2019 through December 31, 2020. Additionally, if aggregate claims exceed the attachment point, the stop-loss coverage aggregate benefit maximum is \$1,000,000.

Health and dental insurance claims are paid by a third party administrator acting on behalf of the College under terms of contractual agreements. Administration fees are included within the provisions of those agreements. The College's share of costs associated with the self-insurance plans approximated \$5,285,000 and \$5,099,000 for the years ended June 30, 2021 and 2020, respectively, and are included in expenses in the Statement of Activities. Additionally, an estimated claims liability for incurred but not reported claims approximated \$862,000 and \$766,000 as of June 30, 2021 and 2020, respectively, and is included in accrued expenses in the Statements of Financial Position. Because actual claims liabilities depend on complex factors, the process used in computing the estimated claims liability does not necessarily result in an exact amount. The estimated claims liability is reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic factors.

NOTE 12 — PENSION PLANS

Defined Benefit Plan

The College has a defined benefit pension plan covering substantially all of its non-contract employees. The benefits are based on years of service and the employee's compensation during the last five years of employment. The funding policy of the College is to contribute annually an amount which is within the permitted range established by the Employee Retirement Income Security Act (ERISA) of 1974. There is an estimated minimum required contribution to be made for the fiscal year ended June 30, 2022 of approximately \$300,000. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 12 — PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

In June 2020 the Board of Trustees approved a resolution to freeze the Non-Contract Employees' Pension Benefit Plan. The Plan was frozen as of July 31, 2020. As of July 31, 2020, no new participants can enter the Plan, and future benefit accruals are frozen for existing participants. Non-Contract employees are eligible as of August 1, 2020, to participate in the College's Defined Contribution 403(b) Plan.

The following table sets forth the Plan's funded status and amounts recognized in the College's statement of financial position at June 30, 2021 and 2020:

	2021	2020
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 8,724,564	\$ 8,768,330
Service cost	91,095	505,750
Interest cost	198,128	269,214
Benefit payments and expected expenses	(1,178,915)	(1,089,482)
Curtailments	-	(809,874)
Settlements	(82,075)	-
Actuarial loss	437,513	1,080,626
Benefit obligation at end of year	<u>\$ 8,190,310</u>	<u>\$ 8,724,564</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 5,257,877	\$ 5,360,591
Actual return on plan assets	1,188,602	278,843
Employer contributions	800,000	722,412
Benefits paid	(1,177,395)	(1,103,969)
Fair value of plan assets at end of year	<u>\$ 6,069,084</u>	<u>\$ 5,257,877</u>
Funded status:		
Net amount recognized - included in accrued expenses	<u>\$ (2,121,226)</u>	<u>\$ (3,466,687)</u>

Net periodic pension cost for 2021 and 2020 included the following components:

	2021	2020
Service cost-benefits earned during the period	\$ 91,095	\$ 505,750
Interest cost on projected benefit obligation	198,128	269,214
Expected return on plan assets	(229,956)	(267,557)
Amortization of prior service cost	-	28,405
Amortization of net loss	34,668	48,534
Net periodic pension cost	93,935	584,346
Curtailment loss	-	45,451
Settlement loss	103,564	-
Net periodic pension cost after curtailments and settlements	<u>\$ 197,499</u>	<u>\$ 629,797</u>

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 12 — PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

The weighted-average assumptions used to determine benefit obligations at June 30 were as follows

	2021	2020
Discount rate	2.43%	2.33%
Rate of compensation increase	2.00%	2.00%

The weighted-average assumptions used to determine net periodic benefit cost for the years ended June 30 were as follows:

	2021	2020
Discount rate	2.33%	3.27%
Expected long-term return on plan assets	5.00%	5.50%
Rate of compensation increase	2.00%	2.00%

The College's overall investment strategy is to select assets with capital appreciation potential as the primary objective with current yield as the secondary objective. The overall objective is total return with an appropriate mix of equity securities.

The Plan's assets were allocated as follows as of June 30:

Asset Category	2021	2020
Mutual fund - equity	61%	58%
Mutual fund - fixed income	17%	34%
Common collective trusts	14%	0%
Cash equivalents and other	8%	8%

Except for the common collective trusts, all of the Plan's assets are classified as level 1 investments within the fair value hierarchy and include money market funds and mutual funds. Common collective trusts are valued at NAV as a practical expedient and are classified outside the fair value hierarchy.

Estimated future benefit payments which reflect expected future service, as appropriate, are as follows:

Year Ending June 30	
2022	\$ 748,642
2023	830,589
2024	671,267
2025	537,323
2026	615,688
2027-2031	1,839,491

Defined Contribution Plan 403(b)

Prior to August 1, 2020, only teaching and administrative personnel (contract employees) were able to participate in the TIAA defined contribution plan. As of August 1, 2020, all employees are able to participate in the TIAA defined contribution plan.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 12 — PENSION PLANS (Continued)

Defined Contribution Plan 403(b) (Continued)

The College may agree to make discretionary matching contributions to the plan. There were matching contributions made by the College of approximately \$491,000 and \$405,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE 13 — RIGHT OF USE ASSETS AND LIABILITIES

The College has operating and finance leases for certain facilities and equipment used in operations. The College determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified, and recognized at lease commencement. The College classifies leases with contractual terms longer than twelve months as either operating or finance. As of June 30, 2021, the leases have remaining lease terms through 2031. Some of the operating leases contain renewal options that may be exercised. Generally, the College does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable locations could generally be identified within the same areas for comparable lease rates.

Right of use assets and lease liabilities for operating leases are included in are included in “right of use asset- operating leases” and “right of use liabilities- operating leases,” respectively, in the Statements of Financial Position. Finance lease right of use assets and lease liabilities are included in “Land, buildings and equipment, net” and “right of use liabilities- finance leases,” respectively, in the Statements of Financial Position.

The right-of-use assets represent the College's right to use an underlying asset for the lease term and the right-of-use liabilities represent the College's obligation to make lease payments arising from a lease. The right-of-use liabilities represents the present value of the College's obligation to make payments over the lease terms. A present value factor was not applied to the operating leases. The present value of the lease payments is calculated using the incremental borrowing rate when a rate is not implicit in the lease, which is determined using a portfolio approach based on the rate of interest that the College would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term.

A general description of the leases are as follows:

Operating Leases

Operating lease with the State University of New York (SUNY) to lease approximately 87,000 square feet of residence hall space located in Albany, New York. Monthly payments of \$85,500-\$93,428. The lease terminates on June 15, 2023. The College is currently negotiating an early termination of this lease. The College is responsible for all utility charges. The property remains SUNY's at the termination of the lease. Any movable furniture purchased by the College to furnish this residence hall will be retained by the College at the termination of the lease. Rent expense in connection with this lease approximated \$1,047,000 and \$1,017,000 for 2021 and 2020, respectively.

2021

\$ 2,188,169

Continued ...

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 13 — RIGHT OF USE ASSETS AND LIABILITIES (Continued)

Operating Leases (Continued)

	<u>2021</u>
Operating lease with The Church of St. Vincent DePaul to lease a parking lot located in Albany, New York. Monthly payments of \$3,793- \$4,187. The lease terminates on June 30, 2025. Rent expense in connection with this lease approximated \$46,000 for 2021. For 2020, the College paid this lessor rent expense approximating \$80,000 under a separate lease agreement which terminated in August 2020.	193,740
Operating lease with The Roman Catholic Diocese of Albany to lease a parking lot located in Albany, New York. Monthly payments of \$3,413-\$4,589. The lease terminates on August 30, 2031. Rent expense in connection with this lease approximated \$42,000 and \$41,000 for 2021 and 2020, respectively.	<u>496,206</u>
Total operating leases	<u><u>\$ 2,878,115</u></u>

Operating leases for the year ended June 30, 2020 are presented under ASC 840 with no corresponding balance on the Statement of Financial Position.

Finance Leases

	<u>2021</u>	<u>2020</u>
Finance lease with a bank requiring monthly payments of \$25,751 including an interest component based on a rate of 5.18%. The lease had an original maturity date of July 2021, but was terminated early in August 2020. The lease is collateralized by office equipment.	\$ -	\$ 373,234
Finance lease with a bank requiring monthly payments of \$20,227 including an interest component based on a rate of 7.22%. The lease matures November 2026. The lease is collateralized by office equipment.	1,085,478	-
Finance lease with a bank requiring monthly payments of \$756 including an interest component based on a rate of 4.429%. The lease matures January 2022. The lease is collateralized by a van.	5,215	13,847
Finance lease with a bank requiring annual payments of \$20,802 including an interest component based on the three year swap rate of 1.826%. The lease matures November 2023. The lease is collateralized by fitness equipment.	<u>16,581</u>	<u>35,763</u>
Total finance leases	<u><u>\$ 1,107,274</u></u>	<u><u>\$ 422,844</u></u>

Capital leases for the year ended June 30, 2020 are presented under ASC 840 on the Statement of Financial Position in right of use liabilities- finance leases.

As of June 30, 2021, the College has no additional operating or finance leases, that have not yet commenced.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 13 — RIGHT OF USE ASSETS AND LIABILITIES (Continued)

The components of lease expense were as follows:

	<u>2021</u>
Operating lease expense	<u>\$ 1,134,449</u>
Finance lease expense:	
Amortization of right-of-use assets	293,245
Interest on lease liabilities	<u>50,043</u>
Total finance lease cost	<u>\$ 343,288</u>

Supplemental cash flow information related to leases was as follows:

	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities for finance leases:	
Operating cash flows from finance leases	\$ 121,420
Financing cash flows from finance leases	\$ 50,043
Cash paid for amounts included in the measurement of lease liabilities for operating leases:	
Operating cash flows from operating leases	\$ 1,134,449

The future payments due under operating and finance leases as of June 30, 2021 is as follows:

<u>Year Ending June 30</u>	<u>Operating</u>	<u>Finance</u>
2022	\$ 1,168,043	\$ 266,218
2023	1,202,633	242,724
2024	94,690	242,724
2025	97,057	242,724
2026	47,984	242,724
Thereafter	<u>267,708</u>	<u>101,135</u>
Total lease payments	2,878,115	1,338,249
Less imputed interest	<u>-</u>	<u>(230,975)</u>
Total	<u><u>\$ 2,878,115</u></u>	<u><u>\$ 1,107,274</u></u>

Weighted-average remaining lease term and discount rate for operating and finance leases were as follows:

	<u>2021</u>
Weighted Average Remaining Lease Term (in years)	
Operating leases	3.54
Finance leases	5.32
Weighted Average Discount Rate	
Operating leases	0.00%
Finance leases	7.13%

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 14 — LONG-TERM DEBT

Bonds Payable

Bonds payable is comprised of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
November 2015 City of Albany Capital Resource Corporation (CRC) Tax-Exempt Revenue Bonds. The Bonds were issued at a fixed rate of 2.6% interest for a 10 year term, at which point the Bonds may be refinanced and the interest rate could change. The current amortization period is 25 years. Payable in monthly installments of principal and interest of \$180,550.	\$ 33,004,315	\$ 34,294,558
July 2011 City of Albany Capital Resource Corporation Series A Bonds financing. Fixed interest rates varying between 2% and 5.875%, average of 4.91%. Net of discount of \$83,752 (original issue discount of \$125,628). Payable in annual principal installments varying from \$475,000 in 2022 to \$1,420,000 in 2041, and interest installments of \$1,004,513 in 2022 to \$83,425 in 2041.	17,995,000	18,450,000
	50,999,315	52,744,558
Less: issuance costs (net of amortization)	(869,654)	(908,606)
Less: discounts (net of amortization)	(83,752)	(87,939)
Total bonds payable	<u>\$ 50,045,909</u>	<u>\$ 51,748,013</u>

In November 2015, the College issued Tax-Exempt Revenue Bonds in the amount of \$39,760,000, the issuer was the City of Albany Capital Resource Corporation. The bonds have a 10 year fixed interest rate commitment of 2.6% with a 25 year amortization period. The bonds are collateralized by mortgaged property, pledged receivables and various other assets. The issuance was used to refund all of the bonds previously issued by the City of Albany Industrial Development Agency, referred to as The College of Saint Rose project which included Series 2007A and Series 2007B bonds in the original aggregate principal amounts of \$34,000,000 and \$6,600,000, respectively. In addition, the Series 2015A issuance covered the termination of the interest rate swap which was in effect for the converted 2007A and 2007B Series bonds.

In July 2011, the College issued \$21,235,000 in City of Albany Capital Resource Corporation Tax-Exempt Revenue Bonds (Series 2011A) with fixed interest rates that range from 2% to 5.875%, average of 4.91%. The bonds had an original issue discount of \$125,628. Proceeds of the bonds were used to finance the construction of a 225-bed dormitory and renovate Alumni Hall.

The bonds are special obligations of the issuer payable solely from the payments made by the College under an installment sale agreement and Debt Service Reserve funds held by the bond trustee. The bonds are secured by the bond indenture, a pledge and assignment agreement between the issuer (CRC) and the bond trustee and a guaranty by the College.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 14 — LONG-TERM DEBT (Continued)

Bonds Payable (Continued)

Future maturities of bonds payable are as follows as of June 30, 2021:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Amortization Issuance Costs</u>	<u>Amortization Discount on Debt</u>	<u>Total</u>
2022	\$ 1,799,193	\$ (38,952)	\$ (4,188)	\$ 1,756,053
2023	1,859,035	(38,952)	(4,188)	1,815,895
2024	1,919,794	(38,952)	(4,188)	1,876,654
2025	1,986,494	(38,952)	(4,188)	1,943,354
2026	2,049,160	(38,952)	(4,188)	2,006,020
Thereafter	41,385,639	(674,894)	(62,812)	40,647,933
	<u>\$ 50,999,315</u>	<u>\$ (869,654)</u>	<u>\$ (83,752)</u>	<u>\$ 50,045,909</u>

Program expenses for the years ended June 30, 2021 and 2020 include interest expense approximating \$1,900,000 and \$1,954,000, respectively.

NOTE 15 — NET ASSETS WITHOUT DONOR RESTRICTIONS

Certain net assets without donor restrictions are designated by the College's Board of Trustees for the following purposes at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Board designated endowments	\$ 21,023,560	\$ 22,005,018
Building projects	3,789,233	4,541,585
Employee benefit reserve	240,000	240,000
Total board designated net assets	25,052,793	26,786,603
Undesignated net assets	51,861,502	50,275,348
Total net assets without donor restrictions	<u>\$ 76,914,295</u>	<u>\$ 77,061,951</u>

During the year ended June 30, 2020, the Board of Trustees authorized \$2,718,000 to be transferred from board designated net assets and be utilized for current operations for fiscal year 2020.

NOTE 16 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for time and purpose are subject to donor-imposed stipulations toward specified purposes that are released when the stipulation is met or by the passage of time. Net assets with donor restrictions for perpetuity consist of endowment fund investments to be held indefinitely. A portion of the income is expendable for scholarships, lectureships, and educational activities. See Note 8 for additional information regarding releases of restrictions in 2020.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 16 — NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions are available for the following purposes at June 30, 2021 and 2020:

	2021	2020
Time and purpose		
Educational activities	\$ 1,603,201	\$ 1,002,645
Scholarships	7,357,391	4,000,563
Building projects	-	30,203
	<u>8,960,592</u>	<u>5,033,411</u>
Perpetuity		
Educational activities	2,617,454	2,716,063
Scholarships	12,679,441	10,155,299
Building projects	-	-
	<u>15,296,895</u>	<u>12,871,362</u>
Total net assets with donor restrictions	<u><u>\$ 24,257,487</u></u>	<u><u>\$ 17,904,773</u></u>

Net assets are released from donor restrictions when expenses are incurred to satisfy the restricted purposes or by the occurrence of other events specified by donors. For the years ended June 30, 2021 and 2020, net assets with donor restrictions were released as follows:

	2021	2020
Educational activities	\$ 3,280,599	\$ 1,387,337
Scholarships	6,060,473	7,104,394
Building projects	<u>30,203</u>	<u>1,277,372</u>
Total released from net assets restricted by time and purpose	<u><u>\$ 9,371,275</u></u>	<u><u>\$ 9,769,103</u></u>

NOTE 17 — COMMITMENTS AND CONTINGENCIES

Bookstore

The College has a long term agreement with a company to provide bookstore management services. The current contract term covers the period from July 1, 2011 to June 30, 2021. The agreement was extended through June 30, 2022. Under the terms of the agreement, the College receives a percentage of bookstore revenues. Commissions received by the College in 2021 and 2020 approximated \$42,000 and \$68,000, respectively.

Food Service

During the year ended June 30, 2021, the College entered into an agreement with a new company for management of campus food services. The contract term covers the period from December 18, 2020 to June 30, 2025. The College pays an annually set rate per meal plan participant to the company for food service management. The agreement with the prior food service vendor terminated effective November 2020. The amounts paid by the College under these agreements approximated \$2,959,000 and \$3,007,000 in 2021 and 2020, respectively. The College receives commissions, at various percentages based on sales categories. Food service commissions received by the College under this agreement approximated \$19,000 for 2021 and \$84,000 for 2020.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 17 — COMMITMENTS AND CONTINGENCIES (Continued)

Print Shop / Mail Room

In June 2015, the College entered into a 72 month agreement with a company requiring the College to pay a monthly minimum fee of \$25,750, plus charges for excess print shop volume. The mail room is an official post office and is operated by the company in accordance with United States Postal Service regulations. In July 2020, the College entered into a new 75 month agreement with the same company. The monthly minimum fee is \$33,467, plus charges for excess print show volume. The expense incurred by the College under these agreements approximated \$386,000 and \$397,000 in 2021 and 2020, respectively.

Litigation

In the fall of 2020, the College reduced certain academic programs, which resulted in faculty layoffs. Affected faculty members were notified in December 2020 that their employment will end in December 2021. On September 16, 2021, four of the affected faculty members commenced litigation against the College, in a combined Article 78 proceeding and breach of contract action. Other affected faculty members have threatened, but not commenced litigation. The College is being defended in this litigation by its insurance carrier, United Educators. The College's insurance policy, however, includes a cap of one million dollars in the aggregate for claims arising out of a reduction in programs. The College intends to vigorously defend this litigation.

No other litigation or proceedings are pending or, to the knowledge of the College, threatened against it except (i) litigation involving claims for liability in which the probable recoveries and the estimated costs and expenses of defense, in the opinion of the College, will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or within the applicable self-insurance reserves of the College and (ii) litigation involving other types of claims which if adversely determined would not, in the opinion of the College, materially and adversely affect the financial condition or the operation of the College .

NOTE 18 — STUDENT FINANCIAL ASSISTANCE PROGRAMS

The College participates in various student financial aid programs. These programs are subject to periodic review by the United States Department of Education. Disbursements under each program are subject to disallowance and repayment by the College.

NOTE 19 — RELATED PARTY TRANSACTIONS

From time to time, the College receives contributions from related party donors which includes its board members and employees. These transactions are recognized in accordance with the College's policy regarding contributions and restrictions are placed on these contributions when required by the donor. During the year ended June 30, 2020, there was a one time release from net assets with donor restrictions for \$644,958, as a result of related party donors releasing formerly donor perpetuity restricted funds for the College's operating use. This release is included in the release of formerly donor perpetuity restricted funds in the Statements of Activities.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 20 — RISKS AND UNCERTAINTIES

COVID-19 Impact

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020, and a national emergency by the President of the United States on March 13, 2020. The outbreak has affected travel, commerce and financial markets globally, and has affected economic growth worldwide and the higher education landscape in general.

The extent of COVID-19's effect on the College's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall long-term impact of COVID-19 on the College.

In response to the New York Governor's March 16, 2020 executive order which required the closure of NYS schools for a two-week period, the College transitioned all coursework to distant learning on March 16, 2020 through the end of the academic semester. Due to this change it was determined that all residential students would be entitled to an adjustment for Spring Room and Board charges for approximately \$3,400,000 of which \$1,100,000 was refunded and \$2,300,000 was applied to Summer 2020 and Fall 2020 Student Tuition and Fees. Course fee adjustments of approximately \$50,000 were also made. Additionally, the College estimated loss of revenue due to COVID-19 for the year ended June 30, 2021 to be approximately \$2,000,000 for gross tuition and fees and \$4,500,000 for gross room and board.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. CARES Act, Section 18004(a)(1), Pub. L. No. 116-136 authorizing the Secretary of Education based on a formula driven grant funds to award the College a total of \$18,085,553, of which \$9,947,254 was the College al portion and \$8,138,299 was the student portion. In accordance with the CARES Act grant, during the years ended June 30, 2021 and 2020, the College utilized a portion of the awards providing financial aid awards to students for expenses related to the disruption of campus operations due to COVID-19 and to offset lost room and board revenues by the College.

With NYS in a state of emergency and the College fully remote in Spring 2020, all in-person campus visits for prospective students were eliminated. Limited access to the facilities provided less opportunity for the College's signature personal recruiting approach. This resulted in a decline of Fall 2020 and Fall 2021 first-year and new transfer enrollment. The pandemic has also had a deep personal and financial impact on the College's current and prospective students, many of whom are Pell-eligible and first generation.

A total of 1,715 students directly received funds for the CARES act, which is now referred to as Higher Education Emergency Relief Funds (HEERF). In accordance with the HEERF I Act, during the year ended June 30, 2021, the College provided \$1,036,651 of financial aid awards directly to students for expenses related to the disruption of campus operations due to COVID-19 and received \$1,036,651 to offset lost room and board revenues from the year ended June 30, 2020. During the year ended June 30, 2020, the College provided \$700,931 of financial aid awards directly to students for expenses related to the disruption of campus operations due to COVID-19 and received \$700,931 to offset lost room and board revenues from the year ended June 30, 2020.

THE COLLEGE OF SAINT ROSE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 20 — RISKS AND UNCERTAINTIES (Continued)

COVID-19 Impact (Continued)

The College received funds, as part of the HEERF II funding, during the year ended June 30, 2021 in the amount of approximately \$3,500,000 and students directly received approximately \$1,700,000 as part of the HEERF II funding. The College has been notified that it is eligible to receive approximately \$9,400,000 for HEERF III which is expected to be drawn during the year ended June 30, 2022. The College al portion of \$4,700,000 can be utilized toward qualifying expenses once the equivalent student portion of \$4,700,000 has been directly disbursed to eligible students.

The College is qualified to receive funds from the Strengthening Colleges Program Education Stabilization funds. The College was eligible for these funds due to the number of Pell students enrolled at the College. The College received \$398,591 during the year ended June 30, 2021 and is eligible to receive \$416,174 for the year ended June 30, 2022.

The College is tracking the impacts of the COVID-19 pandemic on its year ending June 30, 2022 budget and on its 5-year budget plan. The College will continue to adjust its operating and capital budget plans in light of the impacts of COVID-19, and continues to monitor, plan and adjusts its plans as the situation evolves.

NOTE 21 — SUBSEQUENT EVENTS

In preparing these financial statements, the College has evaluated events and transactions for potential recognition or disclosure through October 1, 2021, the date the financial statements were available for issuance. The following subsequent events were noted:

Bond Refinancing

Subsequent to year end, the Board of Trustees approved the refinancing of the 2011A and 2015A bonds. The City of Albany Capital Resource Corporation approved the bond application and will be the bond issuer of tax exempt bonds. The new bond issue will be solely for the refinancing of the College's outstanding bonds. At the time of the issuance of the financial statements the financial details were not finalized.

APPENDIX C

SCHEDULE OF DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF INDENTURE, LOAN AGREEMENT, PLEDGE AND ASSIGNMENT, GUARANTY, MORTGAGE AND PLEDGE AND SECURITY AGREEMENT

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 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.

“Annual Debt Service” means the actual sum of the principal and sinking fund installments of and interest on outstanding Long-Term Indebtedness payable during a fiscal year, provided that (a) with respect to any Long-Term Indebtedness that bears a variable rate of interest, the debt service shall include any credit enhancement costs and (b) with respect to any Long-Term Indebtedness subject to an interest rate exchange agreement, the debt service shall include the net payments made to or received from the counterparty.

“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 Initial 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 (i) if by Standard & Poor’s of “AAAm-G”, “AAA-m”; or “AA-m” or (ii) if by Moody’s of “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 Institution and entered into by the Trustee

at the written direction of the Institution; (H) commercial paper rated, at the time of purchase, (i) if by Moody's of "Prime - 1" and (ii) if by Standard & Poor's of "A-1" or better; (I) bonds or notes issued by any state or municipality which are rated by Moody's, Fitch 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 (i) if by Moody's of "Prime - 1" or "A3" or better and (ii) if by Standard & Poor's of "A-1" or "A" or better; 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 Chairperson or Vice-Chairperson, 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 Chief Executive Officer or Chief Financial Officer, or such other person as may be authorized by the board of trustees 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 Initial Bond Resolution 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.

“Cash and Marketable Securities” means cash, cash equivalents, federal and state government securities, readily marketable stock, bonds and other securities, all valued at fair market value.

“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.

“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 with respect to any Additional Project, the date of substantial completion of the undertaking of such Additional Project.

“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 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.

“Consultant” means a firm or firms which is not, and no member, stockholder, director, officer, trustee or employee of which is, an officer, director, trustee or employee of the Institution, or any affiliate thereof, and which is a professional consultant of national repute for having the skill and experience

necessary to render the particular report, advice, or documentation required by the provision hereof in which such requirement appears.

“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 Initial 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 Initial 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” means the outstanding balance of bonds payable and right of use liabilities-finance leases as evidenced by the Institution’s audited financial statements for such fiscal year.

“Debt Service Coverage Ratio” means the ratio of Net Income Available for Debt Service to Annual Debt Service.

“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 the rate of interest equal to the National Prime Rate plus two percent (2%) per annum, or the maximum permitted by law, whichever is less.

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

“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, 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.

“Escrow Agent” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York.

“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 any 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 attorneys’ 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.

“Fitch” means Fitch Ratings, Inc., 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, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Institution.

“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.

“Gross Revenues” or “Collateral” means, to the maximum extent permitted by law, all receipts, revenues, income and other money received by or on behalf of the Institution derived from its operations, including all rights to receive the same, whether in the form of accounts receivable, contracts rights or other rights (including rights under policies of business interruption insurance but not under policies of casualty insurance), and proceeds of such rights, now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions restricted at the time of making thereof by the donor or maker thereof as being for certain specific purposes inconsistent with the payments required by Section 5.1 of the Loan Agreement and the income derived therefrom to the extent required by such restriction do not constitute Gross Revenues.

“Guaranty” means the guaranty dated as of November 1, 2021 from the Institution to the Trustee, as said guaranty may be amended or supplemented from time to time.

“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 all Debt of the Institution for borrowed moneys and right of use liabilities-finance leases as evidenced by the Institution’s audited financial statements and, with respect to the Indebtedness incurred under the Financing Documents, shall mean (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from the Issuer or the Institution to the Trustee pursuant to the Loan Agreement or any other 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 the Loan Agreement or any other Financing Document, (D) the monetary obligations of the Institution to the Issuer and its members, officers, agents, servants and employees under the Loan Agreement and the other Financing Documents, and (E) all interest 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 November 1, 2021 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 and not a full-time employee of the Institution or the Issuer.

“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 Initial Project, the date which is sixty (60) days prior to the earlier of (1) August 19, 2021 or (2) the date on which the Institution declared its official intent to reimburse expenditures made with respect to the Initial 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 Initial Bonds executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code applicable to the Initial Bonds and the Initial Project.

“Initial Bond Purchase Agreement” means the bond purchase agreement dated October 27, 2021 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 Bond Resolution” means the resolution of the members of the board of directors of the Issuer duly adopted on September 23, 2021 authorizing the Issuer to undertake the Initial Project, to issue and sell the Initial Bonds and to execute and deliver the Initial Financing Documents to which the Issuer is a party.

“Initial Bonds” means the Issuer’s Tax-Exempt Revenue Bonds (The College of Saint Rose Project), Series 2021 in the aggregate principal amount of \$48,150,000, issued pursuant to the Initial Bond Resolution 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 Initial Bonds issued in exchange or substitution therefor.

“Initial Continuing Disclosure Agreement” means the continuing disclosure agreement dated as of November 1, 2021 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 (a) acquired with the proceeds of the Prior Bonds being refunded with the proceeds of the Initial Bonds, (b) acquired with any payment which the Institution incurred in anticipation of the issuance of the Prior Bonds and for which the Institution was reimbursed from the proceeds of the Prior 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) 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 Prior 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 Pledge and Security Agreement, the Environmental Compliance Agreement, the Guaranty, the Initial Tax 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 Initial 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 Land” means the real estate described on Exhibit A attached to the Loan Agreement, which is the site of the Initial Project Facility.

“Initial Official Statement” means the official statement delivered in connection with the sale of the Initial Bonds by the Underwriter.

“Initial Preliminary Official Statement” means the preliminary official statement delivered in connection with the sale of the Initial Bonds by the Underwriter.

“Initial Project” shall have the meaning assigned to such term in the fourth recital clause to the Indenture and the Loan Agreement.

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

“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 Initial 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 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 The College of Saint Rose, a not-for-profit education corporation organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Loan Agreement.

“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, January 1 and July 1 of each year, commencing January 1, 2022, 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) 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 City of Albany Capital Resource Corporation or its successors or assigns may be a party.

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

“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.

“Liquidity Ratio” means Liquid Assets to Debt.

“Liquid Assets” means Cash and Marketable Securities less restricted cash.

“Liquidity Covenant” means the requirement of the Institution to maintain a ratio of Liquid Assets to Debt of no less than 0.20x (estimated to be \$10,000,000) as measured on each Testing Date as set forth in the Guaranty.

“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 November 1, 2021 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.

“Long-Term Indebtedness” means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the Institution has an option to extend the maturity thereof for a period of greater than one (1) year beyond the date of the original incurrence thereof. The term “Long-Term Indebtedness” does not include operating leases as evidenced by the Institution’s audited financial statements.

“Management Consultant” means a firm or firms which is not, and no member, stockholder, director, officer, trustee or employee of which is, an officer, director, trustee or employee of the Institution, or any affiliate thereof, and which is a professional consultant of national repute for having the skill and experience necessary to render the particular report, advice, or documentation required by the provision hereof in which such requirement appears.

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

“Maximum Annual Debt Service” means on any date, when used with respect to any Long-Term Indebtedness, the greatest amount required in the then current or any future Bond Year to pay the sum of: (1) interest on such Series of the Bonds payable in such Bond Year, excluding accrued interest received upon the issuance of such Series of the Bonds and capitalized interest financed by the issuance of such Series of the Bonds; and (2) the principal and the Sinking Fund Payments due on such Series of the Bonds in such Bond Year.

“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 November 1, 2021 from the Institution to the Issuer, which, among other things, grants to the Issuer a first mortgage lien on, and a security interest in the Mortgaged Property, 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 November 1, 2021 from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the 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. The Mortgaged Property includes only a portion of the Initial Project Facility.

“Net Income Available for Debt Service” means total unrestricted operating revenues, including funds made available for operations from endowment funds and from other temporarily restricted resources, minus total unrestricted operating expenses, excluding depreciation, amortization, and interest expenses as displayed or included in the Debtor’s audited financial statements produced in accordance with generally accepted accounting principles then applicable to the Debtor, and excluding any non-cash adjustment for changes in accounting estimates, change in generally accepted accounting principles, or other non-cash adjustments made in accordance with generally accepted accounting principles.

“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 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 Initial Official Statement, 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.

“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, (F) the Conveyance 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, 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 November 1, 2021 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.

“Pledge and Security Agreement” means the pledge and security agreement dated as of November 1, 2021 from the Institution to the Trustee, as said pledge and security agreement 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 Initial Preliminary Official Statement, 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” means, collectively, the Series 2011A Bonds and the Series 2015A Bonds.

“Prior Indentures” means, collectively, the Series 2011A Indenture and the Series 2015A Indenture.

“Prior Trustee” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, under each of the Prior Indentures.

“Project” means (A) with respect to the Initial Bonds, the Initial Project, and (B) with respect to any Series of Additional Bonds, 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 Project Facility 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, Fitch if the Bonds are rated by Fitch 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.

“Reserve Fund” means the fund so designated established pursuant to Section 401(A)(4) of the Indenture.

“Reserve Fund Requirement” means, (A) with respect to the Initial Bonds, an amount of money equal to the lesser of (1) ten percent (10%) of the original principal amount of the Initial Bonds (or, if the Initial Bonds have more than a de minimis amount of original issue discount or premium, the issue price of the Initial Bonds, net of pre-issuance accrued interest), or (2) one hundred percent (100%) of the Maximum Annual Debt Service on the Initial Bonds in the then current or any future Bond Year, or (3) one hundred twenty-five percent (125%) of the average Annual Debt Service on the Initial Bonds, or (4) the maximum amount that may, in the opinion of Bond Counsel, be held in the Reserve Fund with respect to the Initial Bonds and (B) with respect to any series of Additional Bonds, an amount which shall not exceed the lesser of (1) ten percent (10%) of the original issue price of such series of Additional Bonds, (2) one hundred percent (100%) of the Maximum Annual Debt Service with respect to the Outstanding Bonds of such series of Additional Bonds in the then current or any future Bond Year, (3) one hundred twenty-five percent (125%) of the average Annual Debt Service with respect to the Outstanding Bonds of such series of Additional Bonds, or (4) the maximum amount that may, in the opinion of Bond Counsel, be held in the Reserve Fund with respect to such series of the Additional Bonds.

“Restricted Cash” means cash, cash equivalents, federal and state government securities, readily marketable stock, bonds and other securities, all valued at fair market value, that are in accounts designated for debt service reserve funds, funds held pursuant to the Indenture, upfront funding of multi-year restricted private grants, donor restricted endowments and federal funds.

“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.

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

“Series 2011A Defeasance Cash Deposit” means an amount certified by the Verification Agent in the Series 2011A Verification Report as the cash deposit needed to be made by the Institution with the Prior Trustee so that the Series 2011A Defeasance Cash Deposit shall equal the Series 2011A Defeasance Escrow Deposit.

“Series 2011A Defeasance Escrow Agreement” means the defeasance escrow agreement dated as of November 1, 2021 by and among the Issuer, the Institution, the Prior Trustee and the Escrow Agent, pursuant to which, among other things, an escrow deposit will be made with the Prior Trustee, in an amount sufficient to enable the Prior Trustee to defease the Series 2011A Bonds to be refunded.

“Series 2011A Defeasance Escrow Deposit” means an amount of Defeasance Obligations acquired and the Series 2011A Defeasance Cash Deposit in an amount equal to the amount certified by the Verification Agent in the Series 2011A Verification Report pursuant to the provisions of Section 1001 of the Series 2011A Indenture as the amount of Defeasance Obligations needed to be on deposit with the Prior Trustee sufficient to enable the Prior Trustee to redeem the Series 2011A Bonds to be refunded (i.e., an amount sufficient, without the need for future 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 such Series 2011A Bonds on and prior to date that such Series 2011A Bonds shall be redeemed).

“Series 2011A Indenture” means the trust indenture dated as of July 1, 2011 by and between the Issuer and the Prior Trustee with respect to the Series 2011A Bonds.

“Series 2011A Verification Report” means a verification report prepared by the Verification Agent respecting the redemption of the Series 2011A Bonds to be refunded.

“Series 2015A Indenture” means the trust indenture dated as of November 1, 2015 by and between the Issuer and the Prior Trustee with respect to the Series 2015A Bonds.

“Series 2015A Letter of Instructions” means the letter of instructions dated as of November 1, 2021 from the Issuer and acknowledged by the Prior Trustee, the Trustee and the Institution, pursuant to which the Trustee pay to the Prior Trustee moneys on deposit in the Project Fund in an amount sufficient to enable the Prior Trustee to redeem the Series 2015A Bonds on the Closing Date.

“Series 2021 Project Account” means the account so designated within the Project Fund established pursuant to Section 401(A)(1)(a) of the Indenture.

“Short-Term Indebtedness” means any Indebtedness that is not Long-Term Indebtedness.

“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(B) 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” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc., 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 Initial 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 Initial Bonds.

“Tax Regulatory Agreement” means (A) with respect to the Initial 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(B) 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.

“Testing Date” means, for purposes of the Liquidity Covenant, June 30 and December 31 of each year.

“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) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (D) 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 (E) 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 organized and existing under the laws of the 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, 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, 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, D.A. Davidson & Co., 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.

“Verification Agent” means the firm of independent certified public accountants retained by the Institution to verify the minimum size of the Series 2011A Defeasance Cash Deposit needed to be made in order to redeem the Series 2011A Bonds to be refunded.

“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”, “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS” and “THE SERIES 2021 BONDS”.

The 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 \$48,150,000.

Limited Obligations (Section 202)

The Bonds, together with the premium, if any, and interest thereon, will be limited obligations of the Issuer payable, with respect to the Issuer, solely from the Trust Revenues, which Trust Revenues are pledged and assigned for the equal and ratable payment of all sums due under the Bonds, and will 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 in the Indenture.

THE BONDS ARE NOT AND SHALL NOT BE 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 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 OF NEW YORK OR OF THE CITY OF ALBANY, NEW YORK.

No recourse shall be had for the payment of the principal of, or the premium, if any, or interest on, any Bond or for any claim based thereon or on the Indenture against any past, present or future member, officer, employee or agent, 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 Initial Bonds (Section 210)

Upon the execution and delivery of the Indenture, the Issuer will 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 will 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 Initial Bond Resolution;
- (2) executed counterparts of the Indenture, the Loan Agreement and the other Initial Financing Documents;
- (3) 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;
- (4) signed copies of the opinions of counsel to the Issuer, the Institution, the and the Trustee, and of Bond Counsel, as required by the Initial Bond Purchase Agreement;

- (5) the certificates and policies, if available, of the insurance required by the Loan Agreement;
- (6) evidence that a completed Internal Revenue Service Form 8038 with respect to the Initial Bonds has been signed by the Issuer; and
- (7) such other documents as the Trustee or Bond Counsel may reasonably require.

Additional Bonds (Section 214)

So long as the Loan Agreement is in full force and 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 or under the Indenture), the Issuer may, upon a request from the Institution complying with the provisions 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; and/or (5) 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 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 certain documents set forth in the Indenture to the Trustee, including:

- (1) an amendment to the Loan Agreement to reflect 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 trustees 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) a written opinion 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) 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

(9) 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. The Institution shall, however, mail notice in writing (in the form provided to the Trustee by the Issuer) 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, 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.

Establishment of Funds (Section 401)

The Indenture creates special separate 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 2021 Project Account; and (b) 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; (4) the Reserve Fund; and (5) 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 Initial Bonds (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; (2) the Trustee shall deposit the portion of the proceeds of the sale of the Initial Bonds representing the Reserve Fund Requirement with respect to the Initial Bonds into the Reserve Fund; and (3) the Trustee shall deposit the remainder of the proceeds of the sale of the Initial Bonds into the Series 2021 Project Account of 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.

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.

The Project Fund (Section 404)

In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds, 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 thereof, are to be deposited in the Project Fund. Moneys on deposit in the Series 2021 Project Account of the Project Fund with respect to the Initial Bonds will be disbursed and be applied by the Trustee to pay the Costs of the Project relating to the Initial Project pursuant to the provisions of the Loan Agreement, the Indenture and the Initial Tax Regulatory Agreement.

On the Closing Date, or as soon thereafter as is practicable following execution and delivery of the Series 2011A 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 Series 2011A Defeasance Cash Deposit. Pursuant to the provisions of the Series 2011A Defeasance Escrow Agreement, the Series 2011A Defeasance Cash Deposit shall become part of the Series 2011A Defeasance Escrow Deposit, and the Series 2011A Defeasance Escrow Deposit shall be held by the Prior Trustee pursuant to the Series 2011A Defeasance Escrow Agreement and applied to pay debt service coming due on the Series 2011A Bonds to be refunded and to redeem such Series 2011A Bonds on the earliest possible optional redemption date relating to such Series 2011A Bonds following the date of the issuance of the Bonds.

On the Closing Date, following execution and delivery of the Series 2015A Letter of Instructions, the Trustee shall pay to the Prior Trustee, from moneys on deposit in the Project Fund, an amount sufficient to enable the Prior Trustee to redeem the Series 2015A Bonds on the Closing Date.

The Trustee is authorized and directed to disburse the balance of the moneys from 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 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.

The 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 amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund under Section 406 of the Indenture, (c) any amounts received from the Institution pursuant to Section 3.6 of the Loan Agreement, (d) 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, (e) all moneys held in the Reserve Fund which are in excess of the amount required to be held in the Reserve Fund as of such date, 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.

On the Business Day immediately following a Bond Payment Date, if any amounts remain in the Bond Fund, such amounts in the Bond Fund shall be transferred, to the extent necessary, to the Reserve Fund, until the amount held in the Reserve Fund is at least equal to the Reserve Fund Requirement. Once all transfers provided in this paragraph have been made, the Trustee shall inform the Institution of the amount remaining in the Bond Fund, and such moneys shall be applied by the Trustee to the Debt Service Payments due on the following Bond Payment Date.

The 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 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 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.

The 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 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.

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 exceeds the Rebate Amount, 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 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 the 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, 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 the Bonds, an amount such that, together with prior amounts paid to the United States, the total amount paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Account, 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 Bonds as of the date of such payment plus all amounts relating thereto then held in the Rebate Fund Earnings Account.

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.

Reserve Fund (Section 408)

On the Closing Date for the Initial Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to the Initial Bonds into the Reserve Fund. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund.

If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay the Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make the Debt Service Payments coming due on the Bonds on such Bond Payment Date, to enable the Trustee to make all such Debt Service Payments coming due on the Bonds on such Bond Payment Date.

All earnings on amounts held in the Reserve Fund which, pursuant to Section 410(D) of the Indenture, are deposited by the Trustee into the Bond Fund, may be used to pay Debt Service Payments due on the Bonds. On the Business Day prior to each Bond Payment Date during the term of the Bonds, the Trustee shall ensure that any such investment earnings on moneys on deposit in the Reserve Fund have been transferred to the Bond Fund, as provided in the Indenture.

The Trustee shall notify the Institution in writing of any withdrawal from the Reserve Fund, or any deficiency in the amounts required to be on deposit to the credit of the Reserve Fund determined upon the periodic valuation thereof pursuant to the Indenture.

If the principal of all the Bonds shall become due and payable, whether by maturity, by redemption or otherwise, the Trustee shall deposit to the credit of the Bond Fund any balance remaining in the Reserve Fund.

Semiannually, at least fifteen (15) Business Days prior to each Interest Payment Date, the amounts in the Reserve Fund shall be valued by the Trustee as provided in the Indenture. If the amounts held in the Reserve Fund together with any interest and other income received by the investment of moneys therein shall exceed the Reserve Fund Requirement, the Trustee shall withdraw from the Reserve Fund the amount of any excess therein over the applicable Reserve Fund Requirement as of such date of withdrawal and such excess shall be first used by the Trustee to pay its fees and expenses for Ordinary and Extraordinary Services and any other amounts owed to the Trustee hereunder and under the other Financing Documents and the balance shall be transferred by the Trustee to the Bond Fund and used to pay Debt Service Payments due on the Bonds on the next succeeding Bond Payment Date and credited to the Institution's obligation to make Loan Payments relating to such Bond Payment Date.

In the event the amount held in the Reserve Fund on the fifteenth Business Day prior to any Bond Payment Date exceeds the principal amount of Bonds which will be Outstanding after such Bond Payment Date, the Trustee shall, after being reasonably satisfied that its fees and expenses for the performance of its services under the Indenture and any other amounts owed to the Trustee under the Indenture and under the other Financing Documents will be paid, transfer such excess amounts from the Reserve Fund to the Bond Fund to be applied to the Debt Service Payments on the Bonds on such Bond Payment Date.

In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein 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 not less often than semiannually. The Trustee shall notify the Institution in writing of any deficiency in the amounts required to be on deposit in the Reserve Fund.

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 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 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 as the Institution, in accordance with the Indenture and the Tax Documents, shall direct.

Events of Default and Remedies on 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 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.

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 to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.

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 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), 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 canceled 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 and Remedies on 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 or willful misconduct, 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 or willful misconduct, 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 and Remedies on 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 \$5,000,000, or be a subsidiary of a bank holding Institution with such capital and surplus.

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 hereof 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, Fitch 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 fifty-one percent (51%) 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.

Amendment to the 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 Project Facility, (4) in connection with any supplemental indenture 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 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 of interest on the Tax-Exempt Bonds from gross income 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.

Limitations on Issuer Liability (Section 1109)

The obligations and agreements of the Issuer contained in the Indenture or in any other document executed by the Issuer in connection therewith shall (A) be deemed obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his or her 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 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 education 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 Properties 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 trustees 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 officers, members, agents, directors 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 Initial Project, and the total cost of the Initial Project is expected to at least equal \$48,150,000.

(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 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.

Undertaking of the Project Facility (Section 3.1)

The Institution has previously undertaken and completed the acquisition, construction, reconstruction and installation of the Project Facility. All moneys lent to the Institution pursuant to the Loan being made under the Loan Agreement shall be used solely for Costs of the Project, including but not limited to the refunding of the Prior Bonds.

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 Initial 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 \$48,150,000 and (b) cause the Initial Bonds to be delivered to the Underwriter as original purchaser of the Initial Bonds, all as provided in the Initial 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, (2) a sum equal to the Reserve Fund Requirement with respect to the Initial Bonds shall be deposited by the Issuer with the Trustee and deposited by the Trustee into the Reserve Fund; and (3) 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 paid into the Bond Fund for the payment of interest due on the Bonds on the next Interest Payment Date.

Completion of the Project Facility (Section 3.4)

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

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.

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 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 administrative 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.

(3) Upon receipt of notice from the Trustee pursuant to the Indenture that a withdrawal has been made from the Reserve Fund, the Institution will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding the date of receipt by the Institution from the Trustee of notice of such withdrawal, each such monthly payment to be in an amount at least equal to one-twelfth of the withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(4) Upon receipt of notice from the Trustee pursuant to the Indenture that the periodic valuation of the Reserve Fund has determined that a deficiency exists in the amounts required to be on deposit to the credit of the Reserve Fund, the Institution will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one-quarter of the deficiency identified in the notice of deficiency received by the Institution from the Trustee; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

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 basic 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 Interest 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 Institution under the Loan Agreement (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 rights 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 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 on deposit with the Trustee, or the Purchase Price of Bonds being purchased in lieu of redemption, no more than sixty (60) days and no less than thirty (30) days prior to 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 will keep the Project Facility in good condition and make all necessary repairs.

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 Project Facility, or permit the 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 Project Facility as educational facilities and ancillary facilities relating thereto, 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.

Assignment of the Loan Agreement (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, which consent will not be unreasonably withheld or delayed.

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 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 ninety (90) days after such written notice is given.

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

(5) Any 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 their respective interests in the Project Facility or any part thereof, or the granting of any easements or restrictions or the permitting of any encroachments on the Project Facility, except as permitted in the Loan Agreement 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 under Section 9.3 of the Loan Agreement (permitting removal of obsolete or unnecessary portions of the Equipment).

(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 the Guaranty.

(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 lender.

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 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. 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, 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 (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)

The obligations and agreements of the Issuer contained in the Loan Agreement and in the other Financing Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental thereto, will be deemed the obligations and agreements of the Issuer, and not of any member, officer, director, agent, servant or employee of the Issuer in his individual capacity, and the members, officers, directors, agents, servants and employees of the Issuer will not be liable personally on the Loan Agreement or such other documents or be subject to any personal liability or accountability based upon or in respect of the Loan Agreement or such other documents or of any transaction contemplated by the Loan Agreement or such other documents.

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 of 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 sale or other disposition of the Project Facility (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 (A) the party seeking such order or decree will first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer will have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten days, will 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, (B) 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 will have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) 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, officers, agents, servants or employees will be subject to potential liability, the party seeking such order or decree (1) agrees to indemnify and hold harmless the Issuer and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Issuer, furnishes to the Issuer satisfactory security to protect the Issuer and its members, officers, agents 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 CERTAIN PROVISIONS OF THE GUARANTY

The Institution's obligation to make all installment purchase payments due under the Loan Agreement, and to perform all obligations related thereto, will be further secured by the Guaranty from the Institution to the Trustee. Reference is made to the Guaranty for complete details of the terms thereof. The following is a brief summary of certain provisions of the Guaranty and should not be considered a full statement thereof.

Guaranty of Payment *(Section 3.1)*

The Institution will irrevocably and unconditionally guarantee to the Trustee (1) the full and prompt payment of moneys sufficient to pay, or to provide for the payment of, (a) the outstanding principal on the Bonds when and as the same becomes due, (b) any and all interest on the Bonds when and as the same becomes due, (c) any premium or redemption payment payable on the Bonds when and as the same becomes due, (d) the Redemption Price of the Bonds, when and as the same becomes due, and (e) any other sum payable by the Issuer or the Institution under the Financing Documents, when and as the same shall become due, whether at the stated maturity thereof, by acceleration or upon prepayment or otherwise, and (2) the performance by the Institution of its obligations under the Financing Documents. The Institution irrevocably and unconditionally agrees that, upon the occurrence of an Event of Default and the acceleration of the principal balance of the Bonds then Outstanding and all accrued but unpaid interest and any premium on the Bonds by the Trustee, the Institution will promptly pay the same.

Obligations Unconditional *(Section 3.2)*

The obligations of the Institution under the Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire Debt shall have been irrevocably paid in full, and, to the extent permitted by law, such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event.

Discharge Of Institution's Obligations And Termination Of The Guaranty *(Section 3.4)*

The Guaranty shall terminate and the obligations of the Institution created thereunder shall be discharged upon the irrevocable payment in full of the Bonds. On the date of such discharge, the Institution shall be released from any and all conditions, terms, covenants or restrictions created or placed upon it by the Guaranty and the Institution shall not have any further obligation or liability thereunder.

Additional Covenants *(Section 3.9)*

The Guaranty shall comply with the additional covenants contained in Schedule C to the Guaranty. For more information on such covenants, see "SECURITY FOR THE SERIES 2021 BONDS – Liquidity Covenant", "-Debt Service Coverage Ratio" and "-Additional Indebtedness" in the Official Statement.

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

Pursuant to the Mortgage, the Institution has granted to the Issuer a lien on and security interest in the Mortgaged Property (as defined below) as security for the Indebtedness. The Mortgaged Property does not encumber all of the Initial Project Facility. Reference is made to the Mortgage for complete details of the terms thereof. The following is a brief summary of certain provisions of the Mortgage and should not be considered a full statement thereof.

Granting Clauses

Pursuant to the Mortgage, to secure the payment of principal of, premium, if any, and interest on the Initial Bonds, all amounts required to be paid under the Loan Agreement and the performance of the obligations of the Institution under the other Initial Financing Documents, the Institution grants to the Issuer a mortgage on and a security interest in all right, title and interest of the Institution in the following property (collectively, the "Mortgaged Property"):

(a) (1) the portion of the Initial Land described on Exhibit A attached to and made a part of the Mortgage (such portion of the Initial Land being referred to as the "*Mortgaged Portion of the Initial Land*"); and (2) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Mortgaged Portion of the Initial Land or any part thereof, including all right, title and interest of the Institution in and to fixtures of every kind and nature whatsoever on the Mortgaged Portion of the Initial Land or in any building now or hereafter standing on the Mortgaged Portion of the Initial Land, subject to Permitted Encumbrances;

(b) the portion of the Initial Equipment located in, on or around the Mortgaged Portion of the Initial Land (such portion of the Initial Equipment being referred to as the "*Facility Equipment*"), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon, subject to Permitted Encumbrances;

(c) the Loan Agreement;

(d) all proceeds of and any unearned premiums on any insurance policies covering the portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Institution's right to use such insurance proceeds or condemnation award for restoration of the Initial Project Facility as provided in the Loan Agreement;

(e) all right, title and interest of the Institution in and to all contracts from time to time executed by the Institution or any manager or agent acting on its behalf relating to the ownership, construction, equipping, reconstruction, renovation, maintenance, repair, operation, occupancy, sale or financing of the portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land, together with the right to exercise such options and all leases of Facility Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, renovation, equipping, completion, occupancy, use or operation of the portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land or any part thereof, and all drawings, plans, specifications and similar or related items relating to the portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land;

(f) all other proceeds of the conversion, whether voluntary or involuntary, of the portion of the Initial Project Facility located on the Mortgaged Portion of the Initial Land or any other Property located on the Mortgaged Portion of the Initial Land or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

(g) all extensions, additions, substitutions and accessions with respect to any of the foregoing;

EXCEPTING THEREFROM the Gross Revenues.

Covenants

The Mortgage sets forth various covenants of the Issuer and the Institution regarding, among other things, (A) maintenance and modification of the Project Facility, (B) maintenance of insurance on the Project Facility, (C) payment of taxes, assessments and utility charges, (D) access to the Project Facility, and (E) access to books, records and other information relating to the Project Facility.

Events of Default

The following events constitute Events of Default under the Mortgage:

(1) default by the Issuer in the due and punctual payment of principal of, premium, if any, and interest on the Initial Bonds;

(2) a default by the Institution in the due and punctual payment of any sum due under Section 5.1(A) of the Loan Agreement;

(3) a default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Institution in the Mortgage or any other Financing Document to be performed or observed 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, 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 ninety (90) days after such written notice is given;

(4) the occurrence of an "Event of Default" under any of the other Financing Documents;

(5) any representation or warranty made by the Institution in the Mortgage or in any other Financing Document shall have been false or misleading in any material respect at the time that 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) the Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, except as is expressly provided in the Loan Agreement, or the Institution threatens to encumber, assign, lease, sublease, sell, transfer or convey, the Mortgaged Property, or any part thereof, except as is expressly provided in the Loan Agreement;

(8) (a) the filing by the Institution of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Institution within one hundred eighty (180) 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 Mortgage; (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 one hundred eighty (180) 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 one hundred eighty (180) days of such appointment;

(9) the imposition of a Lien on the Mortgaged Property other than a Lien being contested as provided in the Mortgage or the Loan Agreement or a Permitted Encumbrance; and

(10) if the copies of such policies of insurance covering the Mortgaged Property are not kept in full force and effect, or if such policies are not delivered to the Trustee within thirty (30) days of the Trustee's written request for such copies.

Notwithstanding the foregoing, if by reason of force majeure (as defined in the Mortgage) the Institution shall be unable, in whole or in part, to carry out its obligations under the Mortgage and if the Institution shall give notice and full particulars of such force majeure in writing to the Issuer and the Trustee within a reasonable time after the occurrence of the event or cause relied upon, the obligations of the Institution under the Mortgage, 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 Mortgage. Notwithstanding 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 in the Mortgage shall include acts outside of the control of 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. 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

Upon the happening of any Event of Default, the Trustee may (A) accelerate the Indebtedness, and/or (B) commence an action to foreclose the Lien of the Mortgage on the Mortgaged Property, and/or (C) exercise various other remedies.

Upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee under the Mortgage, the Trustee is entitled to the appointment of a receiver of the Mortgaged Property.

The Net Proceeds received by the Trustee pursuant to any right given or action taken pursuant to the enforcement provisions of the Mortgage shall be applied in accordance with Section 609 of the Indenture.

The Trustee may agree to waive any Event of Default and its consequences and annul any acceleration.

Limitations on Issuer Liability

The obligations and agreements of the Issuer contained in the Mortgage or in any other document executed by the Issuer in connection therewith shall (A) be deemed obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his or her 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 PLEDGE AND SECURITY AGREEMENT

Pursuant to the Pledge and Security Agreement, the Institution will grant to the Trustee a security interest in the Gross Revenues as additional security for the Bonds. Reference is made to the Pledge and Security Agreement for complete details of the terms thereof. The following is a brief summary of certain provisions of the Pledge and Security Agreement and should not be considered a full statement thereof.

Pledge and Assignment and Grant of Security Interest in Gross Revenues (Section 3)

In consideration of the issuance of the Initial Bonds, the making of the Loan and in order to secure the Secured Indebtedness, the Institution hereby pledges, assigns, transfers, hypothecates and delivers to the Trustee, and hereby grants to the Trustee a security interest in, all of Institution's right, title and interest in and to the Gross Revenues, whether now owned or at any time hereafter acquired, subject to the Institution's rights in Section 9 of the Pledge and Security Agreement.

This assignment by Institution is a present, irrevocable, absolute and unconditional assignment of the Gross Revenues, reserving unto the Institution, however, a license to collect, retain, enjoy and use such Gross Revenues prior to the occurrence of an Event of Default (as defined in the Pledge and Security Agreement) beyond the expiration of any applicable notice and cure period. This license shall be revocable by Trustee at any time following the occurrence of an Event of Default beyond the expiration of any applicable notice and cure periods.

Institution Remains Liable (Section 4)

Anything in the Pledge and Security Agreement to the contrary notwithstanding, (a) the Institution shall remain liable under any contracts and agreements and shall be required to perform all of its duties and obligations thereunder to the same extent as if the Pledge and Security Agreement had not been executed despite the fact that it had entered into same based upon its right to receive the Gross Revenues; (b) the exercise by Trustee of any of the rights hereunder shall not release the Institution from any of its duties or

obligations under any such contracts and agreements included in the Gross Revenues; and (c) the Trustee shall not have any obligation or liability under the contracts and agreements by reason of the Pledge and Security Agreement, nor shall the Trustee be obligated to perform any of the obligations or duties of the Institution thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

As to Collection of Gross Revenues (Section 8)

Subject to the provisions of Section 3 of the Pledge and Security Agreement, so long as no Event of Default has occurred (beyond the expiration of any applicable notice and grace period) and is continuing the Institution may collect, retain, enjoy and use the Gross Revenues; provided, however, that the Trustee shall have the right at any time upon the occurrence and continuation of an Event of Default (beyond the expiration of any applicable notice and cure periods) and upon written notice to the Institution of its intention to do so, to notify the account debtors or obligors under the Gross Revenues of the assignment of such Gross Revenues to the Trustee and to direct such account debtors or obligors to make payment of all amounts due or to become due to the Institution thereunder directly to Trustee and, upon such notification and at the expense of the Institution, to enforce collection of any such Gross Revenues, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Institution might have done. After receipt by the Institution of the notice from the Trustee referred to in the preceding sentence and subject to Section 29 of the Pledge and Security Agreement, (a) all amounts and proceeds received by Institution, in respect of the Gross Revenues shall be received in trust for the benefit of the Trustee, shall be segregated from other funds of the Institution and shall be forthwith paid over to the Trustee in the same form as so received (with any necessary endorsement) to be applied as provided by Section 16 of the Pledge and Security Agreement, and (b) the Institution shall not adjust, settle or compromise the amount or payment of any receivable, or release wholly or partly any account debtor or obligor thereof, or allow any credit or discount thereon without the consent of the Issuer.

Parity Obligations (Section 9)

Notwithstanding anything in the Pledge and Security Agreement to the contrary, the Institution may issue, incur or assume Long-Term Indebtedness (as defined in the Guaranty) secured by a Lien on Gross Revenues, which in the event of any default and acceleration or claim on the Gross Revenues is *pari passu* with the Lien on the Gross Revenues granted by the Pledge and Security Agreement in accordance with the terms of Section 3.9 of the Guaranty.

Events of Default (Section 13)

The following shall each be an “*Event of Default*” under the Pledge and Security Agreement and the terms “*Event of Default*” or “*default*” shall mean, whenever they are used in or with respect to the Pledge and Security Agreement, any one or more of the following events (beyond all applicable notice, cure and/or grace periods):

(a) a default in the due and punctual payment of principal of and premium, if any, and interest on, the Initial Bonds;

(b) if the Institution shall default in the due observance or performance of or compliance with any of the provisions, warranties, covenants, promises, agreements, terms or conditions to be observed, performed, or complied with by the Institution, as contained in the Pledge and Security Agreement other than those referred to in the other paragraphs of Section 13 of the Pledge and Security Agreement, and such default shall continue for a period of thirty (30) days after notice thereof to the Institution by the Trustee; provided that in the case of a default under this paragraph (b) which cannot with due diligence be cured within such period of thirty (30) days, the time within which the Institution may cure the same shall be

extended for such period as may be reasonably necessary in the Trustee's reasonable discretion to cure the same with due diligence (but in no event more than ninety (90) days from said notice), so long as the Institution commences within such thirty (30) days and proceeds diligently to cure the same;

(c) the occurrence of a default or an Event of Default under any of the Indenture, the Loan Agreement or any other Financing Document beyond any applicable grace and cure periods;

(d) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the Initial Bonds, or made or furnished, at any time, in or pursuant to the terms of the Pledge and Security Agreement or otherwise by the Institution, shall prove to have been false or misleading in any material respect when made;

(e) the Institution shall (1) be generally not paying its debts as they become due, (2) file, or consent by answer or otherwise to the filing against it of, a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (3) make a general assignment for the benefit of its general creditors, (4) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (5) be adjudicated insolvent or be liquidated or (6) take corporate action for the purpose of any of the foregoing;

(f) the Institution shall conceal, remove or permit to be concealed or removed any part of the Gross Revenues with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of the Gross Revenues which is fraudulent under any bankruptcy, fraudulent conveyance or similar law; or

(g) the imposition of a lien on the Gross Revenues, other than the security interest created hereby, Permitted Encumbrances or liens being contested as provided herein.

Acceleration; Annulment of Acceleration (Section 14)

Upon the occurrence and continuance of an Event of Default hereunder, the Trustee may, by notice in writing delivered to the Institution, declare the whole of the Secured Indebtedness immediately due and payable, whereupon the same shall become and be immediately due and payable, anything in the Pledge and Security Agreement or any other Financing Document to the contrary notwithstanding. In such event, there shall be due and payable the total amount of the Secured Indebtedness plus all accrued but unpaid interest thereon and all interest which will accrue thereon to the date of payment, together with any premium payable thereon.

At any time after the principal of the Initial Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Pledge and Security Agreement, the Trustee may annul such declaration and its consequences. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Enforcement of Remedies (Section 15)

If an Event of Default shall occur and be continuing, the Trustee, on behalf of the Bondholders, may exercise, in addition to all other rights and remedies granted to it in the Pledge and Security Agreement, and in any other instrument or agreement securing, evidencing or relating to the Initial Bonds, all rights and remedies of a secured party under the Commercial Code. Without limiting the generality of the foregoing, the Trustee without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Institution or any other

Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith, collect, receive, appropriate and realize upon the Gross Revenues, or any part thereof. The Trustee shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Gross Revenues or in any way relating to the Gross Revenues or the rights of the Trustee hereunder, respectively, including, without limitation, reasonable attorneys' fees and disbursements, as provided in Section 16 of the Pledge and Security Agreement, and only after such application and after the payment by the Trustee of any other amount required by any provision of law, including, without limitation, Section 9-615 the Commercial Code, need the Trustee account for the surplus, if any, to the Institution. To the maximum extent permitted by applicable law, the Institution waives all claims, damages and demands it may acquire against the Trustee arising out of the exercise of any rights hereunder. If any notice of a proposed sale or other disposition Gross Revenues shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. The Institution shall remain liable for any deficiency if the proceeds of any sale of the Gross Revenues are insufficient to pay amounts owed with respect to the Initial Bonds and the reasonable fees and disbursements of any attorneys employed by the Trustee to collect such deficiency.

Without limiting the provisions of subsection (a) above, if an Event of Default shall have occurred and be continuing, the Trustee shall also have the right (1) to notify or to require the Institution to notify Persons obligated on any instruments, accounts, or contracts which are part of the Gross Revenues to make payment thereof directly to the Trustee, or as the Trustee shall direct, (2) to collect and enforce any such accounts and contracts, (3) to compromise, settle or otherwise agree to waive, amend or modify the obligation of any account debtors or obligors under such accounts and contracts, (4) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Gross Revenues, (5) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clauses (1) through (4) of this subsection (b), and (6) to file any claims or take any action or institute any proceedings which Trustee may deem necessary or desirable for the collection of any of the Gross Revenues or otherwise to enforce the rights of the Trustee with respect to any of the Gross Revenues.

(c) If an Event of Default exists and continues, the Trustee may proceed to enforce the provisions hereof and to exercise any other rights, powers and remedies available to it. The Trustee, in its sole discretion, shall have the right to proceed first and directly against the Institution under the Pledge and Security Agreement without proceeding against or exhausting any other remedies which it may have and without resorting to any other security held by the Trustee.

(d) Each and every Event of Default hereunder shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the Trustee as each cause of action arises.

(e) The Trustee may pursue its rights and remedies under the Pledge and Security Agreement notwithstanding (1) any guaranty of or other security for the Initial Bonds, and (2) any action taken or omitted to be taken by the Trustee or any other Person to enforce any of the rights or remedies under such guaranty or with respect to any other security.

(f) The Institution shall pay to the Trustee all fees and reasonable costs and expenses (including reasonable legal fees and expenses) incurred by the Trustee in the protection of its rights or in the pursuance of its remedies in respect of the Pledge and Security Agreement.

(g) The foregoing rights and powers of the Trustee shall be in addition to, and not a limitation upon, any rights and powers of the Trustee given by law, by any other provisions of the Pledge and Security Agreement, by the other Financing Documents or otherwise.

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Appendix D

Form of Approving Opinion of Bond Counsel

November 12, 2021

City of Albany Capital Resource Corporation
21 Lodge Street
Albany, New York 12207

Re: City of Albany Capital Resource Corporation
Tax-Exempt Revenue Refunding Bonds
(The College of Saint Rose Project), Series 2021
in the aggregate principal amount of \$48,150,000

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance on the date hereof of the Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2021 in the aggregate principal amount of \$48,150,000 (the “Initial Bonds”) by City of Albany Capital Resource Corporation (the “Issuer”) (a public instrumentality of the 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 September 23, 2021, a certificate of determination dated November 12, 2021 (the “Certificate of Determination”) executed by the Chairperson or Vice Chairperson of the Issuer and a trust indenture dated as of November 1, 2021 (the “Indenture”) by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), in connection with a project (the “Initial Project”) to be undertaken by the Issuer for the benefit of The College of Saint Rose (the “Institution”), said Initial Project consisting of the following: (A) the refunding of all or a portion of the Issuer’s Tax-Exempt Revenue Bonds (The College of Saint Rose Project), Series 2011A (the “Series 2011 Bonds”) issued on July 19, 2011 in the aggregate principal amount of \$21,235,000, which Series 2011 Bonds were issued for the purpose of financing (1) the demolition of approximately fourteen (14) existing buildings (collectively, the “Series 2011 Existing Improvements”) located on portions of the Institution’s approximately 29 acre campus generally located on, but not limited to, Madison Avenue, Western Avenue, Morris Street, Partridge Street, Yates Street and State Street in the City of Albany, and having a mailing address of 432 Western Avenue in the City of Albany, Albany County, New York (collectively, the “Series 2011 Land”), (2) the construction at 930 Madison Avenue on the Series 2011 Land of an approximately 92,000 square foot student residence hall containing approximately 225 beds, a small convenience store and administrative office space (the “Series 2011 Facility”), (3) the renovation of the Institution’s Alumni Hall residence building located at 366A Western Avenue on the Land and containing approximately 20,000 square feet of space (the “Series 2011 Existing Facility”) and (4) the acquisition and installation thereon and therein of various machinery, equipment and other personal property (collectively, the “Series 2011 Equipment”) (the Series 2011 Land, the Series 2011 Existing Improvements, the Series 2011 Facility, the Series 2011 Existing Facility and the Series 2011 Equipment hereinafter collectively referred to as the “Series 2011 Project Facility”); (B) the refunding of all or a portion of the Issuer’s Tax-Exempt Multi-Mode Revenue Bonds (The College of Saint Rose – Refunding Project), Series 2015A (the “Series 2015A Bonds”) issued on November 13, 2015 in the original aggregate principal amount of \$39,760,000, which Series 2015A

Bonds were issued for the purpose of financing the refunding of all or a portion of (1) the City of Albany Industrial Development Agency Floating Rate Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2007A (Auction Rate Securities) (the “Series 2007A Bonds”) in the original aggregate principal amount of \$34,000,000 and (2) the City of Albany Industrial Development Agency Floating Rate Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2007B (Auction Rate Securities) (Taxable) (the “Series 2007B Bonds”) and together with the Series 2007A Bonds, the “Series 2007 Bonds”) in the original aggregate principal amount of \$6,600,000, respectively, issued on June 27, 2007, which Series 2007 Bonds were issued for the purpose of financing (a) the acquisition of an interest or interests in (i) various portions of the campus generally located on, but not limited to, Madison Avenue, Western Avenue, Morris Street, Partridge Street, Yates Street and State Street in the City of Albany, New York (collectively, the “Campus”), together with various academic, residential and other buildings located thereon (collectively, the “Series 2007 Existing Facilities”) and (ii) the acquisition of an interest or interests in various parcels of land located at 196 Partridge Street, 423 and 425 Western Avenue and 936, 946 and 1006 Madison Avenue in the City of Albany, Albany County, New York (collectively, the “Additional Land” and together with the Campus, the “Series 2007 Land”), together with various buildings located thereon (collectively, the “Series 2007 Additional Facilities”), (b) the renovation and the making of upgrades to the Series 2007 Existing Facilities and the Series 2007 Additional Facilities and the construction of an approximately 50,000 square foot arts center on the Campus (the “Series 2007 New Facility”) (the Series 2007 Existing Facilities, the Series 2007 Additional Facilities and the Series 2007 New Facility being hereinafter referred to as the “Series 2007 Facility”), (c) the acquisition and installation thereon and therein of various machinery and equipment (the “Series 2007 Equipment”) (the Series 2007 Land, the Series 2007 Facility and the Series 2007 Equipment being collectively referred to hereinafter as the “Series 2007 Project Facility”) and (d) the refunding of the City of Albany Industrial Development Agency Civic Facility Revenue Bonds (The College of Saint Rose Project), Series 2001A in the original aggregate principal amount of \$22,575,000 (the “2001A Bonds”) issued on April 26, 2001, which 2001A Bonds were issued for the purpose of financing previously completed projects, including but not limited to new academic buildings, improvements to dormitories, surface parking and office renovation/expansion (collectively, the “Series 2001 Project Facility”) (the Series 2011 Project Facility, the Series 2007 Project Facility and the Series 2001 Project Facility being collectively referred to as the “Initial Project Facility”); (C) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; and (D) the paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds 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 Initial Project, and document the Loan by entering into a loan agreement dated as of November 1, 2021 (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 November 1, 2021 (the “Pledge and Assignment”) which assigns to the Trustee certain of the Issuer’s rights under the Loan Agreement.

The Institution’s obligation to make all Loan Payments under the Loan Agreement and to perform all obligations related thereto, and the Issuer’s obligation to repay the Initial Bonds will be further secured by a guaranty dated as of November 1, 2021 (the “Guaranty”) from the Institution to the Trustee.

The Institution's obligations pursuant to the Loan Agreement will be secured by a pledge and security agreement dated as of November 1, 2021 (the "Pledge and Security Agreement") from the Institution to the Trustee, pursuant to which the Institution grants to the Trustee a security interest in the Gross Revenues (as defined therein) of the Institution.

As additional security for the Initial Bonds, (A) the Institution will execute and deliver to the Issuer a mortgage dated as of November 1, 2021 (the "Mortgage") from the Institution to the Issuer, which Mortgage among other things, (1) grants to the Issuer a first mortgage lien on, and a security interest in, among other things, the Initial Project Facility and (2) assigns to the Issuer the rents, issues and profits of the Initial Project Facility and (B) the Issuer will execute and deliver to the Trustee an assignment of mortgage dated as of November 1, 2021 (the "Mortgage Assignment") from the Issuer to the Trustee, pursuant to which the Issuer will assign the Mortgage to the Trustee.

We have examined specimen Bonds and executed counterparts of the Indenture, the Loan Agreement, the Pledge and Assignment and the Mortgage 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") relating to the Initial Bonds 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 Whiteman Osterman & Hanna LLP, 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 Barclay Damon LLP, 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 Initial 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 Initial 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 Initial Bonds is excludable from gross income for federal income tax purposes and is not an “item of tax preference” for purposes of the individual alternative minimum tax 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 Initial Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Initial Bonds is included in determining (i) the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code and (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.

(E) The Initial 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 Initial Bonds is excluded from gross income for federal income tax purposes, the interest on the Initial 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 Initial Bonds do not constitute a debt 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 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 Initial 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 Initial 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 Initial Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Initial Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the

Initial Project Facility 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 Initial Project Facility 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 Initial Bonds from gross income for federal income tax purposes is expressed herein as to the Initial 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 Initial 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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Appendix E

Form of Continuing Disclosure Agreement

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “**Agreement**”), dated as of November 1, 2021, by and between THE COLLEGE OF SAINT ROSE (the “**Obligated Party**”) and MANUFACTURES AND TRADERS TRUST COMPANY (the “**Disseminating Agent**”), as trustee under that certain Indenture of Trust, dated as of November 1, 2021 (the “**Indenture**”), by and between the City of Albany Capital Resource Corporation (the “**Issuer**”) and the Disseminating Agent, is executed and delivered in connection with the issuance by the Issuer of its \$48,150,000 aggregate principal amount Tax-Exempt Revenue Refunding Bonds (The College of Saint Rose Project), Series 2021 (the “**Series 2021 Bonds**”). Capitalized terms used in this Agreement which are not otherwise defined herein or in the Indenture shall have the respective meanings specified in Article IV hereof and, if not defined in Article IV hereof, then as set forth in Appendix C to the Official Statement of the Issuer, dated October 27, 2021, relating to the Series 2021 Bonds (the “**Official Statement**”),

In consideration of the purchase of the Series 2021 Bonds by D.A. Davidson & Co. (the “**Underwriter**”) and the subsequent registered owners and beneficial owners of the Series 2021 Bonds and the undertakings set forth in this Agreement, the parties hereto agree as follows:

ARTICLE I The Undertaking

Section 1. Purpose; No Issuer Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the registered owners and any beneficial owners of the Series 2021 Bonds, and is being executed and delivered solely for the purpose of enabling the Underwriter to comply with subsection (b)(5) of Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The Obligated Party and the Disseminating Agent acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement, and shall have no liability to any person, including any registered owner or beneficial owner of the Series 2021 Bonds, with respect to any such reports, notices or disclosures.

Section 2. Annual Financial Information.

(a) The Obligated Party shall provide to the Disseminating Agent the Annual Financial Information, commencing with the fiscal years ending on or after June 30, 2022, within one hundred fifty (150) days after the end of such fiscal year, unless otherwise indicated below. The Disseminating Agent shall provide notice in writing to the Obligated Party that such Annual Financial Information is required to be provided by such date, at least forty-five (45) days but not more than sixty (60) days in advance of such date. The Disseminating Agent shall provide such Annual Financial Information to (i) EMMA, and (ii) the Issuer, in each case within ten (10) days after receipt by the Disseminating Agent.

(b) The Disseminating Agent shall provide, in a timely manner, notice of any failure of any Obligated Party or the Disseminating Agent to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to (i) EMMA, (ii) the Issuer and (iii) the Obligated Party,

Section 3. Obligated Party Annual Financial Information. Annual Financial Information means, with respect to the Obligated Party, the financial information and operating data with respect to the

Obligated Party, for each fiscal year (or such shorter period as indicated below) of the Obligated Party, as follows:

- (a) annual financial statements of the Obligated Party;
- (b) operating data and financial information of the type included in Appendix A to the Official Statement (including current fall enrollment, application and matriculation data, even if preliminary) unless such information is included in the Audited Financial Statements of the Obligated Party;
- (c) within 150 days after the end of each Fiscal Year, a copy of the audit report certified by an Accountant including the Accountant's statement as to the calculation of the Liquidity Ratio and the Debt Service Coverage Ratio
- (d) to the Trustee within 60 days after December 31 an "Officer's Report" containing (a) unaudited financial statements of the Institution, a year-to-date income statement with a comparison to the operating budget, a balance sheet and a comparison to the prior year, (b) the actual spring enrollment for the Institution (c) covenant compliance certificate, (i) a copy of the Institution's annual budget, as amended or supplemented as of the reporting date, for the then current Fiscal Year;
- (e) annually, commencing March 31, 2022, an "Interim Officer's Report" setting forth the following information, within the time periods set forth below (a) annual operating budgets of the Institution within 30 days of their adoption; (b) results of any federal or State testing within 45 days of receipt by the Institution; (c) within 14 days of receipt, notification or report of any potential or alleged violation of the charter by the Institution; (d) within 14 days of submission, any information that the Institution has provided to the Rating Agency, if any, as part of such Rating Agency's ongoing surveillance to the extent such information has not otherwise been filed or is being filed on EMMA as part of this Continuing Disclosure Agreement; and (v) within 14 days of receipt, any notice or allegation of a violation of governmental approvals in connection with the operation of the Project Facility; and
- (f) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Obligated Party and in judging the financial and operating condition of the Obligated Party.

Section 1.4 Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 1.2 hereof, the Obligated Party shall provide Audited Financial Statements, when and if available, to the Disseminating Agent. Contemporaneously therewith, the Obligated Party shall provide any such Audited Financial Statement to (i) EMMA, and (ii) the Issuer.

Section 1.5 Material Event Notices.

(a) If a Material Event occurs, the Obligated Party shall provide, in a timely manner not in excess of seven (7) days after the occurrence of the event, a Material Event Notice to the Disseminating Agent. The Disseminating Agent shall provide each such Material Event Notice to (i) EMMA, (ii) the Issuer and (iii) the Obligated Party, in each case within three (3) days after receipt by the Disseminating Agent.

(b) Upon any legal defeasance of the Series 2021 Bonds, the Disseminating Agent shall provide notice of such defeasance to EMMA, which notice shall state whether the Series 2021 Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 1.6 Additional Disclosure Obligations. The Obligated Party acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended and the Rule, may apply to the Obligated Party, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligated Party under such laws.

Section 1.7 Additional Information. Nothing in this Agreement shall be deemed to prevent the Obligated Party from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or Material Event Notice, in addition to that which is required by this Agreement. If the Obligated Party chooses to include any information in any Annual Financial Information or Material Event Notice in addition to that which is specifically required by this Agreement, the Obligated Party shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information or Material Event Notice.

Section 1.8 No Previous Non-Compliance. Except as otherwise disclosed in the Official Statement, the Obligated Party represents that it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Section 1.9 Successor or Assignee. The Obligated Party agrees to cause any successor to or assignee of its obligations under the Loan Agreement, dated as November 1, 2021 (the “Loan Agreement”), by and between the Issuer and the Obligated Party, or a guaranty of the Series 2021 Bonds or other documents to execute and deliver an agreement in substantially the form of this Agreement, substituting such successor or assignee for the Obligated Party, as applicable.

Section 1.10 Obligated Party Annual Investor Call. The Obligated Party shall participate in an annual call with investors on or about October 31 of each year, commencing October 31, 2022.

ARTICLE II Operating Rules

Section 2.1 Reference to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Obligated Party provides Annual Financial Information by specific reference to (i) any documents either (a) provided to EMMA existing at the time of such reference or (b) filed with the SEC, or (ii) any document available from the MSRB if such document is an Official Statement.

Section 2.2 Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3 Material Event Notices. Each Material Event Notice shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Series 2021 Bonds.

Section 2.4 Reserved.

Section 2.5 Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The current fiscal year for the Obligated Party is July 1st to June 30th. The Obligated Party shall promptly notify the Disseminating Agent in writing

of each change in its fiscal year. The Disseminating Agent shall provide such notice to (i) EMMA, and (ii) the Issuer, in each case within ten (10) Business Days after receipt by the Disseminating Agent.

ARTICLE III Termination, Amendment and Enforcement

Section 3.1 Termination. If the Obligated Party's obligations under the Loan are assumed in full by some other entity, such entity shall be responsible for compliance with this Agreement in the same manner as if it were the Obligated Party, and thereupon the Obligated Party shall have no further responsibility hereunder.

(a) All obligations of the Obligated Party and the Disseminating Agent under this Agreement shall terminate upon a legal defeasance pursuant to the Indenture, prior redemption or payment in full of all of the Series 2021 Bonds.

(b) All obligations of the Obligated Party shall terminate if and when the Obligated Party is no longer an "Obligated Party" with respect to the Series 2021 Bonds within the meaning of the Rule.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Obligated Party delivers to the Disseminating Agent an opinion of Counsel, addressed to the Obligated Party, the Issuer and the Disseminating Agent (with a copy to (i) EMMA, and (ii) the Issuer) to the effect that those portions of the Rule which require this Agreement, or any of the provisions hereof, do not or no longer apply to the Series 2021 Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion,

Section 3.2 Amendment; Waiver.

(a) This Agreement may be amended or any provision hereof may be waived, by written agreement of the parties, without the consent of the holders of the Series 2021 Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) if such amendment or waiver relates to the provisions of Section 1.2, 1.3, 1.4, 1.5 or this Section 3.2 or to any definition related thereto, such amendment or waiver is made in connection with a change in legal (including regulatory) requirements, a change in law (including rules and regulations) or in interpretations thereof, or a change in the identity, nature or status of the Obligated Party or the type of business conducted thereby, (2) this Agreement as so amended or taking into account such waiver would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel, addressed to the Issuer and the Disseminating Agent (with a copy to (i) EMMA, and (ii) the Issuer), to the same effect as set forth in clause (2) above, and (4) either (i) the Disseminating Agent, or another party unaffiliated with the Issuer or the Obligated Party, shall have determined that, or the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel selected by and acceptable to the Obligated Party, addressed to the Issuer and the Disseminating Agent, to the effect that, the amendment or waiver does not materially impair the interests of the holders of the Series 2021 Bonds or (ii) the holders of the Series 2021 Bonds consent to the amendment or waiver,

(b) In addition to subsection (a) above, this Agreement may be amended and any provision hereof may be waived, by written agreement of the parties, without the consent of the holders of the Series 2021 Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Obligated Party shall have delivered to the Disseminating Agent an opinion of Counsel, addressed to the Issuer and the Disseminating Agent, to the

effect that performance by the Obligated Party and the Disseminating Agent under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Obligated Party shall have delivered contemporaneously therewith copies of such opinion and amendment or waiver to (i) EMMA, and (ii) the Issuer,

(c) To the extent any amendment to or waiver of a provision of this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment or waiver and the impact of the change,

(d) If a change is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such amendment shall be provided by the applicable Obligated Party to the Disseminating Agent; the Obligated Party shall provide contemporaneously therewith such notice to (i) EMMA, and (ii) the Issuer,

Section 3.3 Benefit; Third-party Beneficiaries.

a. The provisions of this Agreement shall inure solely to the benefit of the holders from time to time of the Series 2021 Bonds, except that for so long as the Series 2021 Bonds are held in book-entry-only form through a securities depository pursuant to the Indenture, beneficial owners of Series 2021 Bonds shall be third-party beneficiaries of this Agreement,

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. The obligations of the parties to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Series 2021 Bonds, or by the Disseminating Agent on behalf of the holders of the Outstanding Series 2021 Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Disseminating Agent on behalf of the holders of Outstanding Series 2021 Bonds; provided, however, that the Disseminating Agent shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of the Series 2021 Bonds at the time Outstanding, who shall have provided the Disseminating Agent with adequate security and indemnity. The holders' and Disseminating Agent's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligations under this Agreement. In consideration of the rights of the third-party beneficiary status of beneficial owners of the Series 2021 Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of the Series 2021 Bonds for purposes of this subsection (b),

(c) Any failure by a party to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture, the Loan Agreement or the Series 2021 Bonds, and the rights and remedies provided by the Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure,

(d) This Agreement (i) is not intended to impose obligations on the Obligated Party that are not required to achieve the purposes stated in Sections 1.2, 1.3, 1.4 and 1.5(a) of this Agreement; (ii) does not constitute an acknowledgment by the Obligated Party of the validity of the Rule; and (iii) is

valid and binding only to the extent and for so long as the Rule is valid and remains in effect. The Obligated Party expressly reserves the right to contest the validity of all or any portion of the Rule, including, without limitation, as a defense in any action or proceeding. If the Rule or any portion thereof is determined to be invalid or is repealed, or is amended to reduce the undertakings required to be obtained for “Obligated Party” within the meaning of the Rule, the obligations of the Obligated Party under this Agreement shall be correspondingly reduced or terminated. The Obligated Party expressly reserves the right to modify its performance of its obligations hereunder, to the extent not inconsistent with those portions, if any, of the Rule that remain valid and effective,

(e) The Obligated Party and the Disseminating Agent, their directors, officers and employees, to the extent applicable, shall have no liability under this Agreement for any act or failure to act under this Agreement.

(f) THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND ANY SUITS AND ACTIONS ARISING OUT OF THIS AGREEMENT SHALL BE INSTITUTED IN A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT TO THE EXTENT THIS AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAWS, INCLUDING THE RULE, THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH SUCH FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

Section 3.4 Resignation of Disseminating Agent. The Disseminating Agent and any successor Disseminating Agent may, at any time, resign from and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Obligated Party, by first class mail. Such resignation shall take effect upon the date specified in such notice, provided, however, that in no event shall such a resignation take effect until a successor Disseminating Agent has been appointed. Further, if the Disseminating Agent resigns as Trustee under the Indenture in accordance with the terms thereof, such resignation, upon becoming effective, will automatically result in the resignation of the Disseminating Agent hereunder.

ARTICLE IV Definitions

Section 4.1 Definitions. The following terms used in this Agreement shall have the following respective meanings:

(a) **“Issuer”** means the City of Albany Capital Resource Corporation, a not-for-profit corporation of the State of New York.

(b) **“Audited Financial Information”** shall have the meaning assigned in Section 1.3 above.

(c) **“Audited Financial Statements”** means, with respect to the Obligated Party, the annual financial statements, if any, of the Obligated Party, audited by a firm of independent accountants. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the Obligated Party may from time to time, if required by GAAP, modify the accounting principles to be followed in preparing its financial statements. The written notice of any such modification required by Section 3.2(d) hereof shall include a reference to the specific governing pronouncement describing such accounting principles.

(d) **“Counsel”** means a nationally recognized bond counsel expert in federal securities laws, in either case unaffiliated with the Issuer or the Obligated Party.

(e) **“Disseminating Agent”** means Manufacturers and Traders Trust Company.

(f) **“EMMA”** means the Electronic Municipal Market Access system established and operated by the MSRB at <http://www.emma.msrb.org>, or such other similar system established and operated by the MSRB.

(g) **“GAAP”** means generally accepted accounting principles in the United States of America in effect from time to time.

(h) **“Material Event”** means any of the following events with respect to the Series 2021 Bonds, whether relating to the Obligated Party or otherwise:

- (i) principal and interest payment delinquencies
- (ii) non-payment related defaults, if material
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties
- (iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Series 2021 Bonds, unscheduled draws on credit enhancements reflecting financial difficulties
- (v) substitution of credit or liquidity providers, or their failure to perform
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds
- (vii) modifications to rights of Note holders, if material
- (viii) note calls, if material and tender offers
- (ix) defeasances
- (x) release, substitution, or sale of property securing repayment of the Series 2021 Bonds
- (xi) rating changes
- (xii) bankruptcy, insolvency, receivership or similar event of the Obligated Party
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Obligated Party or the sale of all or substantially all of the assets of the Obligated Party, 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
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; incurrence of a financial obligation of the Obligated Party or obligated person, if

material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Party or obligated person, any of which affect security holders, if material

- (xv) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Obligated Party or obligated person, any of which reflect financial difficulties.
- (xvi) incurrence of a “financial obligation” (as defined in the Rule) of the Obligated Party, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Party, any of which affect bondholders, if material; and
- (xvii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Party, any of which reflect financial difficulties.

(i) **“Material Event Notice”** means notice of a Material Event.

(j) **“MSRB”** means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

(k) **“Obligated Party”** means The College of Saint Rose.

(l) **“Rule”** means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of issuance and delivery of the Series 2021 Bonds, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(m) **“SEC”** means the United States Securities and Exchange Commission.

(n) **“State”** means the State of New York.

ARTICLE V

Miscellaneous

Section 5.1 **Duties, Immunities and Liabilities of Disseminating Agent.** The Disseminating Agent shall have only such duties under this Agreement as are specifically set forth in this Agreement, and the Obligated Party agrees to indemnify and save the Disseminating Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Disseminating Agent’s gross negligence or willful misconduct. Such indemnity shall be separate from and in addition to that provided to the Disseminating Agent under the Indenture. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Disseminating Agent and payment of the Series 2021 Bonds.

Section 5.2 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.3 The Disseminating Agent. Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of the Disseminating Agent and the Disseminating Agent shall not be subject to any liability hereunder for acting or failing to act, as the case may be.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives all as of the date first above written.

THE COLLEGE OF SAINT ROSE

By: _____
Marcia J. White
President

By: _____
Debra Lee Polley, CPA
Vice President of Finance and
Administration

**MANUFACTURERS AND TRADERS
TRUST COMPANY, as Disseminating Agent**

By: _____
Maureen A. Auld
Authorized Officer

The College of Saint Rose



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