

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, based on existing statutes, regulations, court decisions and administrative rulings, and assuming compliance with the tax covenants described herein, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, Bond Counsel is of the opinion that interest on the Series 2014A Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals and corporations. Interest on the Series 2014A Bonds is, however, included in the computation of "adjusted current earnings" for purposes of calculating the federal alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that, based on existing law, interest on the Series 2014A Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.



\$17,000,000
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE BONDS
(ST. JOHN FISHER COLLEGE PROJECT), SERIES 2014A

Dated: Date of Delivery

Due: June 1, as shown on inside cover

The Monroe County Industrial Development Corporation Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A (the "Series 2014A Bonds") will be issued pursuant to an Indenture of Trust, dated as of March 1, 2014 (the "Indenture"), by and between the Monroe County Industrial Development Corporation (the "Issuer") and The Bank of New York Mellon, as trustee (the "Trustee") and are payable from and secured by (i) a pledge of payments to be made under a Loan Agreement, dated as of March 1, 2014 (the "Loan Agreement") by and between the Issuer and St. John Fisher College (the "College"), (ii) a security interest in and lien on the Pledged Revenues (as defined herein) pursuant to a certain Pledge and Security Agreement, dated as of March 1, 2014 by and between the College and the Trustee (the "Pledge and Security Agreement"), (iii) a mortgage lien on, and security interest in, the Mortgaged Premises (as defined herein), pursuant to a Mortgage and Security Agreement, dated as of March 1, 2014 (the "Mortgage") from the College and St. John Fisher Real Estate, LLC, a New York limited liability company whose sole member is the College (the "Company", and collectively with the College, the "Mortgagor"), to the Issuer, which Mortgage will be assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage, dated as of March 1, 2014 (the "Assignment of Mortgage"), and (iv) the respective funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture. The security interest in and lien on the Pledged Revenues granted pursuant to the Pledge and Security Agreement is on a parity basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and with any future Parity Obligation (each as defined herein) as set forth in an Amended and Restated Intercreditor Agreement (Relating to Pledged Revenues), dated as of March 1, 2014 (the "Pledged Revenue Intercreditor Agreement"). The security interest in and lien on the Mortgaged Premises granted pursuant to the Mortgage is on a parity basis with the 2012 Mortgage (as defined herein) and any future Parity Mortgage (as defined herein) as set forth in an Intercreditor Agreement (Relating to Mortgaged Premises), dated as of March 1, 2014 (the "Mortgage Intercreditor Agreement"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014A BONDS" herein.

The Series 2014A Bonds are subject to redemption prior to maturity as described herein under the heading "THE SERIES 2014A BONDS - Redemption Prior to Maturity."

The proceeds of the sale of the Series 2014A Bonds will provide funds which, together with other available funds of the College, will be used to finance (i) the Skalny Science Center Improvements (as defined herein), (ii) the Athletic Center Improvements (as defined herein), (iii) the Miscellaneous Improvements (as defined herein) and (iv) the payment of certain costs of issuance of the Series 2014A Bonds. See "THE PROJECT" herein.

The Series 2014A Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Series 2014A Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2014A Bonds. Interest on the Series 2014A Bonds will be payable on December 1, 2014, and semi-annually thereafter on June 1 and December 1 in each year until maturity.

The Series 2014A Bonds are special obligations of the Issuer and do not constitute a debt or pledge of the faith and credit of the Issuer, the State of New York, Monroe County or any taxing authority or political subdivision thereof for the payment of the principal or redemption price thereof or interest thereon. The Issuer has no taxing authority.

An investment in the Series 2014A Bonds involves a degree of risk. Prospective bondholders are advised to read the sections entitled "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014A BONDS" and "BONDHOLDERS' RISKS" herein for a discussion of certain risk factors which should be considered in connection with an investment in the Series 2014A Bonds.

This cover page contains information for general reference only. It is not intended as a summary of this transaction. Investors are advised to read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2014A Bonds are offered when, as and if issued and received by the Underwriters and subject to the receipt of the approving opinion as to the validity of the Series 2014A Bonds of Harris Beach PLLC, Rochester, New York, Bond Counsel. Certain legal matters will be passed upon for the College by its counsel, Nixon Peabody LLP, Rochester, New York. Certain legal matters will be passed upon for the Issuer by its counsel, Harris Beach PLLC, Rochester, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Bond, Schoeneck & King, PLLC, Syracuse, New York. It is anticipated that the Series 2014A Bonds will be available for delivery in New York, New York, or as may be agreed upon, on or about March 26, 2014.



RBC Capital Markets®



\$17,000,000
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION
TAX-EXEMPT REVENUE BONDS
(ST. JOHN FISHER COLLEGE PROJECT), SERIES 2014A

Maturities, Amounts, Interest Rates and Prices or Yields

<u>Due</u> <u>June 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> †
2015	\$255,000	3.00%	0.800%	61075TJP4
2016	265,000	3.00	1.010	61075TJQ2
2017	275,000	4.00	1.360	61075TJR0
2018	285,000	4.00	1.770	61075TJS8
2019	300,000	5.00	2.130	61075TJT6
2020	315,000	5.00	2.570	61075TJU3
2021	330,000	5.00	2.980	61075TJV1
2022	345,000	5.00	3.350	61075TJW9
2023	365,000	5.00	3.590	61075TJX7
2024	385,000	5.00	3.750	61075TJY5

\$2,220,000 Term Bonds, 5.00%, due June 1, 2029, Yield 4.30%*, CUSIP†: 61075TJZ2
 \$2,890,000 Term Bonds, 5.50%, due June 1, 2034, Yield 4.60%*, CUSIP†: 61075TKA5
 \$3,815,000 Term Bonds, 5.50%, due June 1, 2039, Yield 4.80%*, CUSIP†: 61075TKB3
 \$4,955,000 Term Bonds, 5.00%, due June 1, 2044, Yield 5.00%, CUSIP†: 61075TKC1

† The CUSIP (Committee on Uniform Securities Identification Procedures) numbers on the inside cover page of this Official Statement have been assigned by an organization not affiliated with the Issuer, the College, the Underwriters or the Trustee, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of holders and no representation is made as to the correctness of the CUSIP numbers printed above. CUSIP numbers assigned to the Series 2014A Bonds may be changed during the term of the Series 2014A Bonds based on a number of factors including but not limited to the refunding or defeasance of such issues or the use of secondary market financial products. None of the Issuer, the College, the Underwriters or the Trustee has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers printed above.

* Yield to first optional call date of June 1, 2024.

No person has been authorized by the Issuer or the College to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Series 2014A Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth herein has been obtained from the Issuer, the College, The Depository Trust Company and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer (except for the statements under the captions “INTRODUCTION – The Issuer”, “THE ISSUER” and “LITIGATION – The Issuer” (only insofar as such information pertains to the Issuer)) or the Underwriters. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the College.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities under the federal securities law, but the Underwriters do not guaranty the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “forecast” or other similar words. Such forward-looking statements include, among others, certain of the information in “BONDHOLDERS’ RISKS” and in Appendix A herein. The achievement of certain results or other expectations in such forward looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The College does not plan to issue any updates or revisions to those forward looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur or fail to occur.

References in this Official Statement to any legislation or documents, including the Act, the Indenture, the Loan Agreement, the Pledge and Security Agreement, the Pledge and Assignment, the Mortgage, the Assignment of Mortgage, the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement do not purport to be complete. Refer to such legislation and documents for full and complete details of their provisions. Following the issuance of the Series 2014A Bonds, copies of the Indenture, the Loan Agreement, the Pledge and Security Agreement, the Pledge and Assignment, the Mortgage, the Assignment of Mortgage, the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement are expected to be on file with the Trustee.

The Series 2014A Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and the Indenture has not been nor will be qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom. Neither the United States Securities and Exchange Commission nor any federal,

state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 2014A 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 COLLEGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2014A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT AFFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT
of the
MONROE COUNTY INDUSTRIAL DEVELOPMENT CORPORATION

Relating to
\$17,000,000 TAX-EXEMPT REVENUE BONDS
(ST. JOHN FISHER COLLEGE PROJECT), SERIES 2014A

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices attached hereto, is to provide information in connection with the issuance by the Monroe County Industrial Development Corporation (the “Issuer”) of its \$17,000,000 Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A (the “Series 2014A Bonds”). The following is a brief description of certain information concerning the Series 2014A Bonds, the Issuer and St. John Fisher College (the “College”). A more complete description of such information and additional information that may affect decisions to invest in the Series 2014A Bonds is contained throughout this Official Statement, which should be read in its entirety. Capitalized terms used in this Official Statement shall have the meanings specified in Appendix C attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

Purpose of the Issue

The Series 2014A Bonds are being issued to provide funds which, together with other available funds of the College, will be used to finance (i) the Skalny Science Center Improvements (as defined herein), (ii) the Athletic Center Improvements (as defined herein), (iii) the Miscellaneous Improvements (as defined herein) and (iv) the payment of certain costs of issuance of the Series 2014A Bonds. See “THE PROJECT” herein.

Authorization of the Series 2014A Bonds

The Series 2014A Bonds are authorized to be issued pursuant to a resolution of the Issuer adopted on February 11, 2014 (the “Resolution”). The Series 2014A Bonds will be issued under an Indenture of Trust, dated as of March 1, 2014 (the “Indenture”), by and between the Issuer and The Bank of New York Mellon, as trustee (the “Trustee”). See “THE SERIES 2014A BONDS” herein.

The Issuer

The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York. See “THE ISSUER” herein.

The College

The College is an independent, liberal arts institution in the Catholic tradition of American higher education located in Pittsford, New York, a suburb of Rochester, New York, with a fall enrollment for the current academic year of 2,738 full-time and 231 part-time undergraduate students, respectively. Founded in 1951, it is incorporated as a New York not-for-profit education corporation.

The College's facilities are located on approximately 154 acres of land, in Pittsford, New York (the "Campus"). The Campus is comprised of 24 buildings with approximately 1,000,000 aggregate square feet of residential, academic and administrative space. The northern and southern portions of the Campus are separated by a four-lane state highway (Route 31F). The north Campus (comprising approximately 104 acres) houses the principal academic, administrative, residential and athletic facilities. The south Campus (comprising approximately 50 acres) consists of two separate sites. One site, approximately 47 acres, includes a residence building (Murphy Hall) and baseball and softball fields. The other site, approximately 3 acres and directly across the main entrance of the north Campus, consists of a 16,000 square foot building (James Alesi Building) which is used for graduate programs.

The College is governed by a self-perpetuating board of trustees (the "Board of Trustees") of not more than 40 members. The President of the College is appointed by the Board of Trustees and, as chief executive officer, is principally responsible for the administration of the College. All other principal executives of the College are nominated by the President and appointed by the Board of Trustees. See "APPENDIX A – Certain Information Concerning the College – GOVERNANCE" herein.

St. John Fisher Real Estate, LLC (the "Company") is a New York limited liability company whose sole member is the College. The Company was formed in 2009 in order to assume title to certain property of the College and grant leasehold mortgages in connection with the College's financing arrangements. SJFC Prime Care, LLC ("Prime Care") is a New York limited liability company whose sole member is the College. Prime Care was formed in 2012 in order to administer grants in health-related academic programs.

For more information regarding the College, the Company and Prime Care, see "APPENDIX A – Certain Information Concerning the College" and "APPENDIX B – Audited Financial Statements of the College and Subsidiaries as of and for the year ended May 31, 2013" herein.

Limited Obligations of the Issuer

THE SERIES 2014A BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER. THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2014A BONDS SOLELY FROM THE NET REVENUES AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE AND AVAILABLE FOR SUCH PAYMENT. THE SERIES 2014A BONDS ARE NOT A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING MONROE COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING MONROE COUNTY, NEW YORK, SHALL BE LIABLE THEREON. THE SERIES 2014A BONDS SHALL NOT BE PAYABLE FROM ANY OTHER FUNDS OF THE ISSUER. THE ISSUER HAS NO TAXING POWERS.

The Pledged Revenues and the Pledged Revenue Intercreditor Agreement

The Series 2014A Bonds are secured in part by a security interest in and lien on the Pledged Revenues under and as defined in the Pledge and Security Agreement, dated as of March 1, 2014 by and between the College and the Trustee (the "Pledge and Security Agreement"). The security

interest in and lien on the Pledged Revenues granted by the College pursuant to the Pledge and Security Agreement is on a parity basis with (1) the security interest and lien on the Pledged Revenues granted by the College pursuant to (a) the Pledge and Security Agreement, dated as of May 1, 2011 by and between the College and The Bank of New York Mellon, as trustee (the “Series 2011 Trustee”) with respect to the Monroe County Industrial Development Corporation Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2011 issued in the original principal amount of \$13,855,000 (the “Series 2011 Bonds” and the “Series 2011 Revenue Pledge,” respectively) and (b) the Pledge and Security Agreement, dated as of June 1, 2012 by and between the College and The Bank of New York Mellon, as trustee (the “Series 2012 Trustee”) with respect to the Monroe County Industrial Development Corporation Tax-Exempt Revenue Refunding Bonds (St. John Fisher College Project), Series 2012A issued in the original principal amount of \$23,680,000 (the “Series 2012 Bonds” and the “Series 2012 Revenue Pledge,” respectively), and (2) any future Parity Obligations (as defined herein) as set forth in the Amended and Restated Intercreditor Agreement (Relating to Pledged Revenues), dated as of March 1, 2014 (the “Pledged Revenue Intercreditor Agreement”) by and among the College, the Series 2011 Trustee, the Series 2012 Trustee and the Trustee. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014A BONDS” herein.

The Mortgage and the Mortgage Intercreditor Agreement

The Athletic Center (as defined herein) and its surrounding athletic fields and facilities, St. Basil Hall, Founders Hall, Keough Hall and the Campus Center (collectively, the “Mortgaged Premises”) will be subject to a mortgage granted to the Issuer pursuant to a Mortgage and Security Agreement, dated as of March 1, 2014 (the “Mortgage”) from the College and the Company (together with the College, the “Mortgagor”) to the Issuer, which Mortgage will be assigned by the Issuer to the Trustee pursuant to an Assignment of Mortgage and Security Agreement, dated as of March 1, 2014 from the Issuer to the Trustee (the “Assignment of Mortgage”). The Mortgage secures the payment of principal and interest on the Series 2014A Bonds and the College’s obligations under the Loan Agreement, dated as of March 1, 2014 (the “Loan Agreement”) between the Issuer and the College and creates a mortgage lien on and security interest in the Mortgaged Premises in favor of the Issuer (as assigned to the Trustee pursuant to the Assignment of Mortgage) with respect to the College’s obligations thereunder.

The mortgage lien on and security interest in the Mortgaged Premises granted pursuant to the Mortgage is on a parity basis with the mortgage lien on and security interest in the Mortgaged Premises granted pursuant to the Mortgage and Security Agreement, dated as of June 1, 2012 (the “2012 Mortgage”) from the Mortgagor to the Issuer, which 2012 Mortgage was assigned by the Issuer to the Series 2012 Trustee pursuant to the Assignment of Mortgage and Security Agreement dated as of June 1, 2012 from the Issuer to the Series 2012 Trustee, and with any future Parity Mortgages (as defined herein), as set forth in the Intercreditor Agreement (Relating to Mortgaged Premises), dated as of March 1, 2014 (the “Mortgage Intercreditor Agreement”) by and among the College, the Series 2012 Trustee and the Trustee. The 2012 Mortgage secures the payment of principal and interest on the Series 2012 Bonds and the College’s obligations under the Loan Agreement, dated as of June 1, 2012 between the Issuer and the College and creates a mortgage lien on and security interest in the Mortgaged Premises in favor of the Issuer with respect to the College’s obligations thereunder. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014A BONDS” herein.

General

The Series 2014A Bonds will be issued as “book-entry-only” obligations to be held by The Depository Trust Company, as depository (the “Depository”) for the Series 2014A Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein.

The Series 2014A Bonds will be equally and ratably secured as to principal, premium, if any, and interest by the Indenture. The Indenture constitutes a first lien on the Trust Estate (as defined in the Indenture).

The Series 2014A Bonds will be special and limited obligations of the Issuer. The principal, Redemption Price of and interest on the Series 2014A Bonds are payable solely from the payments and revenues received by the Issuer pursuant to the Loan Agreement (other than with respect to the Unassigned Rights) and all funds and accounts (excluding the Rebate Fund) established by the Indenture. Pursuant to the Loan Agreement, the College is obligated to make payments equal to debt service on the Series 2014A Bonds.

To secure the Series 2014A Bonds, (i) the Mortgagor will grant to the Issuer a mortgage lien on and security interest in the Mortgaged Premises pursuant to the Mortgage, which mortgage lien and security interest will be assigned by the Issuer to the Trustee pursuant to the Assignment of Mortgage, (ii) the College will grant to the Trustee a security interest in and lien on the Pledged Revenues pursuant to the Pledge and Security Agreement and (iii) the Issuer will execute and deliver to the Trustee a Pledge and Assignment with an Acknowledgement thereof by the College, dated as of March 1, 2014 from the Issuer to the Trustee (the “Assignment”), which Assignment will assign to the Trustee certain of the Issuer’s rights (except the Unassigned Rights) under the Loan Agreement. Pursuant to the Assignment, loan payments made by the College under the Loan Agreement are to be paid directly to the Trustee.

The purchase of the Series 2014A Bonds involves a degree of risk. Prospective purchasers should carefully consider the entire Official Statement, including the material under the caption “BONDHOLDERS’ RISKS” herein.

The following summaries are not comprehensive or definitive. All references to the Series 2014A Bonds, the Indenture, the Loan Agreement, the Assignment, the Pledge and Security Agreement, the Mortgage, the Assignment of Mortgage, the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement are qualified in their entirety by the definitive forms thereof. Copies of the documents are available for inspection at the office of RBC Capital Markets, LLC at 455 Patroon Creek Boulevard, Suite 207, Albany, New York 12206 and, after delivery of the Series 2014A Bonds to the Underwriters (as defined herein), at the principal corporate trust office of the Trustee currently located at 101 Barclay Street, Floor 7W, New York, New York 10286.

THE SERIES 2014A BONDS

Authorization

The Series 2014A Bonds are authorized to be issued pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “State”), as amended (the “Act”), the Issuer’s Certificate of Incorporation and the Resolution.

General

The Series 2014A Bonds will mature on June 1 of the years and in the amounts shown on the inside cover page hereof. The Series 2014A Bonds will bear interest payable on December 1, 2014, and semi-annually thereafter on each June 1 and December 1 at the rates per annum set forth on the inside cover hereof. The Series 2014A Bonds shall be issued without coupons in the denomination of \$5,000, or any integral multiple of \$5,000 in excess thereof.

The Series 2014A Bonds will be issued in fully registered form and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository (the “Securities Depository”) for the Series 2014A Bonds. Purchasers will not receive certificates representing their interest in the Series 2014A Bonds. See “Book-Entry Only System” herein.

Subject to the provisions of the Indenture, the principal of and premium, if any, on the Series 2014A Bonds shall be payable in lawful money of the United States of America at the Office of the Trustee, or of its successor in trust. Interest on Series 2014A Bonds due on any Bond Payment Date shall be payable to the Person in whose name such Series 2014A Bond is registered at the close of business on the Regular Record Date with respect to such Bond Payment Date, irrespective of any transfer or exchange of such Series 2014A Bond subsequent to such Regular Record Date and prior to such Bond Payment Date, unless the Issuer shall default in the payment of interest due on such Bond Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such Series 2014A Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the Owners of Series 2014A Bonds not less than fifteen (15) days preceding such Special Record Date. Such notices shall be mailed to the Persons in whose name the Series 2014A Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on the Series 2014A Bonds will be made by (i) check or draft mailed to the address of the Person in whose name such Series 2014A Bonds are registered, as such address appears on the registration books maintained by the Trustee, or (ii) at such other address furnished to the Trustee in writing by the Holder at least five (5) Business Days prior to the date of payment, or at the election of an Owner of at least \$1,000,000 aggregate principal amount of Series 2014A Bonds, by bank wire transfer to a bank account maintained by such Owner in the United States of America designated in written instructions delivered to the Trustee at least five (5) Business Days prior to the date of such payment, which written instructions may relate to multiple Bond Payment Dates.

Redemption Prior to Maturity

Extraordinary Redemption Without Premium. The Series 2014A Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the College (which option shall be exercised upon the giving of notice by the College to the Issuer and the Trustee of its intention to prepay all amounts due under the Loan Agreement), as a whole, on any date, at a Redemption Price equal to one hundred percent (100%) of the unpaid principal amount thereof, plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) Damage or destruction of all or any part (if damage or destruction of such part causes the College to be impracticable to continue to carry out its normal operations) of the College’s operating assets as evidenced by an opinion of an Independent Engineer filed with the Issuer and the

Trustee that (a) the damaged or destroyed operating asset(s) cannot be reasonably restored within a period of one (1) year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the College is thereby prevented or likely to be prevented from carrying on its normal operations for a period of one (1) year from the date of such damage or destruction or (c) the restoration cost of such assets would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(ii) Title to, or the temporary use of, all or substantially all of the College's operating assets shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the College being thereby prevented or likely to be prevented from carrying on its normal operations for a period of one (1) year from the date of such taking or condemnation, as evidenced by an opinion of an Independent Engineer filed with the Issuer and the Trustee; or

(iii) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the College, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein.

If the Series 2014A Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the College is required under the Loan Agreement to deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the College stating that, as a result of the occurrence of the event giving rise to such redemption, the College has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

Optional Redemption. The Series 2014A Bonds maturing after June 1, 2024 are subject to redemption by the Issuer at the option of the College on or after June 1, 2024, in whole or in part at any time, at the Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest to the Redemption Date, upon receipt of notice from the Issuer, or the College on behalf of the Issuer, directing such redemption, which notice shall be sent to the Trustee at least thirty (30) days prior to the Redemption Date or such fewer number of days as shall be acceptable to the Trustee and shall specify (i) the principal amount of Series 2014A Bonds so to be called for redemption, and (ii) the applicable Redemption Price.

Mandatory Sinking Fund Redemption. The Series 2014A Bonds maturing on June 1, 2029 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

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<u>Sinking Fund Redemption Dates (June 1)</u>	<u>Sinking Fund Redemption Amounts</u>
2025	\$400,000
2026	420,000
2027	445,000
2028	465,000
2029*	490,000

*Maturity date

The Series 2014A Bonds maturing on June 1, 2034 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

<u>Sinking Fund Redemption Dates (June 1)</u>	<u>Sinking Fund Redemption Amounts</u>
2030	\$515,000
2031	545,000
2032	575,000
2033	610,000
2034*	645,000

*Maturity date

The Series 2014A Bonds maturing on June 1, 2039 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

<u>Sinking Fund Redemption Dates (June 1)</u>	<u>Sinking Fund Redemption Amounts</u>
2035	\$680,000
2036	720,000
2037	760,000
2038	805,000
2039*	850,000

*Maturity date

The Series 2014A Bonds maturing on June 1, 2044 shall be subject to mandatory redemption on the sinking fund redemption dates and in the sinking fund redemption amounts set forth in the following table, at a Redemption Price equal to 100% of the principal amount thereof being redeemed plus accrued interest to the Redemption Date:

<u>Sinking Fund Redemption Dates (June 1)</u>	<u>Sinking Fund Redemption Amounts</u>
2040	\$895,000
2041	940,000
2042	990,000
2043	1,040,000
2044*	1,090,000

*Maturity date

Notice of Redemption

When Series 2014A Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Series 2014A Bonds stating: (1) the Series 2014A Bonds to be redeemed; (2) the Redemption Date; (3) that such Series 2014A Bonds will be redeemed at the Office of the Trustee; (4) that on the Redemption Date there shall become due and payable upon each Series 2014A Bond to be redeemed the Redemption Price thereof in accordance with the Indenture; and (5) that from and after the Redemption Date interest thereon shall cease to accrue. With respect to any optional redemption under the Indenture, any such notice of redemption may state that the redemption is conditioned upon receipt by the Trustee, on or prior to the Redemption Date, of moneys sufficient, together with any other moneys held by the Trustee and available therefor, to pay on the Redemption Date the Redemption Price of the Series 2014A Bonds to be redeemed, and that if such moneys are not received on or prior to such Redemption Date, such notice shall be of no force or effect and such Series 2014A Bonds shall not be required to be redeemed. The Trustee shall mail a copy of such notice postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the Redemption Date, to each Holder at the address of such Holder appearing on the registration books of the Issuer maintained by the Trustee, as Bond Registrar. Such mailing shall not be a condition precedent to such redemption, and failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Series 2014A Bonds.

Partial Redemption of Series 2014A Bonds

Upon surrender of any Series 2014A Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder thereof a new Series 2014A Bond or Series 2014A Bonds in an aggregate principal amount equal to the unredeemed portion of the Series 2014A Bond surrendered.

Selection of Bonds for Redemption

If less than all Series 2014A Bonds of the same maturity are to be redeemed, the Series 2014A Bonds of such maturity to be called for redemption shall be selected by lot. If less than all of the Series 2014A Bonds of different maturities are to be redeemed, the Series 2014A Bonds to be redeemed shall be as directed by the College in writing, or if no such written direction is received by the Trustee, the principal amount of such redemption shall be applied in inverse order of maturity and by lot within a maturity.

Book Entry Only System

Unless otherwise noted, the description that follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2014A Bonds, payment of interest and other payments on the Series 2014A Bonds to DTC Participants or Beneficial Owners of the Series 2014A Bonds, confirmation and transfer of beneficial ownership interests in the Series 2014A Bonds and other bond-related transactions by and between DTC, the DTC Participants and Beneficial Owners of the Series 2014A Bonds is based solely on information furnished by DTC for inclusion in this Official Statement. Accordingly, the Issuer, the College, the Trustee and the Underwriters do not and cannot make any representations concerning these matters.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2014A Bonds. The Series 2014A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2014A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instrument 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 Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2014A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered

into the transaction. Transfers of ownership interests in the Series 2014A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014A Bonds, except in the event that use of the book-entry system for the Series 2014A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2014A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2014A Bonds may wish to ascertain that the nominee holding the Series 2014A 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 the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2014A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2014A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2014A 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 Trustee on 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 nor its nominee, Trustee, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by

an authorized representative of DTC) is the responsibility of Issuer or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014A Bonds at any time by giving reasonable notice to Issuer or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, then the Series 2014A Bonds shall no longer be restricted to being registered in the name of the nominee, but shall be registered in whatever name or names Owners transferring or exchanging Series 2014A Bonds shall designate, in accordance with the provisions of the Indenture.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2014A 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 Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE COLLEGE, THE UNDERWRITERS 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 DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OR INTEREST ON THE SERIES 2014A BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDOWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2014A BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2014A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS OR REGISTERED HOLDERS OF THE SERIES 2014A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2014A BONDS.

Additional Bonds, Parity Obligations, Parity Mortgages and Amendments

Additional Bonds. In accordance with the Indenture, the Issuer may issue Additional Bonds under the Indenture from time to time on a pari passu basis with the Series 2014A Bonds to (1) pay the cost of completing the Project or to reimburse expenditures of the College for any such costs, (2) pay the cost of Capital Additions or to reimburse expenditures of the College for any such cost, (3) pay the cost of refunding through redemption of any Outstanding Bonds issued under the Indenture and subject to such redemption, or (4) pay the cost of any additional project approved by the Issuer.

Pursuant to the Indenture, prior to issuance of any such Additional Bonds, the College must deliver to the Trustee certain items, including, but not limited to, a certificate of an Authorized Representative of the College (a) evidencing that the College's Maximum Annual Debt Service on all

outstanding and proposed Indebtedness is less than ten percent (10%) of the College's Unrestricted Operating Revenues as stated in the College's most recently available audited financial statements and (b) containing pro forma calculations showing a Debt Service Coverage Ratio of 1:00 to 1:00 or higher for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the Additional Bonds proposed to be issued. For a complete list of conditions precedent to the issuance of Additional Bonds, see "APPENDIX D – Summary of Certain Provisions of the Indenture" herein.

Subject to compliance with the terms of the Pledge and Security Agreement, such Additional Bonds may be secured on a parity basis with the Lien on the Pledged Revenues granted by the Pledge and Security Agreement, the Series 2011 Revenue Pledge and the Series 2012 Revenue Pledge.

Parity Obligations. Pursuant to the Pledge and Security Agreement, the College may issue, incur or assume Long-Term Indebtedness secured by a Lien on Pledged Revenues (each, a "Parity Obligation"), which in the event of any default and acceleration or claim on the Pledged Revenues is pari passu with the Lien on the Pledged Revenues granted by the Pledge and Security Agreement, the Series 2011 Revenue Pledge and the Series 2012 Revenue Pledge, provided (1) such Long-Term Indebtedness refunds or refinances all or a portion of the Series 2014A Bonds, or (2) (a) the College provides to the Trustee a certificate of an Authorized Representative of the College containing pro forma calculations demonstrating that the Maximum Annual Debt Service on the College's Indebtedness, including such Long-Term Indebtedness, does not exceed ten percent (10%) of the amount of its unrestricted operating revenues as reported for the most recently concluded Fiscal Year for which audited financial statements are available, and (b) the College provides to the Trustee a certificate of an Authorized Representative of the College containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.00:1.00 or higher for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the additional Long-Term Indebtedness proposed to be issued. See "APPENDIX F – Summary of Certain Provisions of the Pledge and Security Agreement" herein.

Parity Mortgages. Pursuant to the Mortgage, the College may, from time to time, issue, incur or assume Long-Term Indebtedness secured by a lien on real property owned as of the date of the Mortgage or thereafter acquired of the College and/or real property subject to a ground lease from the College to the Company, including the Mortgaged Premises, which in the event of a default, and acceleration or claim on the Mortgaged Premises is pari passu with the lien on the Mortgaged Premises granted by the Mortgage and the 2012 Mortgage (individually, a "Permitted Mortgage" and collectively, the "Permitted Mortgages") provided (i) such Long-Term Indebtedness refunds or refinances all or a portion of the Series 2014A Bonds, or (ii) (A) the College provides to the Trustee a certificate of an Authorized Representative of the College demonstrating that the Value (as defined in the Mortgage) of the Mortgaged Premises is not less than 1.00 x the then outstanding principal amount of the Long-Term Indebtedness (including such Long-Term Indebtedness to be issued, incurred or assumed) secured by the Mortgage, the 2012 Mortgage and any Permitted Mortgage (collectively, the "Parity Mortgages") and (B) the lien of the Mortgage is spread to any Additional Property (as defined in the Mortgage) and/or the mortgagee of a Permitted Mortgage shall execute and deliver a form of intercreditor agreement entered into in accordance with the terms of the Mortgage, including but not limited to the Mortgage Intercreditor Agreement or amendment thereto, with respect to the Mortgaged Premises and such Permitted Mortgage shall be subject to the terms and conditions contained in such intercreditor agreement. See "APPENDIX G – Summary of Certain Provisions of the Mortgage" and "APPENDIX H – Summary of Certain Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement" herein.

Amendments with Respect to Additional Bonds, Parity Obligations and Parity Mortgages.

The Indenture provides, among other things, that without the consent of or notice to the Holders, the Issuer and the College may enter into, and the Trustee may consent to, any amendment, change or modification of the Pledge and Security Agreement, the Pledged Revenue Intercreditor Agreement, the Mortgage Intercreditor Agreement and/or any Parity Mortgage as may be required (i) in order to spread the lien of, or otherwise supplement, the Mortgage in connection with the issuance of Additional Bonds, (ii) in connection with the issuance of Parity Obligations in accordance with the Pledge and Security Agreement or to spread the Lien of, or otherwise supplement, the Parity Mortgage or the Pledged Revenue Intercreditor Agreement in connection with the issuance of Parity Obligations or (iii) in connection with the creation or modification of any Parity Mortgage in accordance with the Parity Mortgage or to spread the Lien of, or otherwise supplement, any Parity Mortgage or the Mortgage Intercreditor Agreement in connection with the creation or modification of any Parity Mortgage. See “APPENDIX D – Summary of Certain Provisions of the Indenture” herein.

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ANNUAL DEBT SERVICE ON THE SERIES 2014A BONDS

The following table sets forth the long-term debt service requirements of the College for each Bond Year ending June 1 of the years shown for (i) the payment of the principal and Sinking Fund Payments on the Series 2014A Bonds, payable on June 1 of each such period and the interest payments coming due during each such period with respect to the Series 2014A Bonds, (ii) the estimated total aggregate debt service payments coming due during such period with respect to the Series 2014A Bonds and (iii) the total aggregate debt service payments on the other outstanding bonds of the College.

Bond Year Ending June 1	Series 2014A Bonds		Total Debt Service on Series 2014A Bonds	Total Debt Service on Other Outstanding Bonds ¹	Total Debt Service ²
	Principal	Interest			
2014	-	-	-	\$3,747,700	\$3,747,700
2015	\$255,000	\$1,024,161	\$1,279,161	3,752,550	5,031,711
2016	265,000	859,875	1,124,875	3,753,550	4,878,425
2017	275,000	851,925	1,126,925	3,764,500	4,891,425
2018	285,000	840,925	1,125,925	3,766,300	4,892,225
2019	300,000	829,525	1,129,525	3,766,738	4,896,263
2020	315,000	814,525	1,129,525	3,765,438	4,894,963
2021	330,000	798,775	1,128,775	3,767,100	4,895,875
2022	345,000	782,275	1,127,275	3,771,100	4,898,375
2023	365,000	765,025	1,130,025	3,769,881	4,899,906
2024	385,000	746,775	1,131,775	2,171,225	3,303,000
2025	400,000	727,525	1,127,525	2,184,631	3,312,156
2026	420,000	707,525	1,127,525	1,083,100	2,210,625
2027	445,000	686,525	1,131,525	1,087,100	2,218,625
2028	465,000	664,275	1,129,275	1,091,300	2,220,575
2029	490,000	641,025	1,131,025	1,092,800	2,223,825
2030	515,000	616,525	1,131,525	1,091,600	2,223,125
2031	545,000	588,200	1,133,200	1,092,700	2,225,900
2032	575,000	558,225	1,133,225	1,095,800	2,229,025
2033	610,000	526,600	1,136,600	1,095,600	2,232,200
2034	645,000	493,050	1,138,050	1,097,100	2,235,150
2035	680,000	457,575	1,137,575	-	1,137,575
2036	720,000	420,175	1,140,175	-	1,140,175
2037	760,000	380,575	1,140,575	-	1,140,575
2038	805,000	338,775	1,143,775	-	1,143,775
2039	850,000	294,500	1,144,500	-	1,144,500
2040	895,000	247,750	1,142,750	-	1,142,750
2041	940,000	203,000	1,143,000	-	1,143,000
2042	990,000	156,000	1,146,000	-	1,146,000
2043	1,040,000	106,500	1,146,500	-	1,146,500
2044	1,090,000	54,500	1,144,500	-	1,144,500

¹ Consists of (a) the Series 2011 Bonds and (b) the Series 2012 Bonds. See "APPENDIX A – Certain Information Concerning the College – OUTSTANDING INDEBTEDNESS" herein.

² Totals may not add due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014A BONDS

Payment of the Series 2014A Bonds

The Series 2014A Bonds will be special and limited obligations of the Issuer. The principal, Redemption Price of and interest on the Series 2014A Bonds are payable solely from the revenues received by the Issuer pursuant to the Loan Agreement (other than with respect to the Unassigned Rights) and all funds and accounts (excluding the Rebate Fund) established by the Indenture. Pursuant to the Loan Agreement between the College and the Issuer, the College is obligated to make payments equal to debt service on the Series 2014A Bonds. Pursuant to the Pledge and Assignment, the Issuer has directed the College, and the College has agreed, to make such payments directly to the Trustee.

Security for the Series 2014A Bonds

General

The Series 2014A Bonds will be secured by (i) a pledge of payments to be made under the Loan Agreement, as assigned to the Trustee (except the Unassigned Rights) pursuant to the terms of the Assignment, (ii) a security interest in and lien on the Pledged Revenues pursuant to the Pledge and Security Agreement, (iii) a mortgage lien on, and security interest in, the Mortgaged Premises pursuant to the Mortgage, and (iv) all moneys and securities held from time to time by the Trustee for the Owners of the Series 2014A Bonds pursuant to the Indenture, including all Series 2014A Bond proceeds prior to disbursement pursuant to the terms of the Indenture (excluding the Rebate Fund).

The Pledge and Security Agreement

The payment obligation of the College under the Loan Agreement is secured by a pledge and security interest in the Pledged Revenues of the College pursuant to the Pledge and Security Agreement. The Pledged Revenues consist of all receipts, revenues, income and other money received by the College from any source and all rights to receive the same (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the College; provided, however, that there shall be excluded from Pledged Revenues gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes, and the income derived therefrom, to the extent required by such designation. The security interest in and lien on the Pledged Revenues granted pursuant to the Pledge and Security Agreement is on a parity basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and with any future Parity Obligation as set forth in the Pledged Revenue Intercreditor Agreement. In addition, the Pledge and Security Agreement allows the College, in accordance therewith, to incur Parity Obligations in the future that may be secured by a lien on the Pledged Revenues on a parity basis with the pledge and security interest granted pursuant to the Pledge and Security Agreement, the Series 2011 Revenue Pledge and the Series 2012 Revenue Pledge. See “BONDHOLDERS’ RISKS,” “APPENDIX F – Summary of Certain Provisions of the Pledge and Security Agreement” and “APPENDIX H – Summary of Certain Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement” herein.

The Pledged Revenue Intercreditor Agreement

The Series 2014A Bonds are secured in part by a pledge to the Trustee of the security interest in the College's Pledged Revenues. The security interest in and lien on the Pledged Revenues granted pursuant to the Pledge and Security Agreement is on a parity basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and with any future Parity Obligations as set forth in the Pledged Revenue Intercreditor Agreement.

Upon the occurrence of an event of default and acceleration by any of the Series 2011 Trustee, the Series 2012 Trustee and the Trustee (collectively, the "Pledged Revenue Creditors") under any of the 2011 Bond Documents, the 2012A Bond Documents and the 2014A Bond Documents (each as defined in the Pledged Revenue Intercreditor Agreement and collectively herein, the "Pledged Revenue Financing Documents"), any claim held by each of the Pledged Revenue Creditors with respect to the Proceeds shall be *pari passu* (i.e., equal and ratable in right without regard to order of priority); the interests of each of the Pledged Revenue Creditors being co-equal and in proportion to the unpaid outstanding principal amount of the Series 2011 Bonds, the Series 2012 Bonds and the Series 2014A Bonds (net of any cash or investments held as security therefor), whether or not each such Pledged Revenue Creditor has accelerated repayment of such principal amount. The College has agreed, without impairing or otherwise limiting any other rights of any of the Pledged Revenue Creditors, that the occurrence of an event of default and acceleration of the obligations under any of the Pledged Revenue Financing Documents by any Pledged Revenue Creditor shall constitute an event of default under all of the other Pledged Revenue Financing Documents applicable to each other Pledged Revenue Creditor, and each other Pledged Revenue Creditor shall thereupon have the right, upon notice to the College, to accelerate repayment of all obligations owing under the Pledged Revenue Financing Documents applicable to such other Pledged Revenue Creditor, whether or not expressly stated in such applicable Pledged Revenue Financing Documents.

Upon the occurrence of an event of default and acceleration under any of the Pledged Revenue Financing Documents, a Pledged Revenue Creditor shall have the sole right to take any action, exercise any right granted to such Pledged Revenue Creditor and to pursue to the extent permitted by a Mortgage, remedies pursuant thereto, including the commencement and prosecution of a foreclosure action with respect to the Mortgage or any portion thereof. A Pledged Revenue Creditor shall have the sole right to any payment, recovery or other collection of proceeds realized from any remedial action taken with respect to the Mortgage and the mortgaged property (excluding the Pledged Revenues) and such Pledged Revenue Creditor shall bear sole responsibility for the costs, fees and expenses of such collection, including reasonable attorneys' fees directly related thereto.

If the College issues, incurs or assumes long-term indebtedness secured by a lien on the Pledged Revenues pursuant to additional financing documents, any holder of such Parity Obligation will be required to become a party to the Pledged Revenue Intercreditor Agreement and to subject the net proceeds of any Pledged Revenues realized from the College for such Parity Obligations to the terms of the Pledged Revenue Intercreditor Agreement. See "Appendix H – Summary of Certain Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement" herein.

The Mortgage

The College's obligations to the Issuer under the Loan Agreement are secured by the mortgage lien on and security interest in the Mortgaged Premises granted by the Mortgagor to the Issuer pursuant to the Mortgage, which Mortgage will be assigned by the Issuer to the Trustee pursuant to the Assignment of Mortgage. The Mortgage grants to the Issuer a mortgage lien on and security interest in the Mortgaged Premises. The Issuer will assign all of its rights under the Mortgage to the Trustee pursuant to the Assignment of Mortgage for the benefit of the Bondholders.

The lien of the Mortgage is on a parity basis with the 2012 Mortgage and shall automatically be *pari passu* with the lien of other Permitted Mortgages which may, from time to time, be delivered by the College and/or the Company in accordance with the Mortgage. All monies received by the Trustee under the terms of the Mortgage shall be shared *pro rata* with all holders of any future Permitted Mortgages granted by the College and/or the Company on all or a portion of the Mortgaged Premises in accordance with the Mortgage. The Trustee, under the Indenture, is authorized to execute and deliver such documents (including, but not limited to, an amendment to the Mortgage Intercreditor Agreement) as may be required by the holder of any Permitted Mortgage to evidence that the Lien of the Mortgage is *pari passu* with the lien of the other Permitted Mortgages executed and delivered in accordance with the Mortgage. See "APPENDIX G – Summary of Certain Provisions of the Mortgage" herein.

The Mortgage Intercreditor Agreement

The Series 2014A Bonds are secured in part by a mortgage lien on and security interest in the Mortgaged Premises. The security interest in and mortgage lien on the Mortgaged Premises granted pursuant to the Mortgage is on a parity basis with the 2012 Mortgage and with any future Permitted Mortgages.

The liens of the 2012 Mortgage and the Mortgage shall be of equal priority with each other, and the proceeds of any recovery by either the Series 2012 Trustee or the Trustee (collectively, the "Mortgaged Premises Creditors") under any title insurance policy covering the Mortgaged Premises shall be applied on a *pro rata* basis in accordance with the Mortgage Intercreditor Agreement. Any claim held by each of the Mortgaged Premises Creditors with respect to the proceeds of a Foreclosure (as defined in the Mortgage Intercreditor Agreement) on the Mortgaged Premises shall be *pari passu* (i.e., equal and *ratable in right* without regard to order of priority); the interests of each of the Mortgaged Premises Creditors being *co-equal* and in proportion to the unpaid outstanding principal amount of the Series 2012 Bonds and the Series 2014A Bonds (net of any cash or investments held as security therefor), whether or not each such Mortgaged Premises Creditor has accelerated repayment of such principal amount. The College has agreed, without impairing or otherwise limiting any other rights of any of the Mortgaged Premises Creditors, that the occurrence of an event of default and acceleration of the obligations under any of the 2012A Bond Documents and the 2014A Bond Documents (each as defined in the Mortgage Intercreditor Agreement and collectively herein, the "Mortgaged Premises Financing Documents") by any Mortgaged Premises Creditor shall constitute an event of default under all of the other Mortgaged Premises Financing Documents applicable to each other Mortgaged Premises Creditor and each other Mortgaged Premises Creditor shall thereupon have the right, upon notice to the College, to accelerate repayment of all obligations owing under the Mortgaged Premises Financing Documents applicable to such other Mortgaged Premises Creditor, whether or not expressly stated in such applicable Mortgaged Premises Financing Documents.

Each of the Mortgaged Premises Creditors may commence an action or proceeding to Foreclose, and Foreclose the lien of any or all of the 2012 Mortgage or the Mortgage on the Mortgaged Premises whenever, and to the extent permitted under, the relevant Mortgaged Premises Financing Documents. Each other Mortgaged Premises Creditor may, if it is then entitled to, independently commence an action or proceeding to Foreclose on the Mortgaged Premises, join in any action or proceeding commenced by the other Mortgaged Premises Creditor to Foreclose on any of the applicable Mortgaged Premises, and, to the extent practicable, shall confer in good faith so as to determine a mutually agreeable course of action in connection with such action or proceeding to Foreclose.

If the College issues, incurs or assumes long-term indebtedness secured by a lien on the Mortgaged Premises pursuant to additional financing documents, any holder of such Parity Obligation will be required to become a party to the Mortgage Intercreditor Agreement and to subject the net proceeds of any Parity Mortgage realized from the College and/or the Company for such Parity Mortgage to the terms of the Mortgage Intercreditor Agreement. See “THE SERIES 2014A BONDS – Additional Bonds, Parity Obligations, Parity Mortgages and Amendments” and “Appendix H – Summary of Certain Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement” herein.

Debt Service Coverage Ratio

The College has covenanted in the Loan Agreement to maintain a Debt Service Coverage Ratio (as defined in the Loan Agreement) of at least 1.00:1.00 so long as any Series 2014A Bonds are outstanding. Compliance with this Debt Service Coverage Ratio covenant will be tested annually commencing with the Fiscal Year ending May 31, 2014 on the basis of the College’s audited financial statement for the preceding Fiscal Year. Notwithstanding anything to the contrary, only a failure to maintain the Debt Service Coverage Ratio for two consecutive years shall constitute an Event of Default.

The College’s Debt Service Coverage for the past five fiscal years is presented in the table below.

	<u>2009*</u>	<u>2010*</u>	<u>2011*</u>	<u>2012*</u>	<u>2013**</u>
Operating Revenue	\$ 74,029,839	\$ 78,701,385	\$ 83,646,619	\$ 86,350,981	\$ 90,242,648
Operating Expenses Less Depreciation, Amortization and Accretion, and Interest	62,020,264	63,393,681	66,537,622	69,620,103	73,213,564
Net Operating Income	\$ 12,009,575	\$ 15,307,704	\$ 17,108,997	\$ 16,730,878	\$ 17,029,084
Debt Service	\$ 4,845,585	\$ 4,370,776	\$ 4,457,080	\$ 4,961,624	\$ 3,993,115
Debt Service Coverage	2.48	3.50	3.84	3.37	4.26

* Reflects consolidated financial results for the College and the Company.

** Reflects consolidated financial results for the College, the Company and Prime Care.

THE ISSUER

The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and existing under Section 1411 of the Not-for-Profit Corporation Law of the State, as amended (the “Act”), having an office for the transaction of business at 50 West Main Street, Suite 8100, Rochester, New York 14614. The Issuer has the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest. The Act further authorizes the Issuer to issue its bonds and loan the proceeds thereof for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to pledge certain revenues and receipts to secure the payment of such bonds and interest thereon.

The Issuer has no power of taxation.

The Series 2014A Bonds are special and limited obligations of the Issuer, payable solely as provided in the Indenture.

THE SERIES 2014A BONDS ARE NEITHER A GENERAL OBLIGATION OF THE ISSUER, NOR A DEBT OR INDEBTEDNESS OF MONROE COUNTY, NEW YORK OR THE STATE OF NEW YORK AND NEITHER MONROE COUNTY, NEW YORK NOR THE STATE OF NEW YORK WILL BE LIABLE THEREON.

THE PROJECT

The proceeds of the Series 2014A Bonds, together with any other available funds of the College, will be used for the purpose of financing a project (the “Project”) consisting of: (A)(i) the acquisition, construction and equipping on the Campus of an approximately 30,750 square-foot two-story addition to the existing approximately 61,700 square-foot Joseph S. Skalny Science Center facility (the “Skalny Science Center”) to house the College’s academic programming to serve its science, nursing and pharmacy students and faculty and provide laboratory space, classroom space, faculty/student research space and faculty offices, together with ancillary and related facilities and improvements, and related site improvements and landscaping improvements (collectively, the “Skalny Science Center Addition Improvements”) and (ii) the renovation, equipping and modernization of the existing Skalny Science Center for purposes of providing for enlarged and/or updated laboratory space and/or space for such other instructional purposes (collectively, the “Skalny Science Center Renovation Improvements”, and collectively with the Skalny Science Center Addition Improvements, the “Skalny Science Center Improvements”); (B)(i) the acquisition, construction and equipping on the Campus of an approximately 5,800 square-foot one-story addition to the existing approximately 105,200 square-foot Ralph C. Wilson, Jr. Athletic Center and Manning & Napier Varsity Gym facility (collectively, the “Athletic Center”) to house the College’s additional athletic coaching offices and staff, together with ancillary and related facilities and improvements, and related site improvements and landscaping improvements (collectively, the “Athletic Center

Addition Improvements”) and (ii) the renovation, equipping and modernization of the existing Athletic Center for purposes of providing for enlarged and/or updated locker room space and expansion of the general fitness area (collectively, the “Athletic Center Renovation Improvements”, and collectively with the Athletic Center Addition Improvements, the “Athletic Center Improvements”); (C) the renovation, equipping and modernization of various buildings and facilities throughout the Campus (collectively, the “Miscellaneous Improvements”, and collectively with the Skalny Science Center Improvements and the Athletic Center Improvements, the “Improvements”); (D) the acquisition and installation in and around the Improvements of certain items of machinery, equipment, fixtures, furniture and other incidental tangible personal property (collectively, the “Equipment”, together with the Improvements, the “Facility”); and (E) the payment of certain costs of issuance of the Series 2014A Bonds (items (A) through (E) hereinafter referred to as “Project Costs”).

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds are expected to be used as follows:

Estimated Sources of Funds

Par Amount of Series 2014A Bonds	\$17,000,000
Original Issue Premium	<u>863,924</u>
Total Sources of Funds	\$17,863,924

Estimated Uses of Funds

Deposit to Project Fund	\$17,319,196
Costs of Issuance*	<u>544,728</u>
Total Uses of Funds	\$17,863,924

*Includes Issuer’s fee, Underwriters’ discount, printing costs, fees and expenses of the Trustee, fees of the rating agency, legal fees and costs and other miscellaneous costs of issuance, including a rounding amount.

BONDHOLDERS’ RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2014A Bonds. Such discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2014A Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement.

General

The Series 2014A Bonds are payable from payments to be made by the College under the Loan Agreement. The ability of the College to comply with its obligations under the Loan Agreement depends primarily upon the ability of the College 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 College 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 College will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the College 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 2014A Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the College to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the College to provide the services required by students, economic developments in the Rochester, 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 College to provide for payments. The future financial condition of the College 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 83% of the College's undergraduate students receive some form of financial assistance from the College. 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 College.

Investment Income

The College's endowment funds are professionally managed by outside asset management firms. Committees of the Board of Trustees 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 College, 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 College's endowment funds and the payout therefrom are available for debt service payments on the Series 2014A 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 College has raised funds to finance its operations and capital development programs from a variety of benefactors and, in particular, will be raising funds to finance, in part, the Project. 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 College is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff, maintenance and other types of workers in a single operation. As with all large employers, the College 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 College. 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 College by requiring it to pay income or real property taxes (or other *ad valorem* taxes).

Maintenance of 501(c)(3) Status

The federal tax-exempt status of the Series 2014A Bonds presently depends upon maintenance by the College of its status as an organization described in Section 501(c)(3) of the Code. The College qualifies as a tax-exempt organization described in Section 501(c)(3) of the Code. To maintain such status, the College must conduct its operations in a manner consistent with representations previously made to the IRS and with current and future IRS regulations and rulings.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the College to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2014A Bonds. Although the College has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on such organization and its operations and could result in the includability of interest on the Series 2014A Bonds in gross income for federal income tax purposes retroactive to their date of issue. See “TAX MATTERS” herein.

The tax-exempt status of nonprofit corporations, and the exclusion of income earned by them from taxation, has been the subject of review by various federal, state and local legislative, regulatory and judicial bodies. This review has included proposals to broaden and strengthen existing federal tax law with respect to unrelated business income of nonprofit corporations.

There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the College by requiring it to pay income, real estate or other taxes.

The status of the College as an organization described under Section 501(c)(3) of the Code is one of the bases for the exemption afforded the Series 2014A Bonds from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). Should the College lose its status under Section 501(c)(3) of the Code, the holder of the Series 2014A Bonds could be precluded from selling the Series 2014A Bonds absent the application of a separate exemption from the registration requirements of the Securities Act.

Tax Matters

See “TAX MATTERS” herein for additional tax-related risks with respect to the Series 2014A Bonds.

Tax Audits

Taxing authorities have recently been conducting tax audits on non-profit organizations to confirm that such organizations are in compliance with applicable tax rules and in some instances have collected significant payments as part of the settlement process. The College is not currently under audit.

Additional Bonds

Additional Bonds (as defined in the Indenture) may be issued under the Indenture on a pari passu basis with the Series 2014A Bonds. See “APPENDIX D - Summary of Certain Provisions of the Indenture” herein.

Pledged Revenues and the Pledged Revenue Intercreditor Agreement

The Series 2014A Bonds are secured in part by a security interest in and lien on the Pledged Revenues pursuant to the Pledge and Security Agreement. The security interest in and lien on the Pledged Revenues granted pursuant to the Pledge and Security Agreement is on a parity basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and with any future Parity Obligations as set forth in the Pledged Revenue Intercreditor Agreement. See “APPENDIX F – Summary of Certain Provisions of the Pledge and Security Agreement” and “APPENDIX H – Summary of Certain Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement” herein.

Parity Mortgages and the Mortgage Intercreditor Agreement

The Series 2014A Bonds are secured in part by a mortgage lien on and security interest in the Mortgaged Premises pursuant to the Mortgage. The mortgage lien on and security interest in the Mortgaged Premises granted pursuant to the Mortgage is on a parity basis with the mortgage lien on and security interest in the Mortgaged Premises granted pursuant to the 2012 Mortgage and with any future Parity Mortgages as set forth in the Mortgage Intercreditor Agreement. See “APPENDIX G – Summary of Certain Provisions of the Mortgage” and “APPENDIX H – Summary of Certain

Provisions of the Pledged Revenue Intercreditor Agreement and the Mortgage Intercreditor Agreement” herein.

Certain Matters Relating to Enforceability of the Indenture and Loan Agreement

The obligation of the College 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 College 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 College should file a plan of reorganization (“Plan”), when confirmed by the court, the 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 2014A Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2014A Bonds. From time to time there may be no market for the Series 2014A 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 College’s capabilities and the financial condition and results of operations of the College.

No Debt Service Reserve Fund for the Series 2014A Bonds

There is no Debt Service Reserve Fund securing the Series 2014A Bonds.

CONTINUING DISCLOSURE OBLIGATIONS

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2014A Bonds and the Issuer will not provide any such information. In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the United States Securities and Exchange Commission (the “SEC”), the College has undertaken all

responsibilities for any continuing disclosure to Bondholders as provided below, and the Issuer shall have no liability with respect to such disclosures.

The College has covenanted for the benefit of Bondholders to provide certain financial information and operating data relating to the College by not later than one hundred fifty (150) days after the close of its fiscal year in each year commencing with the fiscal year ending May 31, 2014 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events, and the circumstances under which changes to this continued disclosure undertaking may be made, are contained in the Continuing Disclosure Agreement, a copy of which may be obtained from the College upon written request. This undertaking has been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5).

The College and the Series 2011 Trustee are parties to a Continuing Disclosure Agreement dated May 1, 2011 with respect to the Series 2011 Bonds (the "Series 2011 Continuing Disclosure Agreement"). The College and the Series 2012 Trustee are parties to a Continuing Disclosure Agreement dated as of June 1, 2012 with respect to the Series 2012 Bonds (the "Series 2012 Continuing Disclosure Agreement" and together with the Series 2011 Continuing Disclosure Agreement, the "Prior Continuing Disclosure Agreements"). Pursuant to the Series 2011 Continuing Disclosure Agreement, the College was required to file its annual report of operating information and data for the fiscal year ending May 31, 2011 (the "2011 Annual Report") with respect to the Series 2011 Bonds. While the 2011 Annual Report was delivered by the College to the Series 2011 Trustee on October 24, 2011 for purposes of filing with EMMA, the 2011 Annual Report was inadvertently not filed by the Series 2011 Trustee. Upon becoming aware that the 2011 Annual Report had not been filed, the College filed the 2011 Annual Report with EMMA on December 13, 2012.

Pursuant to the Prior Continuing Disclosure Agreements, the College was required to file its audited financial statements (the "2012 Financial Statements") and annual report of operating information and data for the fiscal year ending May 31, 2012 (the "2012 Annual Report") with EMMA not later than 150 days after the end of such fiscal year with respect to the Series 2011 Bonds and the Series 2012 Bonds. While the College provided the 2012 Financial Statements and the 2012 Annual Report to the Series 2011 Trustee and the Series 2012 Trustee, respectively, on October 26, 2012 for purposes of filings with EMMA, such filings were delayed due to the effects of Hurricane Sandy and were not filed by either the Series 2011 Trustee or the Series 2012 Trustee. Upon becoming aware that these filings had not been made with EMMA, the College filed the 2012 Financial Statements and the 2012 Annual Report with respect to the Series 2011 Bonds and the Series 2012 Bonds with EMMA on December 13, 2012.

The College is currently in compliance with its continuing disclosure obligations with respect to the Series 2011 Bonds and the Series 2012 Bonds and intends to timely file with EMMA the required annual operating data and financial information under the Prior Continuing Disclosure Agreements.

Requests for information in connection with this undertaking should be directed to St. John Fisher College, 3690 East Avenue, Rochester, New York 14618, Attention: Vice President for Financial Affairs and Chief Financial Officer.

TAX MATTERS

Federal Income Taxes

In the opinion of Harris Beach PLLC, Bond Counsel to the Issuer, and subject to the limitations set forth below, under existing statutes, regulations, administrative rulings and court decisions as of the date of such opinion, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. Furthermore, Bond Counsel is of the opinion that interest on the Series 2014A Bonds is not an “item of tax preference” for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2014A Bonds is included in “adjusted current earnings” for purposes of calculating the federal alternative minimum tax imposed on certain corporations. Corporate purchasers of the Series 2014A Bonds should consult with their tax advisors regarding the computation of any alternative minimum tax liability.

The Series 2014A Bonds maturing on June 1 in the years 2015 through 2024, inclusive, 2029, 2034 and 2039 (collectively, the “Premium Bonds”) are being offered at prices in excess of their principal amounts. As a result of the tax cost reduction requirements of the Code relating to amortization of bond premium, under certain circumstances, an initial owner of Premium Bonds may realize a taxable gain upon disposition of such Premium Bonds even though they are sold or redeemed for an amount equal to such owner’s original cost of acquiring such Premium Bonds. Owners of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2014A Bonds in order that interest on the Series 2014A Bonds be and remain excluded from gross income for federal income tax purposes, pursuant to Section 103 of the Code. These continuing requirements include certain restrictions and prohibitions on the use of the proceeds of the Series 2014A Bonds and the Project, restrictions on the investment of proceeds and other amounts and the rebate to the United States of certain earnings in respect of such investments. Failure to comply with such continuing requirements may cause the interest on the Series 2014A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2014A Bonds, irrespective of the date on which such noncompliance occurs. In the Indenture, the Loan Agreement, the Tax Compliance Agreement, and accompanying documents, the Issuer and the College have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinion of Bond Counsel described above is made in reliance upon, and assumes continuing compliance with, such covenants and procedures and the continuing accuracy, in all material respects, of such representations and certifications.

Bond Counsel expresses no opinion regarding any other federal income tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2014A Bonds. See “APPENDIX I – Form of Approving Opinion of Bond Counsel” herein.

In addition to the matters referred to in the preceding paragraphs, prospective purchasers of the Series 2014A Bonds should be aware that the accrual or receipt of interest on the Series 2014A Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences may depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Examples of such other federal income tax consequences of acquiring or holding the Series 2014A Bonds include, without limitation, that (i) with respect to certain insurance companies, the Code reduces the deduction for loss reserves by a portion of the sum of certain items, including interest on the Series 2014A Bonds, (ii) interest on the Series 2014A Bonds earned by certain foreign corporations doing business in the United States may be subject to a branch profits tax imposed by the Code, (iii) passive investment income, including interest on the Series 2014A Bonds, may be subject to federal income taxation under the Code for certain S corporations that have certain earnings and profits, and (iv) the Code requires recipients of certain Social Security and certain other federal retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Series 2014A Bonds. In addition, the Code denies the interest deduction for indebtedness incurred or continued by a taxpayer, including, without limitation, banks, thrift companies, and certain other financial companies to purchase or carry tax-exempt obligations, such as the Series 2014A Bonds. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors regarding any possible collateral consequences with respect to the Series 2014A Bonds.

Certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement, the Tax Compliance Agreement, and other relevant documents may be changed, and certain actions may be taken or omitted subsequent to the date of issue, under the circumstances and subject to the terms and conditions set forth in such documents or certificates, upon the advice of, or with the approving opinion of, a nationally recognized bond counsel. Bond Counsel expresses no opinion as to any tax consequences with respect to the Series 2014A Bonds, or the interest thereon, if such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Harris Beach PLLC.

State Income Taxes

In the opinion of Bond Counsel, under existing law, as of the date of the issuance of the Series 2014A Bonds, interest on the Series 2014A Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

It should be noted, however, that noncompliance with any of the federal income tax requirements set forth above resulting in the interest on the Series 2014A Bonds being included in gross income for federal tax purposes would also cause such interest to be subject to personal income taxes imposed by the State of New York or any political subdivision thereof.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Series 2014A Bonds.

Interest on the Series 2014A Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion as to the tax treatment of the Series 2014A Bonds under the laws of such other state or local jurisdictions. Each purchaser of the Series 2014A Bonds should consult his

or her own tax advisor regarding the taxable status of the Series 2014A Bonds in a particular jurisdiction other than the State of New York.

Other Considerations

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or omitted) or any events occurring (or not occurring) after the date of issuance of the Series 2014A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2014A Bonds.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Series 2014A Bonds to be subject to federal, State or local income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Series 2014A Bonds for audit examination, or the course or result of an audit examination of the Series 2014A Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Series 2014A Bonds. For example, President Obama has released various legislative proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series 2014A Bonds) for taxpayers whose income exceeds certain threshold levels. No prediction is made as to whether any such proposals will be enacted. Prospective purchasers of the Series 2014A Bonds should consult their own tax advisors regarding the foregoing matters.

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

ALL PROSPECTIVE PURCHASERS OF THE SERIES 2014A BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THESE AND OTHER FEDERAL AND STATE TAX CONSEQUENCES, AS WELL AS ANY LOCAL TAX CONSEQUENCES, OF PURCHASING OR HOLDING THE SERIES 2014A BONDS.

INDEPENDENT AUDITORS

The consolidated financial statements for the College and its subsidiaries as of and for the year ended May 31, 2013, set forth in Appendix B of this Official Statement, have been audited by Bonadio & Co., LLP, independent auditors, as set forth in their report thereon appearing in Appendix B of this Official Statement.

RATING

Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "BBB+" with a stable outlook to the Series 2014A Bonds. Such rating

reflects only the view of such organization and any desired explanation of the significance of such rating and outlook should be obtained from S&P. Such rating and outlook do not constitute a recommendation to buy, sell or hold the Series 2014A Bonds. There is no assurance that such rating or outlook will prevail for any given period of time, or that either will not be revised downward, or that the rating or outlook will not be withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating or outlook may have an adverse effect on the market price or marketability of the Series 2014A Bonds.

LITIGATION

The Issuer

There is not now pending nor, to the knowledge of the Issuer, threatened any litigation questioning or affecting the validity of the Series 2014A Bonds or the proceedings or authority under which the Series 2014A Bonds were issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present members or other officers of the Issuer to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the Issuer to execute and deliver the Indenture or the Loan Agreement.

The College

There is not now pending nor, to the knowledge of the College, threatened any litigation restraining or enjoining the execution or delivery of the Financing Documents (as defined in the Indenture) to which the College is a party or questioning or affecting the validity of such documents or the proceedings or authority under which such documents were authorized or delivered. Neither the creation, organization or existence of the College nor the title of any of the present members or other officers of the College to their respective offices is being contested. There is no litigation pending or, to its knowledge, threatened which in any manner questions the right of the College to enter into the Financing Documents to which the College is a party or which would have a material adverse effect on the ability of the College to meet its obligations under the Loan Agreement.

CERTAIN RELATIONSHIPS

Daniel J. Burns, a member of the Board of Trustees of the College, is the President of the Rochester Division of M&T Bank. M&T Securities, Inc. is serving as an underwriter in connection with the Series 2014A Bonds. Both M&T Bank and M&T Securities, Inc. are wholly owned subsidiaries of M&T Bank Corporation.

LEGAL MATTERS

All legal matters incident to the authorization and validity of the Series 2014A Bonds are subject to the approval of Harris Beach PLLC, Bond Counsel, whose approving opinion will be delivered with the Series 2014A Bonds. Certain legal matters will be passed upon for the Issuer by Harris Beach PLLC. Certain legal matters will be passed upon for the College by Nixon Peabody LLP. Certain legal matters will be passed upon for the Underwriters by Bond, Schoeneck & King, PLLC.

UNDERWRITING

RBC Capital Markets, LLC and M&T Securities, Inc. (collectively, the “Underwriters”) have agreed, subject to certain conditions, to purchase the Series 2014A Bonds from the Issuer. The Underwriters’ obligations are subject to certain conditions precedent, and, if these conditions are met, the Underwriters will be obligated to purchase all the Series 2014A Bonds if any of the Series 2014A Bonds are delivered at a purchase price of \$17,789,092.30 which represents the par amount of the Series 2014A Bonds plus a premium of \$863,924.15 less the underwriters’ discount of \$74,831.85. The Series 2014A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2014A Bonds into unit investment trusts) at prices lower than the public offering prices as set forth on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Series 2014A Bonds is to be construed as a contract with the holders of the Series 2014A Bonds.

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The Issuer and the College have authorized the execution and distribution of this Official Statement.

**MONROE COUNTY INDUSTRIAL
DEVELOPMENT CORPORATION**

By: /s/Judith Seil
Judith Seil
Executive Director

ST. JOHN FISHER COLLEGE

By: /s/Jacqueline S. DiStefano
Jacqueline S. DiStefano
Vice President for Financial Affairs
and Chief Financial Officer

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APPENDIX A

CERTAIN INFORMATION CONCERNING THE COLLEGE

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GENERAL

St. John Fisher College (the “College”) is an independent, liberal arts institution in the Catholic tradition of American higher education. Guided since its inception in 1948 by the educational philosophy of the Congregation of St. Basil, the College emphasizes liberal learning for students in traditional academic disciplines, as well as for those in more directly career-oriented fields. The College welcomes qualified students, faculty, and staff regardless of religious or cultural background.

The campus is situated on 154 picturesque acres in Pittsford, New York, a suburb of Rochester, New York, with modern buildings and a friendly campus community with a fall enrollment for the current academic year of 2,738 full-time and 231 part-time undergraduate students. The College offers 33 academic majors in the humanities, social sciences, sciences, business, and nursing, as well as 11 pre-professional programs. The College also offers 9 masters and three doctoral programs, in which approximately 569 and 459 students, respectively, are currently enrolled.

The Board of Regents of the University of the State of New York granted the College its absolute charter in 1955. First accreditation by the Middle States Association of Colleges and Secondary Schools occurred in 1957. The accreditation was most recently reaffirmed in 2011. The courses of instruction are registered with the Office of Higher Education of the State Education Department.

GOVERNANCE

Board of Trustees

The College is governed by a board of trustees (the “Board of Trustees”) comprised of not more than forty members. The Chair of the Faculty Assembly, the President of the Student Government Association, and the President of the Alumni Association are ex-officio members of the Board of Trustees. The other members are elected by the full Board of Trustees and serve three-year terms. The Board of Trustees is organized into the following committees:

Academic Affairs	Investment
Student Affairs, Safety and Security	Development
Enrollment Management	Governance
Faculty/Trustee Committee	Conflicts
Audit	Facilities
Finance	

Committees meet at varying times as circumstances warrant, while the full Board of Trustees normally holds four meetings each year. In addition to the Board of Trustees, the College also has honorary trustee members who advise the College on matters of community and institutional interest.

The members and positions held by the elected Board of Trustees are as follows:

Victor E. Salerno '66, Chair
Chief Executive Officer
O'Connell Electric Company

Carol Anthony (John) Davidson '76
Retired Senior VP, Controller, and CAO
Tyco International

Martin K. Birmingham, Vice Chair
President and CEO
Financial Institutions, Inc., and Five Star Bank

John A. DePeters '73
Senior Vice President of Store Operations
Wegmans Food Markets, Inc.

Donald E. Bain, Ph.D.
President
St. John Fisher College

M. Kevin Dugan '70
CEO
PrimePay/PrimeGroup South, Inc.

Ronald D. Billitier '88
President/Owner
Billitier Electric, Inc.

C. McCollister Evarts, M.D.
Former CEO
University of Rochester Medical Center

Christopher C. Booth
Chief Executive Officer
Excellus BlueCross BlueShield

Michael C. Goonan '75
Vice President and CFO
University of Rochester Medical Center

Thomas G. Bowles '71
Chief Executive Officer
Enesco, LLC

James P. Growney '66
Retired Chairman/CEO
C.P.U., Inc.

Russell H. Brandon '89
President and CEO
Buffalo Bills, Inc.

Ronald E. Hermance, Jr. '69
Chairman and CEO
Hudson City Bancorp, Inc.

Daniel J. Burns
President of the Rochester Division
Senior Vice President
M&T Bank Corporation

Paul H. Hewitt '85
Men's Basketball Coach
George Mason University

Charles A. Constantino '61
Former Executive Vice President
PAR Technology Corporation

William M. Hughes '62
CEO
HPA Consulting Group, Inc.

José J. Coronas
General Partner
Trillium Group

Donald E. Jeffries '74
President and CEO
VisitRochester

Rev. Albert Cylwicki, C.S.B.
Adjunct Professor of Mathematics
St. John Fisher College

John A. (Jack) Palvino
Retired Executive Vice President
The Lincoln Group

Jill Knittel '94
Chief Operating Officer
ER Associates

Martin L. Keating '75
Managing Director
Cantor Fitzgerald/CCRE

R. Wayne LeChase
Chairman
LeChase Construction Services, LLC

Mary V. Piehler '79
Director, Northeast Region
Absolute Software

Daniel N. Maxwell '66
Producer
Lawley Insurance

Ronald A. Pluta '79
Managing Partner
Calkins Corporate Park

Martin Mucci '81
President and CEO
Paychex, Inc.

Wanda Polisseni
Community Volunteer

Elizabeth Mullin-DiProsa
President and CEO
St. Ann's Community

Rev. Thomas Rosica, C.S.B. '80
CEO, Salt and Light Catholic Media
Foundation and President, Assumption
University, Windsor, Ontario

Diana L. Nole
President, Digital Medical Solutions
Carestream Health

Ferdinand J. Smith
CEO, Executive Creative Director
JAY Advertising

Michael A. O'Connor '78
Director, Management Consulting
Jordan & Jordan

Philip H. Yawman
Vice President & General Manager
Frontier Rochester Market

Administration

The College is administered on a day-to-day basis by the President and his staff. The principal administrative officers of the College are as follows:

Dr. Donald E. Bain, Ph.D., President. Dr. Bain was inaugurated on April 8, 2006 as the College's sixth President. Dr. Bain earned his Ph.D., master's and bachelor's degrees in history from the State University of New York at Buffalo. During his undergraduate studies, he was also a research assistant at Columbia University, and subsequent to his doctoral work he was an NEH summer fellow at Yale University. In 1986, Dr. Bain was awarded a graduate certificate from Harvard University in educational management. He has been a member of the College faculty

since 1975 and held the positions of assistant, associate, and full professor, History Department chair, Dean of Faculty, Director of the International Studies Master's Program, Provost & Dean of the College, and Acting President. Additionally, Dr. Bain was named Vice President for Administration in August 2003. He has twice received the College Award for Teaching Excellence. Dr. Bain is a member of the New York State Magistrates Association and currently serves as a member of the board of Holy Sepulchre Cemetery in Rochester and the Rochester Business Alliance. In addition, Dr. Bain is currently President of the Rochester Area Colleges (RAC) Presidents' Council.

Dr. Randall Krieg, Provost and Dean of the College. Dr. Krieg was named the Provost and Dean of the College on July 1, 2013. He came to the College after serving as Dean of Saint Joseph's College of Maine since 2007. Prior to that time, Dr. Krieg held several positions of increasing importance at St. Joseph's College New York, culminating in his role as Academic Dean of Arts and Sciences. Prior to St. Joseph's College New York, he was with the University of Mary in Bismarck, North Dakota, where he was a Professor in the Business Division, Director of Graduate Programs, and Assistant Vice President for Academic Affairs. Dr. Krieg earned his Ph.D. and master's degrees in Economics from the University of Colorado, Boulder. He also holds a bachelor's degree in Economics and Political Science from the University of Wisconsin, Madison. Dr. Krieg is a member of the American Conference of Academic Deans, the Association of American Colleges and Universities, the Association for Practical and Professional Ethics and the American Economic Association.

Dr. Gerard J. Rooney, Ph.D., Executive Vice President, Enrollment, Advancement, and Planning. Dr. Rooney earned his Ph.D. from the State University at Buffalo in the Department of Educational Leadership and Policy, Higher Education Program. He also holds a master's degree in educational administration and supervision from Fairfield University, and a bachelor's degree in sociology from Villanova University. Dr. Rooney joined the College in 1996 as Vice President of Enrollment Management and External Relations and thereafter was promoted to his current role. Dr. Rooney oversees the Divisions of Enrollment Management and Institutional Advancement. Dr. Rooney is a member of the New York State Association of College Admission Counseling and the National Catholic College Admission Association. He has also been a team member for the Middle State Commission on Higher Education.

Jacqueline S. DiStefano, C.P.A., Vice President for Financial Affairs and Chief Financial Officer. Ms. DiStefano was appointed Vice President for Financial Affairs and Chief Financial Officer in November 2012. Prior to joining the College, she served as Vice President for Finance and Administration at the State University of New York at New Paltz. Prior to her tenure at New Paltz, Ms. DiStefano held financial positions at Skidmore College, the University at Albany, Excelsior College, and the College of Nanoscale Science and Engineering at the University at Albany. She earned her bachelor's degree in accounting from Clarkson University. She is a member of the American Institute of Certified Public Accountants, the National Association of College and University Business officers and serves as the treasurer of the Upstate New York College Collaborative.

Dr. Richard DeJesús-Rueff, Ed.D., Vice President for Student Affairs & Diversity Initiatives. Dr. DeJesús-Rueff joined the College as Dean of Students in 1997. In September

2008 he was promoted to Vice President for Student Affairs & Diversity Initiatives. He has responsibility for the offices of Campus Life, Multicultural Affairs, Residential Life, the Wellness Center, and Student Conduct. Dr. DeJesús-Rueff came to the College from a position as Associate Dean of Students at the Philadelphia College of Textiles & Sciences, now known as Philadelphia University. He earned his doctorate and master's degrees in Counseling Psychology from Boston University and Temple University, respectively, and his undergraduate degree from Haverford College. Dr. DeJesus-Rueff is member of the Sustained Dialogue Campus Network, the NASPA Student Affairs Administrator in Higher Ed and serves on the boards of many youth and educational organizations in the Rochester community.

Fr. Joseph Lanzalaco, Director of Campus Ministry. Father Joseph Lanzalaco, C.S.B., is the Director of Campus Ministry at the College. Born and raised in Rochester, New York, Father Lanzalaco is an alumnus of Bishop Kearney High School, Monroe Community College, and St. John Fisher College, Class of 1983. After receiving his Masters of Divinity from the University of Toronto, he was ordained at Rochester's Church of the Annunciation in 1987. Father Lanazlaco also served in Vietnam from 1969-70 and was a member of the Military Police in Germany from 1977-1981. Following his ordination, he worked at Andrean High School in Indiana as a teacher of theology, women's softball coach, and Dean of Students. During his tenure in Indiana, Father Lanzalaco also served as Catholic Chaplain at Indiana State Prison, with a special ministry to death row inmates.

COLLEGE MISSION AND STRATEGIC PLANNING

In June 2012, the Board of Trustees approved the "Forward to the Future" Strategic Plan for 2012-2017 (the "Strategic Plan"). The Strategic Plan has identified six goal areas supported by strategies and tactics to guide the implementation of the plan. The six goal areas are:

- 1) Program Development and Curriculum Renewal
- 2) Cultivating Student Success through Academic Enrichment
- 3) Knowing Our World and Each Other
- 4) Recruitment and Market Expansion
- 5) Living and Learning Environments
- 6) Attaining Institutional Effectiveness

The President of the College created the Long-Range Planning and Budget Committee, comprised of faculty and staff and co-chaired by the Provost and Dean of the College and the Executive Vice President for Enrollment, Advancement, and Planning, for purposes of leading the implementation of the Strategic Plan.

FACILITIES

The College's facilities are located on approximately 154 park-like acres in Pittsford, New York, a suburb of Rochester. The north campus (approximately 104 acres) houses the principal academic, administrative, residential, and athletic facilities. The south campus (approximately 50 acres) consists of 2 separate sites. One site is located on approximately 47 acres and includes a residence building (Murphy Hall), baseball and softball fields, while the other site is located on approximately three acres, directly across from the main entrance of the north campus, and

consists of a 16,000-square-foot building used for graduate programs. It houses two classrooms equipped with multi-media computer technology and one classroom equipped with video conferencing capabilities.

Kearney Hall

Kearney Hall was the first building built on campus (1950). It contains 14 classrooms, 48 faculty offices, and a variety of administrative functions, including the offices of the President, Vice Presidents, student computer lab, the Business Office, Registrar, Financial Aid, and other student service offices in 84,200 square feet.

Academic Corridor

Forming three sides of the LeChase Commons, a courtyard located in the center of the College's campus, the academic corridor consists of the major academic buildings on campus. These buildings, which have been renovated at various times since construction, consist of the following:

- The Wegmans School of Pharmacy was dedicated in 2006 and consists of a 37,500 square-foot building containing classrooms, laboratories, a drug information center, and study group meeting rooms, as well as faculty/staff offices and several common areas. It serves as the western edge of the academic corridor and is connected to the Joseph S. Skalny Science Center by a two-story atrium.
- The Joseph S. Skalny Science Center was built in 1967 and consists of 61,700 square feet of laboratories for the Physics, Biology, Chemistry, and Psychology Departments, associated faculty offices, a large amphitheater-style classroom in the center of the building, and several smaller classrooms. It is connected to the Ralph C. Wilson, Jr. School of Education building.
- The Ralph C. Wilson, Jr. School of Education building was completed in August 2003 and houses the School of Education, which consists of 14 faculty offices, 4 classrooms, and a computer lab. This building is connected to St. Basil Hall.
- St. Basil Hall, originally completed in 1964, houses 8 classrooms, 32 faculty offices, and a series of academic support areas such as Media Services and Faculty Governance Office. It is attached to the William A. Fay Building and to Pioch Hall.
- The William A. Fay Building was dedicated in April 2008 and is located between Pioch and Basil Halls. The two-story building has nearly 5,000 square feet of space and contains faculty and staff offices for the Media and Communication Department, a seminar room, and a display area for memorabilia from William Fay's career in broadcasting.
- Pioch Hall was built in 1958 and contains 19,900 square feet of space and houses the Psychology department faculty and several classrooms. This building is connected to the Wegmans School of Nursing.

- The Wegmans School of Nursing was completed in 2007. It is a 41,000 square-foot state-of-the-art facility containing classrooms, teaching laboratories, computer labs, offices for faculty and administration, and the Wellness Center. The Wegmans School of Nursing Simulation Center, a 15,000 square-foot expansion to the building completed in the fall of 2013, provides for five simulation labs, observation rooms, and additional faculty offices to support a rising demand for the nursing programs at the College and the goal of increased enrollment in the program.
- The Golisano Academic Gateway is a three story, 10,000 square foot complex. The lower floor is devoted to the Cyber Café, an open multi-media meeting space that also serves light meals and specialty coffee drinks. The middle floor provides comfortable seating arrangements for socializing and group project work. The third floor houses the English, Math, and Journalism learning laboratories.
- The Victor E. Salerno Center for American Enterprise is a two-story 20,000 square foot building that is the home of the College's School of Business. Completed in the fall of 2013, the building features a mock trading floor with real-time, high technology linkage to international equity exchanges, high technology classrooms and computer labs, faculty offices, and informal gathering spaces to support student interaction and real world learning.

Lavery Library

Lavery Library (the "Library"), named after the College's second president, Fr. Charles J. Lavery, is a three-story brick building built in 1973, which forms the fourth side of the LeChase Commons. The Library houses the College's collection of art, print, and electronic media in 54,000 square feet of space. The Library's exterior was renovated in 2011.

Technology upgrades have been consistently applied to the Library, and its catalogs and database resources are now fully-accessible via the internet 24 hours a day/7 days a week. The Library is equipped with start-of-the-art computer equipment and instructional facilities. The Library is wireless on all three floors for those who wish to connect a laptop to the campus network. The Library houses over 200,000 print volumes, 28,000 audiovisual items, and 1,300 periodical subscriptions. Individual and group study areas, a computer lab, and a designated quiet floor make the library a popular spot on campus for research, meetings, and instruction.

The Library also houses both the Career Center and the Office of Information Technology on its first floor and provides many group project workspaces for the student body. In addition, it is fully staffed and provides research assistance for approximately 12 hours a day during the school year, with slightly fewer hours during the summer. The Library shares databases with other libraries all over the region, and can arrange to have materials delivered to the campus through an exchange program.

Joseph S. Skalny Welcome Center

The 17,500 square-foot Welcome Center opened in spring 2009 and houses the Offices of Freshman, Transfer, and Graduate Admissions, as well as the Development and Alumni Offices. It also contains a Trustees' board room and an art gallery.

Ralph C. Wilson, Jr. Athletic Center

The Ralph C. Wilson, Jr. Athletic Center, formerly known as the Student Life Center, houses a 30,000-square-foot open-span, multipurpose field house which hosts all the indoor intramural leagues, student recreational activities, and varsity team practices throughout the school year. A 19,000-square foot addition to the Ralph C. Wilson, Jr. Athletic Center accommodates team locker rooms, training rooms, a weight room, a fitness center, two racquetball courts, a sauna, and a whirlpool. It additionally houses team rooms, coaching offices and student recreational facilities.

Manning and Napier Varsity Gym

The Manning and Napier Varsity Gym (the "Varsity Gym") is a 20,600 square foot gymnasium built in 1963 that is used for basketball, volleyball, and social events. Recent improvements to the Varsity Gym include the installation of a new scoreboard, parquet hardwood playing surface, lighting improvements, and HVAC equipment. The Varsity Gym, together with the Ralph C. Wilson, Jr. Athletic Center, collectively form the 105,200 square foot athletic center of the College (the "Athletic Center").

Growney Stadium

Growney Stadium was built in 1999 and serves as the host site for the College's men's football, men's and women's soccer, and men's and women's lacrosse teams. The field, which is also used for intramurals, has an OmniGrass surface which extends its usage long into the winter months, while lighting allows for games at night. Growney Stadium has seating for 2,100 fans with additional viewing areas around the field.

Polisseni Track and Field Complex

The Polisseni Track and Field Complex, which opened in fall 2011, is an eight-lane, 400-meter competition track with a grass infield complete with shot put, pole vault, and long jump event areas. In addition, bleacher seating is available for approximately 1,000 people, with locker rooms for the student-athletes and public restrooms. The construction of this state-of-the-art track and playing field allowed for the addition of seven NCAA Division III sports to the College's roster of intercollegiate offerings, consisting of men's and women's cross-country, men's and women's indoor track, men's and women's outdoor track and field hockey. The new sports teams began competing in 2011-12.

Campus Center

The Campus Center opened in fall 2005 and serves as the hub of student activity on campus. The 30,000 square-foot facility supports general student gathering spaces, which include a performance space, recreational area, offices for student clubs and organizations, and the College Book Store.

Facilities Building

Opened in 2013, the Facilities Building is a 33,000 square-foot building consisting of a large open cold storage room for outside mechanical equipment (lawnmowers, snow plows, front-end loaders, etc.), as well as individual spaces for College tradesmen (electrical shop, HVAC shop, carpentry shop, locksmith, paint shop, etc.). The building also contains office, conference, locker, and on-call space as well as a break room and a designated area for the storage of winter salt, mulch, stone, and building materials. The building provides for efficient delivery of services to the College community.

Additional Buildings

In addition to the buildings described above, there are several smaller buildings that support the College's daily activities.

Student Residence Halls

The College offers eight different residence halls designed to house 1,340 undergraduate students. Currently, occupancy rates run above the design capacity to accommodate student requests. The College does not have a residence requirement for undergraduate students. The College offers many different housing configurations, from traditional corridor-style residence halls to suite-style residence halls and from groups of 4 students to single rooms.

Full Time Undergraduates in Residence

	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>
All FT UG	2,628	2,688	2,672	2,753	2,738
In Residence	1,377	1,446	1,403	1,439	1,372
% in Residence	52%	54%	53%	52%	50%

The residence halls offered by the College are:

- *Michaelhouse Complex.* The Michaelhouse Complex is a 25,800 square-foot facility that contains 47 student residence rooms and a student center which contains a coffeehouse and casual dining facility for the College's students. Built in 1962, it has been renovated at various times since original construction.
- *Murphy Residence Hall.* Murphy Hall is a multi-function building that includes a chapel, an early learning center, classrooms, faculty offices, a residence hall and a dining facility.

Originally constructed in 1966, the total facility comprises 62,000 square feet, and has ninety-one resident rooms for one hundred and forty-nine students, twelve faculty offices, and four classrooms. It has been renovated at various times since original construction.

- *Murray Residence Hall.* Murray Residence Hall is a 15,500 building that has 28 rooms and houses 54 students. Built in 1967 it has been renovated at various times since original construction.
- *Ward and Haffey Residence Halls.* These twin towers, located at the top of the campus hill, were built in 1963 and 1966, respectively. The buildings have been renovated numerous times, most recently in 2005, when the campus dining area, which connects the first floor area of the two buildings, was completely renovated and expanded.
- *Dorsey Residence Hall.* Dorsey Hall was completed in 1987 and is comprised of two wings that are mirror images of each other with a center lobby area. The total square footage of the building is 40,500 square feet. In August 2003, a third-floor addition was completed that added another 84 beds to the existing 160 beds.
- *Founders Residence Hall.* Opened in 2002 and designed as a residence facility for upperclassmen, Founders Hall houses nearly 200 students. Amenities in the building include study lounges, kitchenettes, and laundry facilities in each of the six wings of the building. Founders Hall is named for the priests of the Congregation of St. Basil, the founding order of the College, in celebration of their commitment to the College.
- *Keough Residence Hall.* Named after former College President Dr. Katherine Keough, Keough Hall was built in 2005 and houses approximately 220 upper-class students in double rooms with private bathrooms.

Buffalo Bills

In September 2011, the College extended its agreement with the Buffalo Bills, a football team in the National Football League, to hold its training camp on the College's campus through the summer of 2016. The College has hosted the Buffalo Bills Pre-Season Summer Training Camp since 2001. The College's enrollment and reputation have benefitted from the increased exposure afforded by its partnership with the Buffalo Bills.

ACCREDITATIONS AND AFFILIATIONS

The College is incorporated under the authority of the Board of Regents of the University of the State of New York. It is an accredited member of the Middle States Association of Colleges and Schools. The College's courses of instruction are registered with the Office of Higher Education of the State Education Department.

The program of studies presented by the Department of Chemistry has received the approval of the Committee on Professional Training of the American Chemical Society. Those students who earn either the Bachelor of Science degree in Chemistry or the Bachelor of Science

degree in Chemistry with a concentration in Biochemistry are certified to the Society as having met their standards for professional training in chemistry at the bachelor's level.

The School of Business is accredited by the Association to Advance Collegiate Schools of Business International (AACSB). Initially accredited in April 2003, the School of Business received its five year reaccreditation in January 2014. The AACSB is a professional association for college and university management education and is considered the premier accrediting agency for bachelor's, master's, and doctoral degree programs in business administration and accounting. The College's School of Business is one of approximately 600 schools worldwide accredited by AACSB.

The program in Accounting is registered with the State Education Department. Students majoring in this program meet the requirements for candidacy for the C.P.A. examination.

The Ralph C. Wilson, Jr. School of Education was accredited by the National Council for Accreditation of Teacher Education by virtue of a full site visit in October 2005. The most recent site visit was in fall of 2011, with a final accreditation decision received in April 2012. The program in Teacher Education is registered under the Department of Education of the State of New York. Students who successfully complete this program are awarded the initial certificate for childhood or adolescence school teaching in New York State.

The Wegmans School of Pharmacy is accredited by the Accreditation Council of Pharmacy Education based on a June 2010 visit.

The Wegmans School of Nursing was accredited by the Council of Colleges of Nursing Education following a full site visit in November 2007 and is registered with the State Education Department. Students majoring in this program meet requirements to sit for the national licensure examination.

The Master's program in Mental Health Counseling is accredited by the Council for Accreditation of Counseling and Related Educational Programs.

The College is a member of the American Council on Education, the Association of Colleges and Universities of the State of New York, the Commission on Independent Colleges and Universities, the National Association of Independent Colleges and Universities, the American Assembly of Collegiate Schools of Business, the Council on International Exchange, the National Association for College Admissions Counseling, the National League for Nursing, and the American Association of Colleges of Nursing, among others.

ACADEMIC PROGRAMS

General

The College is empowered by the Board of Regents of the State of New York to offer courses leading to and to grant the degrees of Bachelor of Arts (B.A.), Bachelor of Science (B.S.), Master of Science (M.S.), Master of Business Administration (M.B.A.), Master of Science, Education (M.S. Ed.), Doctor of Education in Executive Leadership (Ed.D.), Doctor of Pharmacy (Pharm.D.), and Doctor of Nursing Practice (D.N.P.).

The College currently offers the following undergraduate degrees:

Degree B.A.

American Studies
Anthropology
Biology
Chemistry
Communication/Journalism
Criminology
Economics
English
French
History

Interdisciplinary Studies
International Studies
Legal Studies
Mathematics
Philosophy
Physics
Political Science
Psychology
Religious Studies
Sociology
Spanish
Statistics

Degree B.S.

Accounting
Biology
Chemistry
Computer Science
Finance
Human Resources Management
Inclusive (Special) Education – Adolescence
Inclusive (Special) Education – Childhood
Interdisciplinary Studies
Management
Marketing
Mathematics
Media Management
Nursing
Physics
Psychology
Sport Management

Undergraduate Certificate Programs

Accounting Certificate
Spanish/Latino Culture for the Health
Professions Certificate
Museum Studies

Cooperative Programs

Opportunities for students to take courses for credit in other area institutions of higher education are expanding and are described below.

Rochester Area Colleges. The College is a member of the Rochester Area Colleges consortium (“RAC”), chartered in 1971 by the Board of Regents of the State of New York. Other members of RAC include University of Rochester, Colgate Rochester Crozer Divinity School, St.

Bernard's School of Theology and Ministry, Rochester Institute of Technology, Roberts Wesleyan College, Nazareth College, Keuka College, Alfred University, Empire State College, Wells College, Houghton College, Hobart and William Smith Colleges, Corning Community College, Genesee Community College, Finger Lakes Community College, Monroe Community College, and the State University of New York at Brockport and at Geneseo. The consortium was established to advance interinstitutional cooperation and thus increase the academic resources of the community. Undergraduate matriculated students may enroll in undergraduate courses on a space-available basis at any college participating in RAC, provided that the requested course is not taught at the home school, the student is a full-time student at his or her home school throughout the duration of the requested course, and the student pays full-time tuition to the home school. A full-time student is defined as a matriculated student carrying no fewer than 12 credit hours. Enrollment is not applicable to summer semester or graduate courses.

Credit earned by students of the College at other RAC member institutions is not included in their grade point average at the College and is not accepted in transfer unless a grade of "C" or higher is earned. College language majors who take courses in their major at Nazareth College will earn the grade as well as the credits, regardless of the grade(s) received.

Far Eastern Languages (University of Rochester). Students may enroll in courses in Far Eastern languages, history, and culture offered through the South Asian Studies Center and also may enroll in creative arts by special arrangement.

U.S. Army ROTC. This program is open to full-time students of the College who wish to study leadership without obligation for any military service. Students may apply for four-year, three-year, or two-year scholarships and receive other benefits as well. Students may serve as a commissioned officer in the active Army, the Army Reserve, or Army National Guard after completing Army ROTC and graduating with a four-year degree.

U.S. Air Force ROTC: Through RAC, students of the College in all academic disciplines are eligible to participate in Air Force scholarship programs. Four, three, and two year scholarships are available. Scholarships are competitively based, and early application is important. Students awarded Air Force ROTC scholarships are entitled to additional benefits, including non-taxable monthly stipends, money for books, and paid training. All successful graduates are guaranteed at least four years of active duty leadership experience as Air Force officers.

Foreign Study Programs. These programs are operated in association with Central College in Pella, Iowa; the American Institute for Foreign Study in Greenwich, Connecticut; the American University of Rome; the American University of Cairo, Egypt; the Prospero Institute, Japan; and the Council on International Educational Exchange. Approximately 50 students of the College participate in these programs annually.

Graduate Programs

The College offers the following graduate programs:

Degree M.S.
 Advanced Practice Nursing
 Literacy Education
 Mathematics/Science/Technology Education
 Mental Health Counseling

Degree M.S.Ed.
 Educational Leadership
 Special Education
 Special Education/Childhood
 Special Education/Adolescence

Degree M.B.A
 Management

Degree Pharm.D.
 Pharmacy

Degree Ed.D.
 Executive Leadership*

Degree D.N.P.
 Advanced Practice Nursing

*The Executive Leadership is delivered at the College’s Rochester campus and at additional locations in New Rochelle, New York in cooperation with the College of New Rochelle and in Syracuse, New York in cooperation with Onondaga Community College, respectively. Based on market analysis and demand for the program, additional sites are being considered.

FACULTY

The regular teaching load for full-time faculty is a minimum of nine credit hours and a maximum of 12 hours per semester. Part-time faculty may teach as little as one class per semester and a maximum of 12 hours per semester. The number of full- and part-time faculty for the past five years is as follows:

<u>Fall Semester</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Full-time faculty	199	209	214	218	219
Number tenured	87	86	89	99	106
Number with terminal degrees	179	177	187	189	196
Part-time faculty	191	207	186	202	208

LABOR RELATIONS

Neither the faculty nor the staff of the College is unionized. The College has never had a work stoppage or slowdown and believes its relations with its employees are entirely satisfactory. While union organizers have periodically made presentations to groups of faculty and staff, those meetings have never resulted in a request for a formal election.

RETIREMENT PLAN

Academic and certain other nonacademic employees of the College participate in a contributory retirement plan under arrangements primarily with the Teachers Insurance and Annuity Association and College Retirement Equities Fund. If an employee contributes at least

2% of annual compensation to the retirement plan, the College contributes an amount equal to 8% of the respective employees' annual gross income. The total College expense amounted to \$2,509,419 in the year that ended May 31, 2013. All required contributions to these plans have been made.

POST-RETIREMENT BENEFITS

The College sponsors two defined post-retirement benefit plans. Eligibility for retirement benefits requires the completion of at least 10 years of full-time employment with the College and a total of years of service and age equal to at least 65. Once eligible for retiree benefits, the eligibility remains in place for life.

The first plan provides a \$5,000 life insurance policy to every retiree, for which no contribution from the retiree is required. The second plan allows retirees the opportunity to enroll in a College-sponsored health and/or dental insurance plan. The College makes a nominal contribution towards the cost of insurance for each retiree enrolled in a College-sponsored health and/or dental plan. Upon the death of the College retiree, a spouse may remain enrolled in the plan but the College contribution ceases. The College's postretirement plans are not funded. As of May 31, 2013, the College's post-retirement obligation was estimated at \$2,360,000.

ADMISSIONS STATISTICS

Fall Semester – First-Time Freshmen

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Applications	3,440	3,643	3,460	3,769	4,016
Acceptances	2,237	2,382	2,300	2,419	2,521
% Accepted	65.0%	65.4%	66.5%	64.2%	62.8%
Enrolled	558	623	554	578	521
% Enrolled	24.9%	26.2%	24.1%	23.9%	20.7%

Academic Quality of First-Time Freshmen

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
SAT Critical Reading 25 th Percentile	480-570	480-570	480-580	470-560	480-570
SAT Math 25 th Percentile	510-600	510-600	510-610	500-610	510-600
Percent in top 1/10 th of high school graduating class	23%	25%	23%	21%	26%
Percent in top quarter of high school graduating class	55%	61%	57%	52%	60%

Total enrollment in the fall of 2013 was 3,997 students. The total enrollment figure is comprised of the following student segments:

- Undergraduate: 2,969 students, including 2,738 full-time undergraduates and 231 part-time students; and
- Graduate: 1,028 students, including 569 master’s level and 459 doctoral-level students.

Growth at the doctoral level has been enhanced by the establishment of satellite sites for delivery of the Executive Leadership Ed.D. The total enrollment for Fall 2013 in the Ed.D. program is 116, with 43 at the College’s campus in Rochester, 54 at the New Rochelle, New York site and 19 (the College’s inaugural cohort) at the Syracuse, New York site. The College is continuing its satellite site development efforts.

FRESHMAN GEOGRAPHIC PROFILE

The geographic profile of the College’s freshmen for the past five years is as follows:

<u>Location</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2012</u>	<u>Fall 2013</u>
Rochester Area	252	266	252	243	207
Surrounding Syracuse	103	130	117	118	103
Surrounding Buffalo	72	91	58	85	77
Surrounding Albany	42	42	33	44	37
South of Rochester Area	26	25	19	23	23
Out of State	19	15	24	23	26
North Country	14	13	11	17	18
Southeast NY less NYC	18	26	24	15	17
East of Rochester	8	5	10	5	3
NYC	4	9	6	5	10
Out of Country	0	1	0	0	0

Transfer Applications and Acceptance

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Applications	747	805	861	868	750
Acceptances	545	565	574	592	593
% Accepted	73.0%	70.2%	66.7%	68.2%	79.1%
Enrolled	287	245	262	294	258
% Enrolled	52.7%	43.4%	45.6%	49.7%	43.5%

Graduate Applications and Acceptance

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Applications	2,020	1,616	1,350	1,383	1,359
Acceptances	597	607	540	597	612
% Accepted	29.6%	37.6%	40.0%	43.2%	45.0%
Enrolled	361	383	330	362	379
% Enrolled	60.5%	63.1%	61.1%	60.6%	61.9%

MAJORS RANKED BY HIGHEST ENROLLMENT

The undergraduate degrees of the College with the highest enrollment for the past five academic years are presented in the table below.

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Nursing	414	473	514	539	542
Biology	190	214	267	285	301
Management	434	398	377	325	264
Accounting	182	208	266	240	240
Psychology	132	164	177	189	168

The master's degrees of the College with the highest enrollment for the past five academic years are presented in the table below.

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Business Administration	99	145	148	162	170
Nursing	98	98	104	105	116

The Pharmacy Doctorate had the highest enrollment of the three doctoral programs offered by the College for the past five academic years as presented in the table below.

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Pharmacy	264	286	302	313	320

ENROLLMENT SUMMARY

Fall semester enrollments at the College for the past five academic years are presented in the table below.

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<u>Full-time</u>					
Undergraduate	2,628	2,688	2,672	2,753	2,738
Graduate	574	632	618	622	612
Total	3,202	3,320	3,290	3,375	3,350
<u>Part-time</u>					
Undergraduate	204	200	199	207	231
Graduate	507	500	488	426	416
Total	711	700	687	633	647
Total Headcount	3,913	4,020	3,977	4,008	3,997
<u>Full-time Equivalent</u>					
Undergraduate	2,783	2,838	2,811	2,895	2,888
Graduate	847	917	921	911	900
Total FTE	3,630	3,755	3,732	3,806	3,788

RETENTION

The College's third semester retention rates for the last five years are as follows:

<u>Category</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Regular Admits	82%	81%	83%	83%	83%
Higher Education Opportunity Program (HEOP)	95%	95%	82%	100%	85%
Overall Rate	82%	81%	83%	84%	83%

COMPETITORS

The College competes with other regional colleges and universities for qualified applicants. The College's top ten competitors (by cross-applications) within a 90-mile radius of the College are listed below.

SUNY College – Brockport
SUNY University at Buffalo
Le Moyne College
Niagara University

Canisius College
 SUNY College – Geneseo
 SUNY MCC
 SUNY Oswego
 Nazareth College
 Ithaca College

DEGREES CONFERRED

The degrees conferred at the College for the past five academic years are presented in the table below.

<u>Degree</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Bachelor's	694	764	706	673	685
Post Bachelor's Certificate	1	4	0	4	6
Master's	343	281	262	325	250
Master's Certificate	1	0	8	3	2
Doctoral	0	25	82	109	127

TUITION AND CHARGES

The College receives the vast majority of its educational and general revenue from tuition and fees. The remaining revenue sources are principally income from endowment, gifts and grants. The following table shows the tuition and charges based on program degree for the past five academic years of the College:

[Table appears on the following page]

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<i>Tuition, room and board (per full-time undergraduate students for full year)</i>					
Tuition	\$23,850	\$24,800	\$25,790	\$26,810	\$27,870
Room and board	10,036	10,258	10,460	10,643	10,940
Total	33,886	35,058	36,250	37,453	38,810

Data from the National Center for Educational Statistics indicates for 2012-13 that the College's cost of attendance is the lowest of its private institution competitors listed under the heading "COMPETITORS" herein. The comparison range is from a low of \$41,000 (Niagara University) to a high of \$52,000 (Ithaca College).

Tuition per credit hour (part-time and graduate students)

<u>Undergraduate</u>	\$650	\$675	\$700	\$730	\$760
<u>Master's</u>					
Premium	\$835	\$870	\$905	\$940	\$850
Other	680	705	735	765	795
<u>Doctorate</u>					
Pharmacy doctorate (annual)	\$28,540	\$30,110	\$31,770	\$33,040	\$34,360
Educational doctorate (per credit hour)	1,000	1,040	1,080	1,125	1,170
Nursing doctorate (per credit hour)	950	990	1,030	1,070	1,110

FINANCIAL AID

General

The College provides grants and scholarships to approximately 2,700 students, funded from its own resources. In addition, the College participates in various federal and state programs providing aid to individual students. The federal programs include Perkins Loans, Stafford Student Loans, Supplemental Educational Opportunity Grants, Pell Grants, and College Work-Study. New York State programs are the Tuition Assistance Program and grants under the Higher Education Opportunity Program. Some students from outside New York State benefit from various loans and grant programs of their states of residence. During the 2012-2013 academic year, the College's own resources and the various federal/state/public programs provided assistance to 83.25% of the student body based on need.

College Financial Aid

The following table shows the number of students applying for and/or being assisted by financial aid, either by grants or loans for the past five academic years:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Financial Aid – Grants	2,543	2,536	2,621	2,625	2,713
Student Assistance	2,589	2,570	2,651	2,652	2,729
% of Enrollment with Bank Loans	85%	84%	83%	84%	84%

The following table shows the College’s financial aid programs for all students (000’s omitted):

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
State Programs	\$185	\$173	\$165	\$244	\$258
Federal Programs (excludes loans)	377	420	422	407	405
College’s Scholarship Program	22,548	23,596	25,612	26,663	29,163
Total Institutional Revenue from Financial Aid	\$23,110	\$24,189	\$26,199	\$27,314	\$29,826
State Programs	\$3,642	\$3,333	\$3,163	\$3,270	\$3,172
Federal Programs (excludes loans)	3,019	3,985	4,649	3,978	3,956
College’s Perkins Loans	591	477	605	647	625
Total Other Financial Aid	\$7,252	\$7,795	\$8,417	\$7,895	\$7,753
Total Financial Aid	\$30,362	\$31,983	\$34,616	\$35,209	\$37,579

State Aid

The College benefits from a program in New York State that pays aid to certain institutions of higher education based on the number of academic degrees offered each year (the “Bundy Aid” program). This aid is unrestricted as to use. During its 2012-13 academic year, the College received \$365,374 from the program. Future State aid depends upon annual appropriations by the State Legislature and the ability of the State to pay the amount appropriated.

MANAGEMENT REPORT OF OPERATING RESULTS

The Board of Trustees adopts the budget for the upcoming fiscal year at its annual board meeting in March. The Board of Trustees’ approval is the culmination of a process that includes the College’s President, Provost, Vice Presidents, School Deans, Budget Managers, and the Long-Range Planning & Budgeting Committee (the “LRPBC”). The LRPBC is a recommending body and is comprised of the Provost, Vice Presidents, School Deans, and faculty representatives from each school. With the recommendations of the LRPBC, the President, Provost, and Vice Presidents finalize the budget presentation for the Finance Committee of the Board of Trustees. The Finance Committee provides the initial review of the annual budget and forwards the budget to the Board of Trustees with their recommendation for its approval at the annual meeting. The Finance Committee meets on a quarterly basis to review the College’s operational results.

Despite projected demographic declines in the traditional-age student population and in the College's primary service area, the full-time undergraduate enrollment is expected to remain stable in the coming years. A broader geographic recruitment outreach, the recent addition of several new athletic programs, a continuing focus on student success, and the development of new academic programs that meet market and workforce needs will enable the College to achieve this objective. The undergraduate enrollment will continue to be enhanced by the recent addition of an online undergraduate degree in Nursing which began in the fall of 2012. The Online RN-to-BS in Nursing program is designed for working nurses and can be completed in 12-18 months. Enrollment in the program for the Fall of 2013 was 71.

Graduate-level enrollment is projected to increase slightly in the next five years. Master's-level enrollment at the College is projected to stabilize. The doctoral level programs are expected to increase slightly, in conjunction with the continuing implementation of the two existing satellite programs and the possible addition of other campus instructional sites for the Executive Leadership Ed.D. As called for in the Strategic Plan, the College is also conducting market studies in the graduate student segment to identify new program opportunities that are mission consistent, market responsive and financially viable.

The financial statements have been prepared on the accrual basis of accounting in accordance with the principles of not-for-profit accounting generally accepted in the United States. The College distinguishes between contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets, and recognizes the expiration of donor-imposed restrictions in the period in which the restrictions expire. Unconditional promises to give are recorded as revenue upon the date the promise is received.

For the fiscal year ended May 31, 2013, the College's auditors were Bonadio & Co., LLP, of Rochester, New York. Appendix B to this Official Statement contains audited consolidated financial statements of the College and its subsidiaries, notes to the statements, and the report of the auditors thereon. In fiscal year 2012-2013, the College's results show an excess of revenues over expenditures of \$9.3 million from operating activities and an increase in total net assets of \$16.2 million. The College's approved 2013-14 budget reflects total operating income of \$93.8 million and total operating expenses of \$90.0 million resulting in a budgeted change in net assets from operations of \$3.7 million. This budget continues the College's conservative budgeting practices of a budgeted increase in net assets from operations and fully funding its depreciation. At December 31, 2013 the College had achieved its fall enrollment targets and fall net revenue projections and total operating expenses are favorable to the year to date operating budget. The change in net assets from non-operating activities was \$4.6 million, reflecting the strong performance of the College's endowment investments.

SUMMARY FINANCIAL INFORMATION

Statements of Financial Position As of May 31

	2009*	2010*	2011*	2012*	2013**
Assets					
Cash and cash equivalents	\$ 11,175,066	\$ 19,469,692	\$ 20,098,395	\$ 19,393,425	\$ 19,691,185
Student accounts receivable, net	1,709,395	1,801,915	2,135,434	1,630,217	1,670,073
Perkins student loans receivable, net	3,681,277	3,507,197	3,376,091	3,269,713	3,160,420
Gifts receivable, net	3,554,235	4,890,306	4,618,156	7,474,758	6,735,435
Other receivables	958,057	2,958,353	4,045,916	4,967,268	6,440,712
Deferred charges and prepaid expenses, net	2,609,061	2,754,979	3,027,249	3,109,539	2,524,687
Assets whose use is limited	6,235,646	6,466,981	7,882,319	7,893,265	4,892,441
Investments held for long-term purposes	37,015,594	42,953,803	54,472,066	54,226,572	60,000,625
Property and equipment, net	102,906,972	101,184,975	105,471,901	107,441,144	117,626,591
Total Assets	\$ 169,845,303	\$ 185,988,201	\$ 205,127,527	\$ 209,405,901	\$ 222,742,169
Liabilities					
Accounts payable	\$ 2,930,229	\$ 4,100,727	\$ 4,111,009	\$ 2,928,572	\$ 5,062,630
Accrued expenses	5,212,510	5,413,258	5,488,762	6,320,084	6,840,341
Deferred revenue	4,172,650	5,692,054	7,597,597	8,152,571	7,697,941
Accrued postretirement benefits	1,382,232	1,690,915	1,867,534	2,338,030	2,359,778
Long-term debt	48,932,600	47,813,198	50,147,797	47,006,487	42,006,004
Liability under interest rate swap agreement	855,000	900,240	-	-	-
Liability for conditional asset retirement obligation	1,107,834	1,103,867	1,087,152	960,468	905,634
U.S. Government grants refundable	3,547,064	3,547,064	3,547,064	3,547,064	3,547,064
Total Liabilities	\$ 68,140,119	\$ 70,261,323	\$ 73,846,915	\$ 71,253,276	\$ 68,419,392
Net Assets					
Unrestricted	\$ 89,334,573	\$ 100,261,292	\$ 107,745,704	\$ 113,516,215	\$ 125,589,995
Temporarily restricted	1,896,136	4,280,485	11,861,600	12,416,752	15,916,319
Permanently restricted	10,474,475	11,185,101	11,673,308	12,219,658	12,816,463
Total net assets	\$ 101,705,184	\$ 115,726,878	\$ 131,280,612	\$ 138,152,625	\$ 154,322,777
Total	\$ 169,845,303	\$ 185,988,201	\$ 205,127,527	\$ 209,405,901	\$ 222,742,169

* Includes the accounts of the College and its subsidiary, St. John Fisher Real Estate, LLC, a limited liability company formed in 2009 in order to assume title to certain property from the College and grant leasehold mortgages in connection with the College's financing arrangements.

**Includes the accounts of the College, and its subsidiaries, St. John Fisher Real Estate, LLC and SJFC Prime Care, LLC, a limited liability corporation formed in 2012 to administer grants in health-related academic programs.

SUMMARY FINANCIAL INFORMATION (CONT'D)

**Statements of Activities
For Year Ending May 31**

	2009*	2010*	2011*	2012*	2013**
OPERATING REVENUE:					
Tuition, fees, room and board	\$90,377,444	\$95,505,820	\$ 102,672,313	\$106,322,894	\$111,902,981
Less scholarships and grants	(23,110,439)	(24,188,732)	(26,199,022)	(27,314,022)	(29,826,220)
Net tuition, fees, room and board	\$ 67,267,005	\$ 71,317,088	\$ 76,473,291	\$ 79,008,872	\$ 82,076,761
OTHER SOURCES:					
Federal, state and private grants	\$ 1,695,634	\$ 2,157,778	\$ 2,236,572	\$ 2,891,843	\$ 3,413,482
Gifts, excluding estates, for operating purposes	912,639	1,217,276	1,091,195	1,340,218	1,812,972
Endowment income allocated, by the board, to operations	1,842,472	1,197,808	1,192,738	1,239,582	1,317,092
Auxiliary enterprises	1,444,673	1,568,077	1,338,322	1,255,967	1,004,617
Interest on operating funds and assets whose use is limited	168,624	318,067	122,568	45,575	48,232
All other sources	1,022,025	1,000,304	1,078,503	1,276,287	1,458,030
Total revenue from other sources	\$ 7,086,067	\$ 7,459,310	\$ 7,059,898	\$ 8,049,472	\$ 9,054,425
Total operating revenue	\$ 74,353,072	\$ 78,776,398	\$ 83,533,189	\$ 87,058,344	\$ 91,131,186
OPERATING EXPENSES:					
Salaries, wages and fringe benefits	\$ 41,398,218	\$ 43,738,936	46,571,922	49,996,834	51,429,358
Interest expense	2,480,585	2,200,776	2,084,780	2,509,451	1,867,633
Depreciation expense	6,524,293	6,905,792	7,005,806	7,160,264	6,968,526
All other operating costs	20,689,646	19,143,173	19,788,373	21,188,347	21,554,192
Total operating expenses	\$ 71,092,742	\$ 71,988,677	\$ 75,450,881	\$ 80,854,896	\$ 81,819,709
CHANGE IN NET ASSETS DUE TO OPERATING ACTIVITIES	\$ 3,260,330	\$ 6,787,721	\$ 8,082,308	\$ 6,203,448	\$ 9,311,477

*Includes the accounts of the College and its subsidiary, St. John Fisher Real Estate, LLC, a limited liability company formed in 2009 in order to assume title to certain property from the College and grant leasehold mortgages in connection with the College's financing arrangements.

**Includes the accounts of the College, and its subsidiaries, St. John Fisher Real Estate, LLC and SJFC Prime Care, LLC, a limited liability corporation formed in 2012 to administer grants in health-related academic programs.

SUMMARY FINANCIAL INFORMATION (CONT'D)

**Statements of Activities
For Year Ending May 31**

	2009*	2010*	2011*	2012*	2013**
NON-OPERATING REVENUE:					
Net Investment Income:					
Income and gains from long term investing activities	\$ (10,398,669)	\$ 6,503,540	\$ 8,866,704	\$ (1,839,473)	\$ 9,347,414
Less portion allocated, by the board, to operations	(1,842,472)	(1,197,808)	(1,192,738)	(1,239,582)	(1,317,092)
Net investment income (loss) reinvested	<u>\$ (12,241,141)</u>	<u>\$ 5,305,732</u>	<u>\$ 7,673,966</u>	<u>\$ (3,079,055)</u>	<u>\$ 8,030,322</u>
Estates and gifts designated, by the donors, or the Board, as non-operating revenue	\$ 935,206	\$ 282,020	\$ 57,951	\$ 7,599	\$ 38,289
Capital campaign - net	1,784,292	1,866,072	278,120	3,740,021	120,198
Write off of bond issuance costs	(823,391)	-	(541,366)	-	(1,330,134)
Change in fair value of interest rate swap agreement	(503,655)	(45,240)	2,755	-	-
Other non-operating income (losses)	(60,966)	(174,611)	-	-	-
Effect of adoption of recognition provisions of SFAS No. 158	-	-	-	-	-
CHANGE IN NET ASSETS DUE TO NON-OPERATING ACTIVITIES	<u>\$ (10,909,655)</u>	<u>\$ 7,233,973</u>	<u>\$ 7,471,426</u>	<u>\$ 668,565</u>	<u>\$ 6,858,675</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ (7,649,325)</u>	<u>\$ 14,021,694</u>	<u>\$ 15,553,734</u>	<u>\$ 6,872,013</u>	<u>\$ 16,170,152</u>
NET ASSETS, BEGINNING OF YEAR	<u>\$109,354,509</u>	<u>\$101,705,184</u>	<u>\$ 115,726,878</u>	<u>\$131,280,612</u>	<u>\$138,152,625</u>
NET ASSETS, END OF YEAR	<u><u>\$101,705,184</u></u>	<u><u>\$115,726,878</u></u>	<u><u>\$ 131,280,612</u></u>	<u><u>\$138,152,625</u></u>	<u><u>\$154,322,777</u></u>

*Includes the accounts of the College and its subsidiary, St. John Fisher Real Estate, LLC, a limited liability company formed in 2009 in order to assume title to certain property from the College and grant leasehold mortgages in connection with the College's financing arrangements.

**Includes the accounts of the College, and its subsidiaries, St. John Fisher Real Estate, LLC and SJFC Prime Care, LLC a limited liability corporation formed in 2012 to administer grants in health-related academic programs.

FUNDRAISING ACTIVITIES

The College's fundraising activities for the five most recent academic years are as follows:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual Fund	\$1,078,446	\$1,027,869	\$1,084,695	\$1,335,218	\$1,807,972
Pledges and Gifts	\$4,796,618	\$5,331,937	\$5,020,111	\$6,618,877	\$441,416

In December of 2012, the College celebrated the successful conclusion of its Vision 2020 Comprehensive Fundraising Campaign (the "Campaign"). The Campaign raised a total of \$52,112,522, exceeding its \$50 million original goal.

INVESTMENTS

Total investments include long-term and short-term investments and deposits with trustees. The following table provides the market value of the College's total investments for the past five fiscal years ending May 31:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Cash and cash equivalents	\$20,589,506	\$28,239,914	\$30,039,725	\$29,340,250	\$26,867,773
Common stock	7,529,350	8,609,530	10,617,943	5,743,037	7,130,183
Fixed income	10,926,714	10,965,569	14,274,335	15,188,231	11,357,865
Mutual Funds	15,035,003	20,516,674	26,881,582	30,479,959	38,366,608
Total	\$54,080,573	\$68,331,687	\$81,813,585	\$80,751,477	\$83,722,429

As of November 30, 2013, the College had total investments with a market value of \$84,687,955. Approximately \$54,200,000 could be liquidated in 120 days and the College anticipates using approximately \$5,500,000 of available cash and cash equivalents, included in the \$54,200,000, by May 31, 2014.

The College utilizes a total return approach to investments in its endowment pool. The Board of Trustees has established a spending rate based on a maximum of 5.5% of the three-year moving average of the quarterly market value of the pool, not to exceed an amount greater than 7% of the fair market value of the pool, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than five years immediately preceding the year in which the appropriation for expenditure is made.

Responsibility for the investment of the endowment is delegated under the College's bylaws to its Investment Committee. The Investment Committee implements investment objectives as established by the Board of Trustees, establishes investment policies, selects investment managers to implement established policies and monitors the implementation and performance of the of the manager(s) retained in support of the objectives and policies. Investment policies are revised, updated and modified on a periodic basis to reflect such factors as the Investment Committee's expectations, College needs and market trends. The Investment Committee meets quarterly with its investment advisor to discuss performance results, economic outlook, market valuations and to review performance against established benchmarks.

Investments of the College held for long-term purposes as of May 31 for the last five years were as follows:

<u>Type</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Scholarships	\$16,564,314	\$19,441,483	\$23,212,927	\$22,174,472	\$25,376,128
Board Designated Projects	8,574,330	11,221,101	14,709,819	15,400,672	19,478,050
Capital Projects	11,876,950	12,291,219	16,549,320	16,651,428	15,146,447
Total	\$37,015,594	\$42,953,803	\$54,472,066	\$54,226,572	\$60,000,625

As of December 31, 2013, the market value of the College's investments held for long-term purposes was \$66,576,600.

PROPERTY AND EQUIPMENT

The College's investment in property and equipment as of May 31, 2013 was as follows:

Land and improvements	\$13,572,500
Buildings	137,757,371
Equipment	45,075,581
Library books	5,855,643
Software	2,294,778
Construction in progress	<u>6,322,309</u>
Total	\$210,878,182
 Less: Accumulated depreciation	 (93,251,591)
 Property and equipment (net)	 <u>\$117,626,591</u>

OUTSTANDING INDEBTEDNESS

The following is a summary of the College's long-term indebtedness as of May 31, 2013:

<u>Type</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding Principal</u>
MCLDC – Series 2011	2.0% - 6.1%	2034	\$13,380,000
MCLDC – Series 2012	3.0% - 5.0%	2025	23,680,000
Loan payable	5.12%	2020	2,405,046
Capital lease	3.25%	2014	<u>251,697</u>
Total			<u>\$39,716,743</u>
 Unamortized bond premium - net			 <u>2,289,261</u>
Total			<u>\$42,006,004</u>

Monroe County Industrial Development Corporation Bonds

Series 2011 Bonds

On May 6, 2011, the Monroe County Industrial Development Corporation (the “LDC”) issued its Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2011 (the “Series 2011 Bonds”) in the aggregate principal amount of \$13,855,000 with maturity dates ranging from 2011 to 2034 for the benefit of the College. The proceeds were used to refund the Dormitory Authority of the State of New York St. John Fisher College Revenue Bonds, Series 2008A. The remaining funds were used to establish a debt service reserve fund and to finance the costs of issuance.

The Series 2011 Bonds are secured by a gross revenue pledge of the College’s revenues and by a leasehold mortgage (the “2011 Mortgage”) on the Skalny Science Building and the Library granted to the LDC by St. John Fisher Real Estate, LLC (the “Company”), a New York limited liability company, which holds title to the mortgaged property. The LDC’s rights under the 2011 Mortgage were assigned by the LDC to The Bank of New York Mellon, as trustee for the Series 2011 Bonds, for the benefit of the holders of the Series 2011 Bonds.

Series 2012 Bonds

On June 1, 2012, the LDC issued its Tax-Exempt Revenue Refunding Bonds (St. John Fisher College Project), Series 2012A (the “Series 2012 Bonds”) in the aggregate principal amount \$23,680,000 with maturity dates ranging from 2013 to 2025. The net proceeds were used to refund tax-exempt bonds previously issued by the Monroe County Industrial Development Agency.

The Series 2012 Bonds are secured by a gross revenue pledge of the College’s revenues and by a leasehold mortgage (the “2012 Mortgage”) on the Athletic Center, St. Basil Hall, Founders Hall, Keough Hall and the Campus Center (all located on the north campus of the College) granted to the LDC by the Company and the College. The LDC’s rights under the 2012 Mortgage were assigned by the LDC to The Bank of New York Mellon, as trustee for the Series 2012 Bonds, for the benefit of the holders of the Series 2012 Bonds.

Taxable Loan

A taxable bank loan (the “Loan”) was incurred by the College for the purpose of constructing athletic facilities. The Loan is secured by a security interest in the expected capital contributions to be received in the future related to the construction of these athletic facilities. The Loan is payable in monthly installments of approximately \$32,000, including interest, at an interest rate of 5.12% per annum through December 2020.

Capital lease

The College leases certain computer equipment under the terms of various capital lease agreements. The leases require monthly payments ranging from \$386 to \$10,863 per month. The last expiration of such capital leases occurs in May 2014. The net book value of the equipment capitalized under these lease agreements at May 31, 2013 and May 31, 2012 amounted to \$0 and \$155,394, respectively.

INSURANCE

The College's portfolio for the insurance year November 1, 2013 through October 31, 2014 includes:

Commercial Property/Boiler and Machinery (includes EDP).....	\$196,252,460
EDP Hardware and Data/Media.....	\$5,507,700
Business Income Coverage.....	\$49,440,536
Employee dishonesty.....	\$1,000,000
Fiduciary.....	\$5,000,000
Auto Liability.....	\$1,000,000
Excess Liability (Umbrella).....	\$40,000,000
Professional Liability (selected academic programs).....	\$3,000,000
Educators Legal Liability.....	\$25,000,000
Fine Arts.....	\$201,025
Contractors Equipment/Misc. Equipment.....	\$1,059,950
Commercial General Liability Coverage.....	\$3,000,000
Worker's Compensation.....	statutory benefits

ABSENCE OF LITIGATION

In the aggregate, there are no controversies or litigation of any nature now pending or threatened which, if determined unfavorably to the College, would have a material adverse impact on the financial condition of the College.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE COLLEGE AND SUBSIDIARIES AS OF
AND FOR THE YEAR ENDED MAY 31, 2013**

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ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

**Consolidated Financial Statements
as of May 31, 2013
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

September 24, 2013

To the Board of Trustees of
St. John Fisher College and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of St. John Fisher College (a New York not-for-profit corporation) and Subsidiaries (collectively, the Organizations), which comprise the consolidated statement of financial position as of May 31, 2013, and the related consolidated statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

171 Sully's Trail, Suite 201
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

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(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. John Fisher College and Subsidiaries as of May 31, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Report on Summarized Comparative Information

We have previously audited the Organizations' 2012 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 26, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2012, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2013, on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

Bonadio & Co., LLP

ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION MAY 31, 2013

(With Comparative Totals for 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 19,691,185	\$ 19,393,425
Student accounts receivable, net	1,670,073	1,630,217
Perkins student loans receivable, net	3,160,420	3,269,713
Gifts receivable, net	6,735,435	7,474,758
Other receivables	6,440,712	4,967,268
Deferred charges and prepaid expenses, net	2,524,687	3,109,539
Assets whose use is limited	4,892,441	7,893,265
Investments held for long-term purposes	60,000,625	54,226,572
Property and equipment, net	<u>117,626,591</u>	<u>107,441,144</u>
Total assets	<u>\$ 222,742,169</u>	<u>\$ 209,405,901</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 5,062,630	\$ 2,928,572
Accrued expenses	6,840,341	6,320,084
Deferred revenue	7,697,941	8,152,571
Accrued postretirement benefits	2,359,778	2,338,030
Long-term debt	42,006,004	47,006,487
Liability for conditional asset retirement obligation	905,634	960,468
U.S. Government grants refundable	<u>3,547,064</u>	<u>3,547,064</u>
Total liabilities	<u>68,419,392</u>	<u>71,253,276</u>
NET ASSETS:		
Unrestricted	\$ 125,589,995	\$ 113,516,215
Temporarily restricted	15,916,319	12,416,752
Permanently restricted	<u>12,816,463</u>	<u>12,219,658</u>
Total net assets	<u>154,322,777</u>	<u>138,152,625</u>
	<u>\$ 222,742,169</u>	<u>\$ 209,405,901</u>

The accompanying notes are an integral part of these statements.

ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2013
(With Comparative Totals for 2012)**

	2013				2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
NET TUITION, FEES, ROOM, AND BOARD:					
Tuition, fees, room, and board	\$ 111,902,981	\$ -	\$ -	\$ 111,902,981	\$ 106,322,894
Less: Scholarships and grants	(29,826,220)	-	-	(29,826,220)	(27,314,022)
Net tuition, fees, room, and board	<u>82,076,761</u>	<u>-</u>	<u>-</u>	<u>82,076,761</u>	<u>79,008,872</u>
OTHER SOURCES:					
Federal, state, and private grants	761,690	2,651,792	-	3,413,482	2,891,843
Gifts, excluding estates, for operating purposes	606,263	760,476	446,233	1,812,972	1,340,218
Endowment income allocated to operations	1,317,092	-	-	1,317,092	1,239,582
Auxiliary enterprises, other than room and board	1,004,617	-	-	1,004,617	1,255,967
Interest on operating funds and assets whose use is limited	48,232	-	-	48,232	45,575
All other sources	888,400	557,271	12,359	1,458,030	1,276,287
Reclassification of net assets	-	(139,674)	139,674	-	-
Restricted funds released	3,539,593	(3,539,593)	-	-	-
Total other sources	<u>8,165,887</u>	<u>290,272</u>	<u>598,266</u>	<u>9,054,425</u>	<u>8,049,472</u>
Total operating revenue	<u>90,242,648</u>	<u>290,272</u>	<u>598,266</u>	<u>91,131,186</u>	<u>87,058,344</u>
OPERATING EXPENSES:					
Salaries, wages, and fringe benefits	51,429,358	-	-	51,429,358	49,996,834
Interest	1,867,633	-	-	1,867,633	2,509,451
Depreciation, amortization and accretion	6,968,526	-	-	6,968,526	7,160,264
All other	21,554,192	-	-	21,554,192	21,188,347
Total operating expenses	<u>81,819,709</u>	<u>-</u>	<u>-</u>	<u>81,819,709</u>	<u>80,854,896</u>
CHANGE IN NET ASSETS DUE TO OPERATING ACTIVITIES	<u>8,422,939</u>	<u>290,272</u>	<u>598,266</u>	<u>9,311,477</u>	<u>6,203,448</u>
NON-OPERATING ACTIVITIES:					
Net investment income reinvested (allocated) in long-term assets -					
Income and gains (losses) from long-term investing activities, net	5,853,611	3,493,803	-	9,347,414	(1,839,473)
Less: Portion allocated to operations	(689,331)	(627,761)	-	(1,317,092)	(1,239,582)
Net investment income reinvested (allocated) in long-term assets	<u>5,164,280</u>	<u>2,866,042</u>	<u>-</u>	<u>8,030,322</u>	<u>(3,079,055)</u>
Estates and gifts designated by the donors, or the Board, as non-operating revenue					
Capital campaign, net	38,289	-	-	38,289	7,599
Write off of bond issuance costs	(230,014)	351,673	(1,461)	120,198	3,740,021
Restricted funds released	(1,330,134)	-	-	(1,330,134)	-
Restricted funds released	8,420	(8,420)	-	-	-
CHANGE IN NET ASSETS DUE TO NON-OPERATING ACTIVITIES	<u>3,650,841</u>	<u>3,209,295</u>	<u>(1,461)</u>	<u>6,858,675</u>	<u>668,565</u>
TOTAL CHANGE IN NET ASSETS	<u>\$ 12,073,780</u>	<u>\$ 3,499,567</u>	<u>\$ 596,805</u>	<u>\$ 16,170,152</u>	<u>\$ 6,872,013</u>

The accompanying notes are an integral part of these statements.

ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MAY 31, 2013

(With Comparative Totals for 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
NET ASSETS AT JUNE 1, 2011	\$ 107,745,704	\$ 11,861,600	\$ 11,673,308	\$ 131,280,612
Change in net assets	<u>5,770,511</u>	<u>555,152</u>	<u>546,350</u>	<u>6,872,013</u>
NET ASSETS AT MAY 31, 2012	<u>113,516,215</u>	<u>12,416,752</u>	<u>12,219,658</u>	<u>138,152,625</u>
Change in net assets	<u>12,073,780</u>	<u>3,499,567</u>	<u>596,805</u>	<u>16,170,152</u>
NET ASSETS AT MAY 31, 2013	<u>\$ 125,589,995</u>	<u>\$ 15,916,319</u>	<u>\$ 12,816,463</u>	<u>\$ 154,322,777</u>

The accompanying notes are an integral part of these statements.

ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2013**
(With Comparative Totals for 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 16,170,152	\$ 6,872,013
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	6,968,526	7,160,264
Amortization of bond premium	(195,997)	-
Write off of bond issuance costs	1,330,134	-
Non-cash contributions	(171,951)	(117,546)
Net realized and unrealized (gains) on investments	(8,114,928)	2,671,807
Gifts and grants restricted for long-term investment - net	(446,233)	(383,704)
Provision for doubtful accounts	57,321	60,141
Changes in:		
Student accounts receivable	(97,177)	445,076
Gifts receivable	739,323	(2,856,602)
Other receivables	(1,473,444)	(921,352)
Deferred charges and prepaid expenses, net	(92,855)	(350,072)
Accounts payable	(300,844)	(1,607,526)
Accrued expenses	520,257	831,322
Deferred revenues	(454,630)	554,974
Accrued postretirement benefits	21,748	470,496
Liability for conditional asset retirement obligation	(64,120)	(141,151)
Net cash flow from operating activities	<u>14,395,282</u>	<u>12,688,140</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(14,631,118)	(8,558,978)
Purchases of investments	(9,557,551)	(20,611,606)
Proceeds from the sales of investments	12,070,377	18,302,839
Reduction (additions) to assets whose use is limited	2,269,730	(10,946)
Disbursements on student loans receivable	(624,973)	(650,233)
Repayments on student loans receivable	734,266	756,611
Net cash flow from investing activities	<u>(9,739,269)</u>	<u>(10,772,313)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal repayments of indebtedness	(30,730,482)	(2,452,172)
Proceeds from new debt issuance	26,302,067	-
Repayments of capital leases	(376,071)	(552,329)
Gifts and grants restricted for long-term investment	446,233	383,704
Net cash flow from financing activities	<u>(4,358,253)</u>	<u>(2,620,797)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	297,760	(704,970)
CASH AND CASH EQUIVALENTS - beginning of year	<u>19,393,425</u>	<u>20,098,395</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 19,691,185</u>	<u>\$ 19,393,425</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest on long-term debt	<u>\$ 2,221,892</u>	<u>\$ 2,199,251</u>
SUPPLEMENTAL NONCASH INVESTING ACTIVITY:		
Capital expenditures in accounts payable	<u>\$ 2,434,902</u>	<u>\$ 425,089</u>
Sinking funds used for debt repayment	<u>\$ 731,094</u>	<u>\$ -</u>
SUPPLEMENTAL NONCASH FINANCING ACTIVITY:		
Payment of bond issuance costs from proceeds of new debt issuance	<u>\$ (731,094)</u>	<u>\$ -</u>
Amortization of bond premium	<u>\$ (195,997)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

ST. JOHN FISHER COLLEGE AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2013

1. THE ORGANIZATIONS

St. John Fisher College

St. John Fisher College (the College) is an independent, liberal arts institution in the Catholic tradition of American higher education. Guided since its inception in 1948 by the educational philosophy of the Congregation of St. Basil, the College emphasizes liberal arts learning for students in traditional academic disciplines, as well as for those in more directly career-orientated fields. The College welcomes qualified students, faculty, and staff regardless of religious or cultural background.

The college offers 32 academic majors in the humanities, social sciences, natural sciences, business, education and nursing as well as 11 pre-professional programs to its 2,750 full-time and 200 part-time undergraduate students in fiscal year 2013. The college also offers 10 masters and three doctoral programs to its 600 and 450 students, respectively.

St. John Fisher Real Estate LLC

St. John Fisher Real Estate LLC (the LLC) is a limited liability company formed pursuant to New York State corporate law. The LLC was formed in order to assume title of certain property from the College and grant a leasehold mortgage under certain of the College's financing arrangements.

SJFC Prime Care, LLC

SJFC Prime Care, LLC (Prime Care) is a limited liability company formed pursuant to New York State corporate law. Prime Care was formed to administer grants in health-related academic programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the College and its subsidiaries, the LLC and Prime Care (collectively, the Organizations). The College is the sole corporate member of the LLC and Prime Care. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with not-for-profit accounting principles generally accepted in the United States. The Organizations distinguish between contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets and recognizes the expiration of donor-imposed restrictions in the period in which the restrictions expire. Unconditional promises to give are recorded as revenue upon the date the commitment is made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with financial institutions and other highly liquid investments with maturities of three months or less at date of purchase. The Organizations maintain their cash accounts in several financial institutions and investment companies located in the Rochester, New York area that, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts and management believes they are not exposed to any significant risk in cash and invested cash.

Student Accounts Receivable

Accounts receivable represents amounts due from students related to tuition and fees. The College records an allowance for doubtful accounts based on prior collection experience and review of existing receivables. Accounts for which no payments have been received for a period of time, which varies by the nature of the receivable, are considered delinquent and written-off or sent to collections, as appropriate.

Perkins Student Loans Receivable

The College participates in the Perkins Federal Revolving Loan Program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the federal government of approximately \$3,500,000 at May 31, 2013 and 2012 are ultimately refundable to the government and are classified as liabilities in the consolidated statement of financial position.

Perkins student loans receivable (net) represents Perkins loan receivables due from students and is stated at unpaid principal balances. Interest on loans receivable is recognized over the term of the loans.

In order to determine the collectability of loans receivable and review for impairment, the College reviews accounts in default. Additionally, an estimate of uncollectible accounts is made based on historical default percentages. Accounts for which no payments have been received for a period of time, which varies by the nature of the receivable, are considered delinquent and written-off or sent to collections, as appropriate.

Gifts Receivable

Gifts receivable are unconditional promises to give cash and other assets not received as of the balance sheet date. Included in gifts receivable are multi-year gifts that are recorded at their net present value based on an imputed rate of interest commensurate with the term of the gift. The gross value of gifts receivable was approximately \$9,160,000 as of May 31, 2013 and \$9,975,000 as of May 31, 2012. These gifts were recorded at the net present value of approximately \$6,735,000 and \$7,475,000, net of discount, as of May 31, 2013 and 2012, respectively. The discount rates used to calculate the net present value for gifts receivable ranged from .22% to 4.70%.

Included in the aforementioned gifts are four unconditional promises in the form of charitable remainder trusts that are payable to the College upon the death of the donors and their beneficiaries. The trusts were recorded at the estimated fair value of the assets to be received based on the present value of the estimated future payments, using discount rates between 3% to 2%, which amounted to approximately \$1,537,000 and \$1,357,000 at May 31, 2013 and 2012, respectively. In the year ended May 31, 2013 and 2012, investment income (loss) related to trusts receivable was approximately \$180,000 and \$(177,000), respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gifts Receivable (Continued)

Gifts receivable are expected to be collected as follows:

	<u>2013</u>	<u>2012</u>
Due in less than one year	\$ 134,736	\$ 123,820
Due in one to five years	3,122,705	3,592,769
Due in more than five years	<u>5,900,522</u>	<u>6,257,973</u>
Total gross gifts receivable	9,157,963	9,974,562
Less: Discount on gifts receivable	<u>(2,422,528)</u>	<u>(2,499,804)</u>
Total net gifts receivable	<u>\$ 6,735,435</u>	<u>\$ 7,474,758</u>

Three pledges comprised approximately 81% of total net gifts receivable (excluding charitable remainder trusts) at May 31, 2013.

Deferred Charges and Prepaid Expenses

Deferred charges and prepaid expenses consist primarily of bond issuance costs. These costs represent the legal and administrative costs and prepayment penalty incurred during the process of issuing and refinancing debt. The College amortizes such costs on a straight-line basis over the life of the related debt.

Bond Premium and Discount Amortization

Bond premium and discount related to the issuance of debt obligations are amortized over the life of the related debt and are included as a component of interest expense in the accompanying consolidated statement of activities.

Investments Held for Long-Term Purposes

Investments held for long-term purposes consisting of common stock and mutual funds are stated at fair value based on quoted market prices. Unrealized gains or losses on such securities result from differences between the cost and fair value of securities on a specified valuation date. Investment securities are exposed to various risks, such as interest rate, market, currency and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Endowment

The College's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement - Definition and Hierarchy

Accounting Standards Codification (ASC) Section 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The College uses various valuation techniques in determining fair value. ASC Section 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the College. Unobservable inputs are inputs that reflect the College's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the College has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the College in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property and Equipment

Land improvements, buildings and building improvements, furniture and fixtures, equipment, library books, and construction in progress are stated at cost, or, in the case of gifts, at fair value at the date of donation, less accumulated depreciation. Expenditures for maintenance, repairs, and renewals of relatively minor items are not capitalized. Fixed assets equal to or greater than \$1,500, which have a useful life greater than 3 years are capitalized. The cost of assets disposed of and related accumulated depreciation are eliminated from the accounts. Impairment losses are recognized when the carrying value of an asset exceeds its fair value. The College regularly assesses all of its long-lived assets for impairment and has determined that no impairment loss need be recognized in the periods reported. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Such assets and lives are generally as follows:

Land improvements	5 - 50 years
Buildings and building improvements	5 - 50 years
Furniture and fixtures	3 - 10 years
Equipment	3 - 30 years
Library books	10 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when donated or acquired long-lived assets are placed in service.

Collections

Collection items in the College's art collection are held for public exhibition, education or research in furtherance of public service and are not capitalized. Contributions of collection items are not recognized in the statement of activities. All proceeds from the sale of collection items are used to acquire other items for the collection.

Deferred Revenue

Deferred revenue is related principally to tuition and fees for the summer semester, room deposits, grants, and credit balances in student accounts.

U.S. Government Grants Refundable

Refundable grants represent capital contributions received from the federal government to fund the Perkins loan program. This is a revolving fund that increases as students repay their loans and decreases as new loans are disbursed. These funds are ultimately due back to the federal government, if the program were to cease.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the College has been limited by donors to a specific time period or purpose. Accumulated earnings on permanently restricted endowment funds are recorded as temporarily restricted net assets until appropriated by the Board of Trustees for use in operations. Permanently restricted net assets have been restricted by donors to be maintained by the College in perpetuity.

Unrestricted Net Assets

Unrestricted net assets are those assets that are neither permanently restricted nor temporarily restricted by donor imposed stipulations.

Tuition, Fees, Room and Board

Revenue from tuition, fees, room, and board are recognized in the period that they are earned.

Donor-Restricted Gift

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as restricted funds released. In the absence of donor specification that income and gains on donated funds be restricted, such income and gains are reported as temporarily restricted net assets until appropriated by the Board of Trustees.

Grants and Contracts

Revenue from grants and contracts is generally recognized as earned, that is, as the related costs are incurred under the grant or contract agreements. Amounts received in advance of being earned are reported as deferred revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising costs are expensed as incurred. For the years ended May 31, 2013 and 2012, such costs amounted to approximately \$1,317,000 and \$1,236,000, respectively.

Tax Status

The College has been recognized by the IRS as an organization exempt from income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. The College has also been classified as an organization that is not a private foundation.

The LLC and Prime Care are single member limited liability corporations and are disregarded entities for federal income tax purposes. For this reason, they are viewed as divisions of the College and rely on the College's tax exempt status.

For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of May 31, 2013 and 2012, the College did not have a liability for unrecognized tax benefits. The College files tax returns in the U.S. federal jurisdiction and New York State. The College is no longer subject to U.S. federal and state income tax examinations by tax authorities for years through 2009.

Use of Estimates

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

Comparative Information

The consolidated financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the College's consolidated financial statements for the year ended May 31, 2012 from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2012 financial statements to conform with the current year presentation.

3. UNRESTRICTED NET ASSETS

The Board of Trustees ("the Board") has directed that all unrestricted net assets are subject to their control through the operating and capital budgeting process. The Board has designated that a portion of these net assets be invested for the long-term and that such net assets be treated as "quasi-endowment."

4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent the accumulated income which has not been appropriated by the Board of Trustees and the principal of gifts which have not yet been used in accordance with donor stipulations. These funds were restricted for the following purposes as of May 31:

	<u>2013</u>	<u>2012</u>
Scholarships	\$ 358,455	\$ 552,328
Specific property, plant, and equipment purposes	3,715,340	3,313,920
Other support of academic purposes	1,999,045	1,811,242
Accumulated unappropriated earnings on permanently restricted endowment funds	<u>9,843,479</u>	<u>6,739,262</u>
	<u>\$ 15,916,319</u>	<u>\$ 12,416,752</u>

Restricted funds were released for the following purposes:

	<u>2013</u>	<u>2012</u>
Scholarships	\$ 1,667,648	\$ 1,664,094
Specific property, plant, and equipment purposes	8,420	396,210
Other support of academic purposes	<u>1,871,945</u>	<u>1,366,145</u>
	<u>\$ 3,548,013</u>	<u>\$ 3,426,449</u>

5. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent accumulated principal of endowment gifts, which are to be invested in perpetuity, the income and gains from which are expendable to support the following purposes at May 31:

	<u>2013</u>	<u>2012</u>
Scholarships and grants	\$ 10,710,383	\$ 10,194,228
Other restricted purposes	2,000,858	1,921,207
Unrestricted purposes	<u>105,222</u>	<u>104,223</u>
	<u>\$ 12,816,463</u>	<u>\$ 12,219,658</u>

6. ALLOWANCE FOR DOUBTFUL STUDENT ACCOUNTS

Student accounts receivable are presented, net of the following allowance for doubtful accounts in the accompanying consolidated statement of financial position as of May 31:

<u>Student Accounts Receivable</u>	<u>2013</u>	<u>2012</u>
Student accounts receivable, gross	\$ 2,192,073	\$ 2,152,217
Less: Allowance for doubtful accounts	<u>(522,000)</u>	<u>(522,000)</u>
Student accounts receivable, net	<u>\$ 1,670,073</u>	<u>\$ 1,630,217</u>

7. PERKINS STUDENT LOANS RECEIVABLE

Perkins student loans receivable are presented, net of the following allowance for doubtful accounts in the accompanying consolidated statement of financial position as of May 31:

<u>Perkins Student Loans Receivable</u>	<u>2013</u>	<u>2012</u>
Perkins student loans receivable, gross	\$ 3,644,420	\$ 3,753,713
Less: Allowance for doubtful accounts	<u>(484,000)</u>	<u>(484,000)</u>
Perkins student loans receivable, net	<u>\$ 3,160,420</u>	<u>\$ 3,269,713</u>

At May 31, 2013, the following amounts were past due for Perkins student loans receivable:

	<u>In-school and currently due</u>	<u>30-60 days past due</u>	<u>60-90 days past due</u>	<u>90+ days past due</u>	<u>Total</u>
Perkins student loans receivable, gross	\$ 2,985,343	\$ 86,258	\$ 76,336	\$ 496,483	\$ 3,644,420
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>(484,000)</u>	<u>(484,000)</u>
Perkins student loans receivable, net	<u>\$ 2,985,343</u>	<u>\$ 86,258</u>	<u>\$ 76,336</u>	<u>\$ 12,483</u>	<u>\$ 3,160,420</u>

At May 31, 2012, the following amounts were past due for Perkins student loans receivable:

	<u>In-school and currently due</u>	<u>30-60 days past due</u>	<u>60-90 days past due</u>	<u>90+ days past due</u>	<u>Total</u>
Perkins student loans receivable, gross	\$ 3,079,909	\$ 61,576	\$ 138,073	\$ 474,155	\$ 3,753,713
Less: Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(9,845)</u>	<u>(474,155)</u>	<u>(484,000)</u>
Perkins student loans receivable, net	<u>\$ 3,079,909</u>	<u>\$ 61,576</u>	<u>\$ 128,228</u>	<u>\$ -</u>	<u>\$ 3,269,713</u>

8. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited were invested primarily in money market accounts at May 31, 2013 and 2012, and were stated at fair value. Assets whose use is limited were comprised of the following at May 31:

	<u>2013</u>	<u>2012</u>
Deposits held by trustees as required under long-term debt agreements	\$ 4,030,619	\$ 7,131,480
Federal loan program	<u>861,822</u>	<u>761,785</u>
	<u>\$ 4,892,441</u>	<u>\$ 7,893,265</u>

9. INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes consisted of the following as of May 31:

	<u>2013</u>	
	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 3,145,969	\$ 3,145,969
Common stock	7,130,183	4,052,961
Equity mutual funds	29,070,168	22,138,396
Fixed income mutual funds	11,357,865	10,970,846
Currency mutual funds	2,990,960	2,782,294
Commodities mutual funds	1,934,328	2,174,629
Real estate investment trust mutual funds	3,592,703	2,696,907
Commonfund		
Multi-strategy equity fund	299,340	205,475
Multi-strategy bond fund	230,949	219,285
Core equity fund	<u>248,160</u>	<u>180,576</u>
	<u>\$ 60,000,625</u>	<u>\$ 48,567,338</u>
	<u>2012</u>	
	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 2,815,345	\$ 2,815,345
Common stock	5,743,037	3,733,673
Equity mutual funds	24,336,901	22,444,336
Fixed income mutual funds	15,188,231	14,302,526
Currency mutual funds	1,042,379	990,491
Commodities mutual funds	1,539,640	1,804,520
Real estate investment trust mutual funds	2,901,542	2,427,592
Commonfund		
Multi-strategy equity fund	234,226	205,475
Multi-strategy bond fund	230,727	219,285
Core equity fund	<u>194,544</u>	<u>180,576</u>
	<u>\$ 54,226,572</u>	<u>\$ 49,123,819</u>

Included in common stock investments are holdings of a single company with a fair value of \$2,515,780 at May 31, 2013 and \$2,025,193 at May 31, 2012, representing approximately 4% of the College's long-term investment portfolio. Per the College's investment policy, investments in any one issuer shall not exceed 7% of endowment assets.

9. INVESTMENTS HELD FOR LONG-TERM PURPOSES (Continued)

Interest, dividends and gains (losses) from long-term investing activities for the years ended May 31, 2013 and 2012 were comprised of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$ 1,425,867	\$ 1,014,179
Realized gains	1,442,277	2,627,625
Unrealized gains (losses)	6,672,651	(5,299,432)
Management fees	<u>(193,381)</u>	<u>(181,845)</u>
	9,347,414	(1,839,473)
Less: Investment income allocated to operations	<u>(1,317,092)</u>	<u>(1,239,582)</u>
	<u>\$ 8,030,322</u>	<u>\$ (3,079,055)</u>

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The College's financial instruments include cash and cash equivalents, split interest agreements, assets whose use is limited, investments and long-term debt. As of May 31, 2013 and 2012, management has estimated that the carrying value of long-term debt approximates fair value.

Fair value of the College's split interest agreements are derived using the present value of the projected fair market value of the College's interest in charitable remainder trusts, discounted using prevailing market rates and IRS published mortality rates.

The fair value of the College's debt was estimated using Level 2 inputs by discounted cash flow analysis using current borrowing rates for similar types of arrangements.

The fair value of the College's cash and cash equivalents is stated at cost, which approximates fair value based on the short term nature and liquidity of the instrument.

Commonfund management quotes net asset values for each of its funds at the end of each month based on the quoted market price of the fund's underlying securities. The net asset value has been applied for estimating fair value as the investment can be redeemed at the net asset value. There are no redemption restrictions or unfunded commitments related to this investment.

Judgment is required in certain circumstances to develop estimates of fair value and estimates may not be indicative of the amounts that could be realized in current market exchange.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following are measured at fair value on a recurring basis as of May 31, 2013:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
Cash and cash equivalents	\$ 3,145,969	\$ -	\$ -	\$ 3,145,969
Common stock	7,130,183	-	-	7,130,183
Equity mutual funds	29,070,168	-	-	29,070,168
Fixed income mutual funds	11,357,865	-	-	11,357,865
Currency mutual funds	2,990,960	-	-	2,990,960
Commodities mutual funds	1,934,328	-	-	1,934,328
Real estate investment trust mutual funds	3,592,703	-	-	3,592,703
Commonfund				
Multi-strategy equity fund	-	299,340	-	299,340
Multi-strategy bond fund	-	230,949	-	230,949
Core equity fund	-	248,160	-	248,160
Assets whose use is limited	4,892,441	-	-	4,892,441
Split-interest agreements	-	1,536,969	-	1,536,969
Total	\$ 64,114,617	\$ 2,315,418	\$ -	\$ 66,430,035

Assets and liabilities not measured at fair value, but for which fair value is disclosed are as follows at May 31, 2013:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
MCIDC – 2012A Series	\$ -	\$ 23,680,000	\$ -	\$ 23,680,000
MCIDC – 2011 Series	-	13,380,000	-	13,380,000
Loan Payable	-	2,405,046	-	2,405,046
Total	\$ -	\$ 39,465,046	\$ -	\$ 39,465,046

The following are measured at fair value on a recurring basis as of May 31, 2012:

<u>Description</u>	Level 1 <u>Inputs</u>	Level 2 <u>Inputs</u>	Level 3 <u>Inputs</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,815,345	\$ -	\$ -	\$ 2,815,345
Common stock	5,743,037	-	-	5,743,037
Equity mutual funds	24,336,901	-	-	24,336,901
Fixed income mutual funds	15,188,231	-	-	15,188,231
Currency mutual funds	1,042,379	-	-	1,042,379
Commodities mutual funds	1,539,640	-	-	1,539,640
Real estate investment trust mutual funds	2,901,542	-	-	2,901,542
Commonfund				
Multi-strategy equity fund	-	234,226	-	234,226
Multi-strategy bond fund	-	230,727	-	230,727
Core equity fund	-	194,544	-	194,544
Assets whose use is limited	7,893,265	-	-	7,893,265
Split-interest agreements	-	-	1,357,067	1,357,067
Total	\$ 61,460,340	\$ 659,497	\$ 1,357,067	\$ 63,476,904

10. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following is a reconciliation of the beginning and ending balances for the College's financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>Split Interest Agreements</u>
Balance at June 1, 2011	\$ 1,534,216
Change in value of split interest agreements	<u>(177,149)</u>
Balance at May 31, 2012	\$ 1,357,067
Change in value of split interest agreements	179,902
Transfers out of level 3	<u>(1,536,969)</u>
Balance at May 31, 2013	<u><u>\$ -</u></u>

During 2013, the College reclassified the split interest agreements previously held in level 3 to level 2 due to clarification of the inputs utilized to value these assets. The College's policy is to recognize reclassifications as of the end of the year in which the change arose.

The College has the following investments in Commonfund equity and bond funds which are valued using net asset value at May 31, 2013:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
<u>Commonfund</u>				
Multi-strategy equity fund	\$ 299,340	-	Monthly	5 days
Multi-strategy bond fund	\$ 230,949	-	Monthly	5 days
Core equity fund	\$ 248,160	-	Monthly	5 days

The College invests in Commonfund equity and bond funds that pursue multiple strategies to diversify risks and reduce volatility. The multi-strategy equity fund allocates assets across a broad spectrum of public equity investments in proportions considered optimal for a fully diversified equity portfolio. The majority of the program's assets generally will be invested directly or indirectly in a portfolio of common stocks, and securities convertible into common stocks of U.S. companies. The multi-strategy bond fund allocates assets across a broad spectrum of fixed income sectors in proportions considered optimal for a fully diversified fixed income portfolio. The majority of the program's assets generally will be invested directly or indirectly in dollar-denominated investment grade bonds and other fixed income securities in an attempt to outperform the broad U.S. bond market. The core equity fund invests in large capitalization, and to a lesser extent, mid-capitalization companies. The fund is designed to outperform its benchmark, the S&P 500 Index, over a full-market cycle primarily through active stock selection. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund managers.

11. ENDOWMENT

Endowment net asset composition by fund for the year ended May 31, 2013:

<u>Description</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 1,203,985	\$ 12,816,463	\$ 14,438,561
Board designated funds	36,355,733	-	-	36,355,733
Accumulated unappropriated earnings on permanently restricted endowment funds	<u>-</u>	<u>9,843,479</u>	<u>-</u>	<u>9,425,366</u>
Total	<u>\$36,355,733</u>	<u>\$11,047,464</u>	<u>\$ 12,816,463</u>	<u>\$ 60,219,660</u>

Endowment net asset composition by fund for year ended May 31, 2012:

<u>Description</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted funds	\$ -	\$ 983,693	\$ 12,219,658	\$ 13,203,351
Board designated funds	30,558,454	-	-	30,558,454
Accumulated unappropriated earnings on permanently restricted endowment funds	<u>-</u>	<u>6,739,262</u>	<u>-</u>	<u>6,739,262</u>
Total	<u>\$30,558,454</u>	<u>\$ 7,722,955</u>	<u>\$ 12,219,658</u>	<u>\$ 50,501,067</u>

Changes in endowment net assets for the year ended May 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 30,558,454	\$ 7,722,955	\$ 12,219,658	\$ 50,501,067
Investment income	5,542,502	3,313,865	-	8,856,367
Contributions, net	225,480	25,754	458,592	709,826
Write off of gifts receivable	-	-	(1,461)	(1,461)
Reclassification of net assets	<u>29,297</u>	<u>(15,110)</u>	<u>139,674</u>	<u>153,861</u>
Total funds	<u>\$ 36,355,733</u>	<u>\$ 11,047,464</u>	<u>\$ 12,816,463</u>	<u>\$ 60,219,660</u>

Changes in endowment net assets for the year ended May 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 31,431,528	\$ 8,274,594	\$ 11,673,308	\$ 51,379,430
Investment income	(1,065,228)	(637,909)	-	(1,703,137)
Contributions, net	369,940	94,210	392,734	856,884
Write off of gifts receivable	(24,170)	(7,940)	-	(32,110)
Reclassification of net assets	<u>(153,616)</u>	<u>-</u>	<u>153,616</u>	<u>-</u>
Total funds	<u>\$ 30,558,454</u>	<u>\$ 7,722,955</u>	<u>\$ 12,219,658</u>	<u>\$ 50,501,067</u>

11. ENDOWMENT (Continued)

Interpretation of Relevant Law

The Board of Trustees of the College has interpreted the applicable provisions of New York Not-for-Profit Corporation Law (Corporation Law) to mean that the classification of appreciation (depreciation) on permanently restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income (interest and dividends). Income is classified as temporarily restricted until appropriated by the Board for expenditure.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. There were no funds with deficiencies at May 31, 2013 or 2012.

Return Objectives and Risk Parameters

The College's primary investment objective for the endowment assets is to earn a total return (net of fees), within prudent levels of risk, sufficient to provide income for the College's operating expenses while preserving the value of the portfolio, subject to the endowment's risk tolerance. The College's secondary investment objective is to attain long-term growth of the portfolio, subject to the endowment's risk tolerance.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending

The long-term objective of the spending guidelines is to maintain the purchasing power of the endowment with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current operations. The Board of Trustees has established a spending rate based on a maximum of 5.5% of the three-year moving average of the quarterly market value of the pool, not to exceed an amount greater than 7% of the fair market value of the pool, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than five years immediately preceding the year in which the appropriation for expenditure is made.

12. PROPERTY AND EQUIPMENT

The College's investment in property and equipment was as follows as of May 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Land and Improvements	\$ 13,572,500	\$ 12,257,923
Buildings	137,757,371	130,050,357
Equipment	45,075,581	41,863,523
Library books	5,855,643	5,729,287
Software	2,294,778	2,011,922
Construction in progress	<u>6,322,309</u>	<u>1,899,149</u>
	210,878,182	193,812,161
Less: Accumulated depreciation	<u>(93,251,591)</u>	<u>(86,371,017)</u>
	<u>\$ 117,626,591</u>	<u>\$ 107,441,144</u>

The College's depreciation expense for the years ended May 31, 2013 and 2012 was \$6,880,573 and \$7,014,824, respectively.

13. LONG-TERM DEBT

The following is a summary of the College's long-term debt as of May 31, 2013 and 2012:

<u>Lender</u>	<u>Rate</u>	<u>Maturity</u>	<u>2013</u>	<u>2012</u>
COMIDA - 1999 Series	4.5% - 5.5%	2024	\$ -	\$ 14,820,000
COMIDA - 2001 Series	4.0% - 5.25%	2026	-	15,310,000
MCIDC - 2011 Series	2.0% - 6.10%	2034	13,380,000	13,725,000
MCIDC - 2012A Series	3.0% - 5.00%	2025	23,680,000	-
Loan Payable	5.12%	2020	2,405,046	2,660,528
Capital lease	3.25%	2014	<u>251,697</u>	<u>627,768</u>
			<u>39,716,743</u>	<u>47,143,296</u>
Unamortized bond premium/(discount), net			<u>2,289,261</u>	<u>(136,809)</u>
			<u>\$ 42,006,004</u>	<u>\$ 47,006,487</u>

Required future annual principal payments on debt are summarized as follows:

<u>Year</u>	<u>Debt Principal</u>
2014	\$ 2,467,382
2015	2,284,809
2016	2,364,447
2017	2,460,339
2018	2,571,838
Thereafter	<u>27,567,928</u>
	<u>\$ 39,716,743</u>

13. LONG-TERM DEBT (Continued)

Monroe County Industrial Development Corporation (St. John Fisher College Project)

On June 1, 2012, the College issued \$23,680,000 of tax-exempt bonds with maturity dates ranging from 2012 to 2025. The net proceeds of approximately \$25,717,000 plus sinking fund balances of approximately \$4,412,000 were used to defease the College's existing debt under the County of Monroe Industrial Development Agency (COMIDA) 1999 Series and 2001 Series bonds. The bonds are secured by a gross revenue pledge of the College's revenues. The bond agreement requires the College to meet certain covenants including a debt service coverage ratio greater than one. At May 31, 2013, and during the year then ended, the College was in compliance with these debt covenants.

The new debt was issued at a premium of \$2,622,067, which is netted with the bonds payable and amortized over the life of the new debt.

The College incurred costs of issuance of approximately \$731,000, which are being amortized over the term of the debt. Amortization expense and accumulated amortization was \$56,464 for the year ended May 31, 2013 and the expense is expected to be the same for the next five years.

Monroe County Industrial Development Corporation (St. John Fisher College Project)

On May 6, 2011, the College issued a total of \$13,855,000 of tax-exempt bonds with maturity dates ranging from 2011 to 2034. The net proceeds were used to defease the Dormitory Authority of New York 2008 Bond Series. The remaining funds were used to establish a debt service reserve fund and to finance the costs of issuance. Annual sinking fund and interest payments are due on June 1. Current annual sinking fund payments are approximately \$355,000 plus interest. The bonds bear interest at fixed rates ranging from 2%-6.10%. The bonds are secured by a gross revenue pledge of the College's revenues and by a leasehold mortgage on the Skalny Science Building and Lavery Library. The LLC holds title to the property and granted the leasehold mortgage to the bank, which will be defeased simultaneously with the bonds in 2034. The bond agreement requires the College to meet certain covenants including a debt service coverage ratio greater than one. At May 31, 2013, and during the year then ended, the College was in compliance with these debt covenants.

The College incurred costs of issuance in the amount of approximately \$555,000, which are being amortized over the term of the debt. Amortization expense was \$24,133 for the years ended May 31, 2013 and 2012 and is expected to be the same for the next five years. Accumulated amortization was approximately \$48,000 at May 31, 2013.

The new debt was issued at a discount of \$142,509, which is netted with the bonds payable and amortized over the life of the new debt.

County of Monroe Industrial Development Bonds

On June 29, 1999, the College issued \$27,820,000 of tax-exempt bonds with maturity dates ranging from 2000 through 2024. Approximately \$8,700,000 of the proceeds were used to defease the College's existing debt under bond series from the Dormitory Authority of New York State. Approximately \$17,700,000 of the proceeds were used to renovate the main academic and athletic buildings on the Campus and to build new athletic fields and a stadium.

On June 21, 2001, the College issued \$20,000,000 of tax-exempt bonds with maturity dates ranging from 2004 to 2026. The net proceeds of approximately \$17,446,000 were used to construct a new residence hall and for other campus renovations and improvements. The remaining funds were used to establish a debt service reserve fund and to finance the costs of issuance.

13. LONG-TERM DEBT (Continued)

County of Monroe Industrial Development Bonds (Continued)

On June 1, 2012, the College defeased the remaining balance of \$30,130,000 of the COMIDA 1999 and 2001 Series bonds with the issuance of the MCIDC 2012A bonds (noted above). As a result of the issuance, the College wrote off \$1,330,134, the unamortized balance of the original cost of issuance.

Loan payable

The bank loan was incurred for the purpose of constructing athletic facilities. The loan is secured by a security interest in the expected capital contributions to be received in the future related to this construction. It is due in monthly installments of approximately \$32,000, including interest at 5.12% per annum through December 2020.

Capital lease

The College leases certain computer equipment under the terms of a capital lease. The leases require monthly payments ranging from \$386 to \$10,863 per month. The expiration on the leases ranges from June 2013 to May 2014. The net book value of the equipment capitalized under these lease agreements at May 31, 2013 and 2012, amounted to \$0 and \$155,394, respectively. Annual commitments as of May 31, 2013 were as follows:

2014	\$ <u>263,664</u>
Less portion attributable to interest	<u>(11,967)</u>
Total liability	\$ <u><u>251,697</u></u>

14. LINE-OF-CREDIT

In 2013, the College had available a line-of-credit with a commercial bank that permitted borrowing up to \$5,000,000. The line carried an interest rate of 0.250 percentage points below prime (3.00% at May 31, 2013 and 2012).

There was no balance outstanding at May 31, 2013 or 2012 on the line of credit.

15. RETIREMENT PLANS

Eligible employees of the College are participants in a contributory retirement plan under arrangements primarily with the Teachers Insurance and Annuity Association and College Retirement Equities Fund.

If an employee contributes at least 2% of annual compensation to the Plan, the College contributes an amount equal to 8% of the respective employee's annual compensation. The total expense related to this plan amounted to \$2,509,419 and \$2,474,386 in 2013 and 2012, respectively. All required contributions to this plan have been made as of May 31, 2013 and 2012.

The College provides certain health care and life insurance benefits to retired employees and continues to fund such benefit costs principally on a pay-as-you-go basis.

15. RETIREMENT PLANS (Continued)

The following sets forth information about the postretirement benefit plan and amounts recognized in the accompanying financial statements as of May 31:

	<u>2013</u>	<u>2012</u>
Service cost	\$ 114,914	\$ 84,633
Interest cost	100,041	100,705
Amortization	40,514	40,514
Amortization of net loss	<u>2,793</u>	<u>-</u>
Net periodic post-employment benefit expense	<u>\$ 258,262</u>	<u>\$ 225,852</u>

The assumptions used to develop the net periodic post-employment benefit expense were:

	<u>2013</u>	<u>2012</u>
Discount rate	4.35%	5.50%
Medical care cost trend rate	9.00%	9.00%

The medical care cost trend rate used in the computation ultimately reduces to 5.0% in 2021 and beyond.

The estimated impact due to the Medicare Prescription Drug Improvement and Modernization Act is reflected in these results. The measurement date for the Plan year is May 31. Information about the Plan's benefit obligation is as follows:

	<u>2013</u>	<u>2012</u>
Accumulated postretirement benefit obligation	\$ 2,359,778	\$ 2,338,030
Plan assets at fair value	<u>-</u>	<u>-</u>
Funded status	<u>\$ (2,359,778)</u>	<u>\$ (2,338,030)</u>

Reconciliation of funded status at May 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Funded status at beginning of year	\$ (2,338,030)	\$ (1,867,534)
Net periodic pension cost	(258,262)	(225,852)
Contributions	42,043	41,024
Actuarial gain (loss) and amortization of prior service cost	<u>194,471</u>	<u>(285,668)</u>
Funded status at end of year	<u>\$ (2,359,778)</u>	<u>\$ (2,338,030)</u>

The College recognized a gain due to the change in the funded status of the Plan of \$194,471 for the year ended May 31, 2013 and a loss of \$285,668 for the year ended May 31, 2012. This amount is recorded in salaries and wages expense on the accompanying consolidated statement of activities.

15. RETIREMENT PLANS (Continued)

Amounts unamortized at May 31 are as follows:

	<u>2013</u>	<u>2012</u>
Unrecognized prior service cost	\$ 167,593	\$ 208,107
Unrecognized net (gain) loss	<u>117,831</u>	<u>271,788</u>
	<u>\$ 285,424</u>	<u>\$ 479,895</u>

The College expects to amortize \$43,307 of prior service cost and net gains/losses in 2014.

Weighted-average assumptions:

Discounted rate	4.50%	4.35%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

Mortality assumptions were based on the RP-2000 Mortality Tables for male and females.

Due to the cap on employer costs, increasing or decreasing the medical care cost trend rate by 1% has virtually no impact on plan costs.

The College expects to contribute \$79,497 for the year ended May 31, 2014.

The following post retirement healthcare benefits are expected to be paid:

<u>Fiscal Year</u>	<u>Benefits</u>
2014	\$ 79,497
2015	\$ 85,812
2016	\$ 94,599
2017	\$ 102,117
2018	\$ 112,056
Years 2019 - 2023	\$ 687,313

16. FUNCTIONAL EXPENSES

Expenses classified by function were as follows for 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Instruction	\$ 32,598,918	\$ 31,446,350
Academic support	8,405,597	7,851,507
Student services	12,573,203	11,450,692
Institutional support	14,224,130	15,608,295
Auxiliary enterprises	<u>14,017,861</u>	<u>14,498,052</u>
	<u>\$ 81,819,709</u>	<u>\$ 80,854,896</u>

17. NET TUITION, FEES, ROOM AND BOARD

Included in gross tuition, fees, room, and board for the years ended May 31, 2013 and 2012 is \$92,803,441 and \$88,219,468, respectively, of tuition. Included in scholarships and grants for the years ended May 31, 2013 and 2012 is \$28,099,621 and \$25,612,128, respectively, of unfunded scholarship and grants.

18. COMMITMENTS

Subsequent to year end, the College renewed its agreement with a third party to manage and operate food service for the College. The term of this agreement is through May 2018. Under the terms of the agreement, the College pays the third party a fixed management fee plus actual costs incurred, up to an annually approved, budgeted benchmark.

During 2008, the College renewed its agreement with a third party to operate and provide services for the college bookstore through 2013. Under the terms of the agreement, the College pays the third party a fixed management fee plus a variable fee based on the excess of net bookstore sales over a predetermined benchmark. This agreement was renewed subsequent to year end, through June 2018.

As of September 2013, the College has completed the construction of a new building and the expansion an existing building. The architectural design and construction contract related to the two projects total approximately \$8.9M with approximately \$3.3M outstanding on the contracts as of May 31, 2013.

The College has begun the planning process for several capital projects to construct an addition to and renovations of its science and athletic buildings. Design work commenced in May 2013 with an anticipated start for construction in November 2013. Completion of all projects is currently planned for August 2016. The College anticipates issuing new debt in support of these projects.

19. CONDITIONAL ASSET RETIREMENT OBLIGATION

Generally accepted accounting principles require that conditional asset retirement obligations meeting the definition of liabilities should be recognized when incurred if their fair values can be reasonably estimated, even if conditional on a future event. The College has conditional asset retirement obligations primarily associated with asbestos abatement costs for certain facilities.

Amounts related to the asset retirement obligation were as follows at May 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Asset retirement obligation - beginning of year	\$ 960,468	\$ 1,087,152
Accretion expense	9,286	14,467
Release of obligation during year	<u>(64,120)</u>	<u>(141,151)</u>
Asset retirement obligation - end of year	<u>\$ 905,634</u>	<u>\$ 960,468</u>

20. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 24, 2013, which is the date the consolidated financial statements were issued.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 24, 2013

To the Board of Trustees of
St. John Fisher College:

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of St. John Fisher College and Subsidiaries (collectively, the Organizations), which comprise the consolidated statement of financial position as of May 31, 2013, and the related consolidated statement of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organizations' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

171 Sully's Trail, Suite 201
Pittsford, New York 14534
p (585) 381-1000
f (585) 381-3131

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(Continued)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organizations' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

APPENDIX C

CERTAIN DEFINITIONS

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CERTAIN DEFINITIONS

"Accountant" means a nationally or regionally recognized firm of independent certified public accountants selected by the College having expertise in the particular businesses in which the College is engaged.

"Act" means Section 1411 of the Not-For-Profit Corporation Law of the State of New York as amended.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the College as debtor or the Issuer as debtor under any applicable bankruptcy, insolvency, reorganization or similar law as now or hereafter in effect.

"Additional Bonds" means any bonds, other than the Series 2014A Bonds, issued pursuant to Section 2.13 of the Indenture.

"Additional Property" means all future real property and improvements of the College and/or the Company to which the lien of the Mortgage is spread or subject to a Mortgage Intercreditor Agreement.

"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 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. With respect to principal and sinking fund installments paid in any Fiscal Year on outstanding balloon long-term debt (25% or more of the original principal amount thereof matures, or is required to be purchased by the College, either automatically or at the option of the holder of such balloon indebtedness, or otherwise come due in any one year), such debt shall be assumed to be issued on a level debt service basis with a term equaling the original term of the debt.

"Assignment of Mortgage" means the Assignment of Mortgage and Security Agreement, dated as of March 1, 2014, from the Issuer to the Trustee and acknowledged by the Mortgagor.

"Authorized Investments" means any of the following: (i) Government Obligations, (ii) obligations of the Federal National Mortgage Association, (iii) obligations of the Federal Intermediate Credit Banks, (iv) obligations of the Federal Banks for Cooperatives, (v) obligations of Federal Home Land Banks, (vi) obligations of Federal Home Loan Banks, (vii) obligations of the Export-Import Bank of the United States, (viii) obligations of the U.S. Postal Service, (ix) obligations of the Government National Mortgage Association, (x) obligations of the Federal Home Loan Mortgage Corporation, (xi) obligations of the Private Export Funding Corporation, (xii) obligations of a state, territory or possession of the United States or any political subdivision of the foregoing, the interest on which is not included in gross income for

federal income taxation purposes and which bear a rating in one of the two highest rating categories by a Rating Agency, (xiii) obligations described in clause (xii) above which have been advance refunded and are secured by obligations described in clause (i) above, (xiv) interest bearing accounts, interest bearing deposits or certificates of deposit issued by, or bankers' acceptances drawn or accepted by, banks or trust companies, including the Trustee, organized under the laws of the United States or any state thereof whose long term debt and bank deposits bear ratings of "A" (or its equivalent) or better by a Rating Agency, (xv) commercial paper rated "P-1" (or its equivalent) or better by a Rating Agency or units of a commercial paper portfolio or fund comprised thereof, (xvi) notes of bank holding companies and banking institutions, organized under the laws of the United States or any state thereof, bearing a rating in one of the two highest categories by a Rating Agency, (xvii) units of a taxable government money-market portfolio restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States or repurchase agreements collateralized by such obligations, (xviii) certificates of deposit issued by a nationally or state-chartered bank, including the Trustee or any of its affiliates, or a savings and loan association whose long term debt and bank deposits do not bear ratings of "A" (or its equivalent) or better by a Rating Agency; provided that the principal amount of any such certificate of deposit in excess of the amount insured by the FDIC shall be fully secured and collateralized by the pledge and deposit of securities described in (i) above with a market value equal to one hundred percent (100%) of such uninsured excess principal amount, (xix) (A) demand and time deposits in, certificates of deposits of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Trustee) incorporated under the laws of the United States of America, any state thereof or the District of Columbia or any foreign depository institution with a branch or agency licensed under the laws of the United States of America or any state, subject to supervision and examination by Federal and/or State banking authorities and having an approved rating at the time of such investment or contractual commitment providing for such investment of "A" (or its equivalent) or better by a Rating Agency or (B) any other demand or time deposit certificate of deposit which is fully insured by the Federal Deposit Insurance Corporation or any successor therefor; (xx) investment agreements or repurchase agreements with any bank, trust company, national banking association (which may include the Trustee) or any other financial institution or insurance company or guaranteed thereby, provided that the institution providing such investment agreements or repurchase agreements shall be rated "A" (or its equivalent) or better by a Rating Agency, or the principal amount of such investment agreements or repurchase agreements then outstanding shall be fully secured and collateralized by the pledge and deposit of securities (including wireable securities) described in (i) and (ii) above with a market value equal to one hundred two percent (102%) of such principal amount, that the Trustee has a perfected first security interest in the collateral, that the Trustee or any agent has possession of the collateral, and that such obligations are free and clear of claims by third parties and (xxi) money market mutual funds with assets in excess of \$2,000,000,000 investing in obligations of the type specified in items (i) through (xii), (xv), (xvii) and (xx) above.

Any of the items described in (xiv), (xvi), (xviii), (xix) and (xx) above shall be only of institutions whose capital surplus (or in the case of financial institutions other than banks, net worth) is in excess of \$50,000,000.

"Authorized Representative" means with respect to the Issuer, its President, Vice President or Executive Director, with respect to the College, its President or its Vice President for Financial Affairs, and with respect to both such additional persons as, at the time, are designated to act on behalf of the Issuer or the College, as the case may be, by written certificate furnished to the Trustee and to the Issuer or the College, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by its President, Vice President or Executive Director, or (ii) the College by its President or its Vice President for Financial Affairs.

"Bond" or "Bonds" means, the Monroe County Industrial Development Corporation Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A, in the original aggregate principal amount of \$17,000,000 and any Additional Bonds, authorized to be issued pursuant to the Indenture to finance a portion of the Project Costs.

"Bond Counsel" means the law firm of Harris Beach PLLC or an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"Bond Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

"Bondholder" or "Holder" or "Owner" means the registered owner at the time in question of any Bond, as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

"Bond Payment Date" means any date on which a Debt Service Payment shall be payable on any of the Bonds according to their terms so long as any of the Bonds shall be Outstanding.

"Bond Proceeds" means the sum of the face amount of the Series 2014A Bonds plus accrued interest, if any, premium, if any, less the sum of the original issue discount plus the Underwriter's spread or similar discount, if any.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated March 13, 2014, by and among the Issuer, the College and the Underwriter.

"Bond Registrar" means the Trustee, acting as such, and any successor bond registrar for the Bonds appointed pursuant to Article IX hereof, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Bond Resolution" means the resolution adopted by the Issuer on February 11, 2014 authorizing the issuance, execution, sale and delivery of the Series 2014A Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Bond Year" means the one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year begins on the dated date of original issuance of the Bonds and ends one year later.

"Business Day" means a day other than a Saturday, Sunday, legal holiday or other day on which the Trustee is authorized by law or executive order to remain closed.

"Campus" means the College's approximately 154-acre main campus located at 3690 East Avenue in the Town of Pittsford, New York.

"Capital Additions" means all property or interests in property, real, personal and mixed (a) which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the Facility, and (b) the cost of which is properly capitalized under generally accepted accounting principles.

"Certificates of Authentication of the Trustee" and "Trustee's Certificates of Authentication" means the certificates executed by an authorized officer of the Trustee certifying the due authentication of the Series 2014A Bonds in the aggregate principal amount of \$17,000,000.

"Closing" or "Closing Date" means the date of the sale and delivery of the Series 2014A Bonds and the delivery of the Financing Documents.

"Code" means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed regulations of the United States Department of the Treasury promulgated thereunder. References to Sections of the Code shall be construed also to refer to successor and renumbered sections.

"College" means St. John Fisher College, a not-for-profit education corporation and organization described in Section 501(c)(3) of the Code, organized and existing under the laws of the State of New York, with an office located at 3690 East Avenue, Rochester, New York 14618 and its successors and assigns.

"College Documents" means the Loan Agreement, the Tax Compliance Agreement, the Pledge and Security Agreement, the Mortgage, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement.

"Company" means St. John Fisher Real Estate, LLC, a limited liability company organized under the laws of the State of New York, its successors and assigns, and of which the College is the sole member thereof.

"Completion Date" means the date of completion of the acquisition, construction and equipping of the Facility as certified pursuant to the Loan Agreement.

"Computation Period" means each period from the date of original issuance of the Bonds through the date on which a determination of the Rebate Amount is made.

"Condemnation" means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under Governmental Authority.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of March 1, 2014, by and between the College and the Trustee, as the same may be amended or supplemented from time to time.

"Contract Term" means the period commencing with the Closing Date and continuing until the principal of, premium, if any, and interest on the Bonds have been paid in full, or provision therefor has been made pursuant to Article VII of the Indenture, and all other amounts due under the Loan Agreement have been paid in full.

"Debt Service Coverage Ratio" is the ratio of Operating Revenues Available for Debt Service to Annual Debt Service.

"Debt Service Payment" means, with respect to any Bond Payment Date, (i) the interest payable on such Bond Payment Date on the Bonds Outstanding, plus (ii) the principal, if any, payable on such Bond Payment Date on the Bonds Outstanding, plus (iii) the premium, if any, payable on such Bond Payment Date on the Bonds Outstanding.

"Default Rate" means the lesser of the Fixed Interest Rate plus two hundred (200) basis points or the maximum rate permitted by law, that being the rate at which interest accrues on the Bonds from and after the date of occurrence of an Event of Default and for so long as such Event of Default remains in effect.

"Defeasance Obligations" shall mean (i) cash; (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – (SLGBs)); (iii) direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury; (iv) obligations of Resolution Funding Corp. ("REFCORP") (*provided, however*, that, only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form shall qualify as Defeasance Obligations); (v) pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P (*provided, however*, that, if such pre-funded municipal bonds are only rated by S&P, then such pre-refunded bonds shall have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or "AAA" rated pre-refunded municipals; and (vi) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank (Eximbank) Direct Obligations or fully guaranteed certificates of beneficial ownership; (b) Farmers Home Administration (FmHA); (c) Federal Financing Bank; (d) General Services Administration Participation Certificates; (e) U.S. Maritime Administration Guaranteed Title XI financing; and (f) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

"Depository" or "DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Determination of Taxability" means:

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the College shall consent or from which no timely appeal shall be taken to the effect that interest on the Bonds is includable in the gross income of the Owner thereof for Federal income tax purposes;

(B) ninety (90) days after receipt by the Issuer, the Trustee or the College of written notice that the Internal Revenue Service has issued a "notice of deficiency" or similar notice to any present or former Holder of a Bond assessing a tax in respect of any interest on the Bonds as a result of such interest being includable in gross income for Federal income tax purposes, provided that such notice has not been withdrawn by the Internal Revenue Service and from which such Holder (or the College or the Trustee on behalf of the Holder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

(C) the delivery to the College, the Trustee and the Issuer of an opinion of Bond Counsel to the effect that interest on the Bonds is includable in the gross income of a Holder thereof for Federal income tax purposes.

Nothing in this definition of "Determination of Taxability" shall be construed to mean that the Trustee, the College or any Holder of any Bond shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bonds is subject to taxation.

Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Bondholder, the calculation of which included the interest on the Bonds, be considered a Determination of Taxability.

"Earnings Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

"Equipment" means all machinery, equipment and other tangible personal property used and to be used in connection with the Facility and acquired in whole or in part with the Bond Proceeds with such additions thereto and substitutions therefor as may exist from time to time.

"Event of Default" means any of those events defined as Events of Default by Section 8.01 of the Indenture or, when used with respect to the Loan Agreement, any of those events defined as Events of Default by Section 7.1 of the Loan Agreement.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable, out-of-pocket expenses (including counsels' fees) incurred by the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses including but not limited to, the services rendered and expenses reasonably incurred by the Trustee with respect to any Event of Default under the Financing Documents, or the happening of an occurrence which, with the passage of time or the giving of a notice, would ripen into an Event of Default.

"Facility" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Favorable Opinion of Bond Counsel" shall mean, with respect to any action, the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Act and the Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"Financing Documents" or "Bond Documents" means, collectively, the Bonds, the Indenture, the Mortgage, the Assignment of Mortgage, the Loan Agreement, the Pledge and Assignment, the Pledge and Security Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement, any other document or instrument executed in connection therewith to secure the College's obligation to repay the Series 2014A Bonds or make the debt service payments due under the Loan Agreement, and any other instrument or document supplemental thereto.

"Fiscal Year" means the fiscal year of the College currently commencing on June 1 and ending on May 31 of each year, or such other fiscal year of similar length adopted by the College for accounting purposes as to which the College shall have given prior written notice thereof to the Issuer and the Trustee at least ninety (90) days prior to the commencement thereof.

"Fixed Interest Rate" means the interest rates on the Bonds as set forth in the Indenture, from and including the date of issuance of the Bonds, through but not including the final maturity date on the Bonds.

"Governmental Authority" means the United States, the State, and any other state or any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of these, having jurisdiction over the construction, equipping, ownership, leasing, operation and/or maintenance of the Facility.

"Governmental Obligations" means (i) any bonds or other obligations of the United States of America which, as to principal and interest, constitute direct obligations of or are guaranteed by the United States of America, (ii) any bonds, debentures, participation certificates, notes or other obligations of any agency or other corporation which has been or may hereafter be created by or pursuant to an Act of Congress of the United States as an agency or instrumentality thereof, the bonds, debentures, participation certificates, notes or other obligations of which are unconditionally guaranteed by the United States of America, (iii) any bond or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee or other fiduciary of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or

other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate; and (iv) any certificates or other evidences of an ownership interest in obligations of the character described in clauses (i) and (ii) hereof or in specific portions thereof, including, without limitation, portions consisting solely of the principal thereof or solely of the interest thereon.

"Gross Revenues" or "Pledged Revenues" shall have the meaning assigned to such term in the Pledge and Security Agreement.

"Hazardous Materials" means any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials as set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), Articles 15 or 27 of the New York Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

"Holder" or "Holders" means the holder or holders from time to time of the Outstanding principal amount of Bonds.

"Indebtedness" shall mean without duplication, (i) all indebtedness of the College for borrowed moneys or which has been incurred or assumed in connection with the Project, (ii) all indebtedness, no matter how created, secured by the Facility or other property of the College, whether or not such indebtedness is assumed by the College, (iii) the liability of the College under any lease of real or personal property that is properly capitalized on the balance sheet of the College in accordance with generally accepted accounting principles, and (iv) any guaranty by the College of any other Person for borrowed moneys or which has been incurred or assumed by such Person in connection with the acquisition of property or the leasing of real or personal property which is properly capitalized on the balance sheet of such Person in accordance with generally accepted accounting principles, excluding Indebtedness that has been defeased.

"Indenture" means the Indenture of Trust, dated as of March 1, 2014, by and between the Issuer and the Trustee pursuant to which the Series 2014A Bonds are authorized to be issued, as may be amended or supplemented by any additional Supplemental Indenture.

"Independent Counsel" means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court in the State.

"Intercreditor Agreement" means, with respect to the Pledged Revenues, the Intercreditor Agreement, dated as of June 1, 2012, by and between the Series 2011 Trustee and the 2012 Trustee, as amended and restated, in its entirety, by the Amended and Restated Intercreditor Agreement (Relating to Pledged Revenues), dated as of March 1, 2014, by and among the Trustee, the Series 2011 Trustee and the Series 2012 Trustee, as may be further amended or supplemented from time to time.

"Interest Payment Date" means the first day of each June 1 and December 1 (or the next succeeding Business Day if such first day is not a Business Day), commencing with December 1, 2014.

"Issuer" means (i) Monroe County Industrial Development Corporation and its successors and assigns and (ii) any not-for-profit corporation resulting from or surviving any consolidation or merger to which the Monroe County Industrial Development Corporation or its successors or assigns may be a party.

"Issuer Documents" means the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement.

"Land" means the real property which is the site of the Facility.

"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, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar encumbrances, including but not limited to, mechanics', materialmen's, warehousemen's and carriers' liens and other similar encumbrances affecting real property. For the purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Loan Agreement" means the Loan Agreement, dated as of March 1, 2014, by and between the Issuer and the College, pursuant to which the Issuer loans the proceeds of the Bonds to the College with the debt-service payments thereunder to be in an amount sufficient to pay, among other things, the principal of and interest on the Bonds.

"Long-Term Indebtedness" means Indebtedness having an original maturity of greater than one (1) year or Indebtedness on which the College 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.

"Loss Event" means in the event that at any time during the term of the Loan Agreement, the whole or part of the Facility shall be damaged or destroyed, or the whole or any part of the Facility shall be taken or condemned by a competent authority for any public use or purpose, or by agreement between the College and those authorized to exercise such right, or if the

temporary use of the Facility or any part thereof shall be so taken by condemnation or agreement.

"Maximum Annual Debt Service" means on any date, the greatest amount required in the then current or future Fiscal Year of Annual Debt Service.

"Mortgage" means the Mortgage and Security Agreement, dated as of March 1, 2014, from the Mortgagor to the Issuer, as assigned to the Trustee pursuant to the Assignment of Mortgage, and as may be amended, modified or supplemented from to time.

"Mortgage Intercreditor Agreement" shall mean, with respect to the Mortgaged Premises, any intercreditor agreement entered into in accordance with Section 4.1(a) of the Mortgage, including, but not limited to, the Intercreditor Agreement (Relating to Mortgaged Premises), dated as of March 1, 2014, by and among the Trustee and the Series 2012 Trustee, each as may be amended, modified or supplemented from to time.

"Mortgaged Premises" shall have the meaning assigned to such term in the Mortgage.

"Mortgagor" means the College and the Company.

"Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys' fees and disbursements and Trustee's fees and disbursements) incurred in obtaining such gross proceeds.

"Office of the Trustee" means the corporate trust office of the Trustee located at 385 Rifle Camp Road, Woodland Park, New Jersey, 07424.

"Official Statement" means the Official Statement of the Issuer and the College, dated the date thereof, with respect to the offering and sale of the Series 2014A Bonds.

"Operating Revenues 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 College's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the College, and excluding (i) any gains or losses resulting from either the extinguishment of Indebtedness, the sale, exchange or other disposition of capital assets not in the ordinary course of business, (ii) earnings resulting from any reappraisal, revaluation or write-up or write-down of fixed or capital assets, (iii) 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, (iv) extraordinary items, (v) any realized gains or losses on the sale of investments or interest exchange agreements, and (vi) any unrealized gains/appreciation or losses/depreciation on the carrying value of investments or interest exchange agreements.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those reasonable, out-of-pocket expenses normally incurred by a trustee or paying agent

under instruments similar to the Indenture, including reasonable fees and disbursements of counsel to the Trustee.

"Opinion of Counsel" shall mean a written opinion of counsel who may (except as otherwise expressly provided in the Loan Agreement or any other Financing Document) be counsel for the College or the Issuer and who shall be acceptable to the Trustee.

"Outstanding" or "Bonds Outstanding" or "Outstanding Bonds" means when used with reference to a Bond or Bonds, as of any particular date, all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which there has been separately set aside and held in the Bond Fund either:

(A) moneys and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article II of the Indenture,

provided, however, that, in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, such Bonds including Series 2014A Bonds owned by the College or any affiliate of the College shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith to a Person may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the College or any affiliate of the College.

"Parity Mortgage" shall mean, collectively, the Mortgage, the Series 2012 Mortgage and any Permitted Mortgages.

"Parity Obligations" means Long-Term Indebtedness of the College incurred in accordance with Section 3.8 of the Pledge and Security Agreement including obligations of the College to one or more commercial banks or financial institutions obligated to contribute to making loans, purchasing bonds or otherwise making funds available as security for the payment of the principal and interest when due on Long-Term Indebtedness of the College incurred in accordance with Section 3.8 of the Pledge and Security Agreement.

"Participant" means any of those brokers, dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository.

"Paying Agent" means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article IX hereof, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

"Permitted Encumbrances" means:

(i) the Pledge and Assignment, the Series 2011 Pledge and Security Agreement, the Series 2012 Pledge and Security Agreement, the Pledge and Security Agreement, the Intercreditor Agreement, the Indenture, the Series 2011 Mortgage (as applicable to the Skalny Science Center Improvements and as may be applicable to the Miscellaneous Improvements), the Series 2012 Mortgage, the Mortgage, the Mortgage Intercreditor Agreement and any other Financing Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not in default;

(iii) utility, access and other easements and rights-of-way restrictions and exceptions that an Authorized Representative of the College certifies to the Issuer and the Trustee will not interfere with or impair the College's use of the Facility as provided in the Loan Agreement;

(iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Facility and as do not, either singly or in the aggregate, materially impair the property affected thereby for the purpose for which it is owned by the College;

(v) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien or right in respect thereof if payment is not yet due and payable, or are insured over, or which are not delinquent, or the amount or validity of which, are being contested and execution thereon is stayed or has been due for less than 90 days;

(vi) any mortgage, lien, security interest or other encumbrance which exists in favor of the Trustee, the Series 2011 Trustee (with respect to the Series 2011 Revenue Pledge, the Intercreditor Agreement and the Series 2011 Mortgage (as applicable to the Skalny Science Center Improvements and as may be applicable to the Miscellaneous Improvements)) and the Series 2012 Trustee (with respect to the Series 2012 Revenue

Pledge, the Intercreditor Agreement, the Series 2012 Mortgage and the Mortgage Intercreditor Agreement);

(vii) any lien on Property, Plant or Equipment, provided, that, the amount of Property, Plant and Equipment encumbered pursuant to this clause (vii) does not exceed ten percent (10%) of the current value of the Property, Plant and Equipment of the College, as applicable;

(viii) such other liens and exceptions to title that do not materially impair the value of the Facility as approved in writing by the Trustee;

(ix) deposits, endorsements, guaranties, and other encumbrances incurred in the ordinary course of business and which do not secure Indebtedness;

(x) liens granted on a parity or subordinate basis with the Liens granted to the Trustee as security for the Bonds to secure indebtedness incurred or permitted pursuant to the Loan Agreement;

(xi) Liens to secure Indebtedness permitted to be incurred pursuant to the Loan Agreement;

(xii) any Lien permitted under the Pledge and Security Agreement or the Mortgage; and

(xiii) those Liens on the Facility in existence as of the date of the Indenture.

"Permitted Mortgage" means, in accordance with the Mortgage, a mortgage from the College and/or the Company on real property now owned or hereafter acquired of the College and/or the Company, including the Mortgaged Premises, which in the event of a default, and acceleration or claim on the Mortgaged Premises is *pari passu* with the lien on the Mortgaged Premises.

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

"Plans and Specifications" means the plans and specifications for the Facility prepared for the College, as the same may be amended or supplemented from time to time.

"Pledge and Assignment" means the Pledge and Assignment, dated as of March 1, 2014, by and between the Issuer and the Trustee, pursuant to which the Issuer assigns to the Trustee substantially all of its rights under the Loan Agreement (except the Unassigned Rights).

"Pledge and Security Agreement" means the Pledge and Security Agreement, dated as of March 1, 2014, by and between the College and the Trustee, as amended or supplemented from time to time.

"Pledged Revenue Intercreditor Agreement" means the Intercreditor Agreement.

"Preliminary Official Statement" means the Preliminary Official Statement of the Issuer and the College, dated the date thereof, with respect to the offering and sale of the Series 2014A Bonds.

"Project" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Project Costs" shall have the meaning assigned to such term in the WHEREAS paragraphs of the Indenture.

"Project Fund" means the fund so designated which is created by Section 4.01 of the Indenture.

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

"Property, Plant and Equipment" shall mean all property of the College that is considered net property, plant and equipment under generally accepted accounting principles.

"Rating Agency" means any nationally recognized securities rating agency.

"Rebate Amount" means with respect to the Bonds, the amount computed as described in the Tax Compliance Agreement.

"Rebate Fund" means the fund so designated pursuant to Section 4.01 of the Indenture.

"Record Date" means the Regular Record Date or the Special Record Date, as the case may be.

"Redemption Date" means the date determined by the Trustee, following receipt by the Trustee of notice from the Issuer or the College, on behalf of the Issuer, pursuant to the Indenture as of the date as of which a redemption shall be effective.

"Redemption Price" means, when used with respect to a Bond, the principal amount thereof plus the applicable redemption premium, if any, payable thereon, plus accrued interest to the Redemption Date.

"Regular Record Date" means, with respect to any Bond Payment Date, the fifteenth (15th) day of the calendar month (whether or not a Business Day) next preceding such Bond Payment Date.

"Renewal Fund" means the fund so designated and created pursuant to Section 4.01 of the Indenture.

"Reporting Date" means the reporting date of compliance with Section 6.22 of the Loan Agreement, such date being no later than one hundred fifty (150) days following the end of each Fiscal Year, commencing with the Fiscal Year ending May 31, 2014.

"Request for Disbursement" means a request for disbursement by the College to the Trustee substantially in the form of Exhibit B attached to the Indenture.

"SEQR Act" means the State Environmental Quality Review Act, as amended and the regulations thereunder.

"Series 2011 Assignment of Mortgage" means the Assignment of Mortgage and Security Agreement, dated as of May 1, 2011, from the Issuer to the Series 2011 Trustee and acknowledged by the Company, and as recorded with the Monroe County Clerk on May 26, 2011, in Liber 1646 of Assignment of Mortgage, at page 260.

"Series 2011 Bonds" means the Issuer's \$13,855,000 Tax Exempt Revenue Bonds (St. John Fisher College Project), Series 2011.

"Series 2011 Mortgage" means the Mortgage and Security Agreement, dated as of May 1, 2011, from the Company to the Issuer, as recorded with the Monroe County Clerk on May 26, 2011, in Liber 23679 of Mortgages, at page 604, and as assigned to the Series 2011 Trustee pursuant to the Series 2011 Assignment of Mortgage, and as may be amended, modified or supplemented from time to time.

"Series 2011 Pledge and Security Agreement" means the pledge and security agreement, dated as of May 1, 2011, by and between the College and the Series 2011 Trustee, as amended or supplemented from time to time.

"Series 2011 Revenue Pledge" means the security interest in Pledged Revenues of the College granted by the College to the Series 2011 Trustee under the terms of the Series 2011 Pledge and Security Agreement.

"Series 2011 Trustee" means The Bank of New York Mellon, or its successors and assigns, as trustee with respect to the Series 2011 Bonds.

"Series 2012 Assignment of Mortgage" means the Assignment of Mortgage and Security Agreement, dated as of June 1, 2012, from the Issuer to the Series 2012 Trustee and acknowledged by the Mortgagor, and as recorded with the Monroe County Clerk on June 1, 2012, in Liber 1695 of Assignment of Mortgage, at page 471.

"Series 2012 Bonds" means the Issuer's \$23,680,000 Tax-Exempt Revenue Refunding Bonds (St. John Fisher College Project), Series 2012A.

"Series 2012 Mortgage" means the Mortgage and Security Agreement, dated as of June 1, 2012, from the Mortgagor to the Issuer, as recorded with the Monroe County Clerk on June 1, 2012, in Liber 24378 of Mortgages, at page 87, and as assigned to the Series 2012 Trustee pursuant to the Series 2012 Assignment of Mortgage, and as may be amended, modified or supplemented from time to time.

"Series 2012 Pledge and Security Agreement" means the pledge and security agreement, dated as of June 1, 2012, by and between the College and the Series 2012 Trustee, as amended or supplemented from time to time.

"Series 2012 Revenue Pledge" means the security interest in Pledged Revenues of the College granted by the College to the Series 2012 Trustee under the terms of the Series 2012 Pledge and Security Agreement.

"Series 2012 Trustee" means The Bank of New York Mellon, or its successors and assigns, as trustee with respect to the Series 2012A Bonds.

"Series 2014A Bonds" means the Issuer's \$17,000,000 original principal amount Monroe County Industrial Development Corporation Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A.

"Short-Term Indebtedness" means any Indebtedness that is not Long-Term Indebtedness.

"Special Record Date" means a date for the payment of interest on the Bonds after an Event of Default has occurred fixed by the Trustee pursuant to Section 2.03(b) of the Indenture.

"State" means the State of New York.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture, which may be executed by the Issuer and the Trustee in accordance with Article X of the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the Closing Date, by and between the Issuer and the College, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and the Indenture.

"Tax-Exempt Organization" means any corporation (or other entity) determined by the Internal Revenue Service to be exempt from taxation for federal income tax purposes.

"Tax Incidence Date" means the date as of which interest on the Bonds first becomes taxable as a result of the occurrence of a Determination of Taxability.

"Taxable Rate" means the lesser of ten percent (10%) per annum or the maximum rate permitted by law, that being the rate at which interest accrues on the Bonds from and after the Tax Incidence Date.

"Testing Date" means the last day of the College's Fiscal Year.

"Title Insurance Company" means Stewart Title Insurance Company.

"Trustee" means The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, as Trustee under the Indenture, and any

corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as such hereunder.

"Trust Estate" means all Property which may from time to time become subject to the Lien of the Indenture.

"Unassigned Rights", "Reserved Rights" or "Issuer's Reserved Rights", shall mean collectively:

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce, in its own behalf, the obligation of the College to complete the Project;

(iv) the right of the Issuer, in its own behalf (or on behalf of the appropriate taxing authorities), to enforce, receive amounts payable under or otherwise exercise its rights under Sections 1.5, 2.1, 2.2, 3.1, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 5.1, 6.1, 6.2, 6.3, 6.5, 6.6, 6.10, 6.11, 6.13, 6.18, 6.19, 7.7, 8.1, 8.2, 8.4, 9.3, 9.10, 9.13, 9.17, 9.18 and 9.19 of the Loan Agreement; and

(v) the right of the Issuer, in its own behalf, to declare an Event of Default under Section 7.1 of the Loan Agreement with respect to any of the Issuer's Reserved Rights.

"Underwriter" means, collectively, RBC Capital Markets, LLC, acting on behalf of itself and M&T Securities, Inc., and their respective successors or assigns.

"Unrestricted Operating Revenues" means total unrestricted operating revenues, including funds made available for operations from endowment funds and from other temporarily restricted resources as displayed or included in the College's audited financial statements produced in accordance with generally accepted accounting principles then applicable to the College, and excluding (i) any gains resulting from either the extinguishment of Indebtedness, the sale, exchange or other disposition of capital assets not in the ordinary course of business, (ii) earnings resulting from any reappraisal, revaluation or write-up or write-down of fixed or capital assets, (iii), any realized gains on the sale of investments or interest exchange agreements and (iv) any unrealized gains/appreciation on the carrying value of investments or interest exchange agreements.

[END OF APPENDIX C]

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following description of certain provisions of the Indenture is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Indenture for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Delivery of Series 2014A Bonds

Upon the execution and delivery of the Indenture, the Issuer shall execute and deliver the Series 2014A Bonds to the Trustee and the Trustee shall authenticate the Series 2014A Bonds and deliver them upon receipt of the Bond Proceeds in accordance with the directions of the Issuer and the provisions of the Indenture. (Section 2.07)

Additional Bonds

(a) The Issuer may issue Additional Bonds under the Indenture from time to time on a pari passu basis with the Series 2014A Bonds issued under the Indenture for any of the purposes listed below:

(1) To pay the cost of completing the Facility or completing an addition thereto based on the original general design and scope of the Facility or such addition thereto set forth in the original plans and specifications therefor, with such changes as may have become necessary to carry out such original design, or to reimburse expenditures of the College for any such costs;

(2) To pay the cost of Capital Additions or to reimburse expenditures of the College for any such cost;

(3) To pay the cost of refunding through redemption of any Outstanding Bonds issued under the Indenture and subject to such redemption; or

(4) To pay the cost of any additional project approved by the Issuer.

(b) In any such event the Trustee shall, at the written request of the Issuer, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of:

(1) (A) a Supplemental Indenture setting forth the terms of the Additional Bonds and, for Additional Bonds described in subsection (a)(2) or (4) above, describing the Capital Additions to become part of the Facility; and (B) a supplement to the Loan

Agreement providing for additional Debt Service Payments to be made by the College sufficient to cover the debt service due on the Additional Bonds.

(2) For Additional Bonds described in subsection (a)(1), (a)(2) or (a)(4) above, a certificate signed by the chief executive officer and chief financial officer of the College stating that the proceeds of the Additional Bonds plus other amounts, if any, available to the College for the purpose will be sufficient to pay the cost thereof; and (ii) payments and additional payments, if any, scheduled to be paid by the College under the Loan Agreement will be adequate to satisfy all of the Debt Service Payments required to be made on the Bonds to remain Outstanding during the remaining life thereof; provided, however, such Additional Bonds shall not be issued to cure any deficiencies existing on the date of such certification in any funds required to be maintained under the Indenture;

(3) For Additional Bonds described in subsection (a)(1) above, (i) a certificate of the College stating (A) the estimated cost of completion of the Facility or the addition thereto and (B) that all approvals required for completion of the Facility or addition thereto have been obtained, other than building permits for any portions of the Facility or such addition thereto which, based on consultations with the College and contractor or other construction manager, will be obtained in due course so as not to interrupt or delay construction of the Facility or such addition thereto and other than licenses or permits required for occupancy or operation of the Facility or such addition thereto upon its completion;

(4) For Additional Bonds described in subsection (a)(3) above, (A) a certificate of an Authorized Representative of the College that notice of redemption of the Bonds to be refunded has been given or that provisions have been made therefor, and (B) a certificate of an Accountant stating that the proceeds of the Additional Bonds plus the other amounts, if any, stated to be available for the purpose, will be sufficient to accomplish the purpose of the refunding and to pay the cost of refunding, which shall be itemized in reasonable detail;

(5) For any Additional Bonds, a certified resolution of the Issuer (A) stating the purpose of the issue, (B) establishing the series of Additional Bonds to be issued and providing the terms and form of Additional Bonds thereof and directing the payments to be made into the funds established under the Indenture, (C) authorizing the execution and delivery of the Additional Bonds to be issued and (D) authorizing redemption of any previously issued Bonds which are to be refunded;

(6) For any Additional Bonds, a certificate of an Authorized Representative of the College stating (A) that no Event of Default under the Indenture or under the Loan Agreement has occurred and is continuing (except, in the case of Additional Bonds described in subsection (a)(1) above, for an Event of Default, if any, resulting from non-completion of the Facility or an addition thereto) and (B) that the proceeds of the Additional Bonds plus other amounts, if any, stated to be available for that purpose will be sufficient to pay the costs for which the Additional Bonds are being issued, which shall be itemized in reasonable detail;

(7) For any Additional Bonds, a certified resolution of the Board of Trustees of the College (A) approving the issuance of the Additional Bonds and the terms thereof, (B) authorizing the execution of any required amendments or supplements to the Indenture and the Loan Agreement, (C) for Additional Bonds described in subsection (a) (1) or (2) above, approving plans and specifications for the Facility or an addition thereto, and (D) for Additional Bonds described in subsection (a)(3) above, authorizing redemption of the Bonds to be refunded;

(8) For any Additional Bonds, an opinion or opinions of Bond Counsel to the effect that (A) the purpose of the Additional Bonds is one for which Additional Bonds may be issued under the Indenture, (B) all conditions prescribed in the Indenture as precedent to the issuance of the Additional Bonds have been fulfilled, (C) the Additional Bonds have been validly authorized and executed and when authenticated and delivered pursuant to the request of the Issuer will be valid, legally binding, special obligations of the Issuer, and are entitled to the benefit and security of the Indenture, (D) all consents of any regulatory bodies required as a condition to the valid issuance of the Additional Bonds have been obtained and (E) issuance of such Additional Bonds will not adversely affect the tax status of Outstanding Bonds;

(9) For any Additional Bonds, a certificate of an Authorized Representative of the College, (i) evidencing the College's Maximum Annual Debt Service on all outstanding and proposed Indebtedness is less than ten percent (10%) of the College's Unrestricted Operating Revenues as stated in the College's most recently available audited financial statements and (ii) containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.00:1.00 or higher for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the Additional Bonds proposed to be issued.

(10) For Additional Bonds described in Subsection (a)(1), (a)(2) or (a)(4) above, an opinion of Independent Counsel to the College reasonably acceptable to the Issuer. (Section 2.13)

Establishment of Funds and Accounts; Application of Series 2014A Bond Proceeds and Allocation Thereof

The Indenture requires the establishment of the following trust funds and accounts with the Trustee: (i) the Project Fund, (ii) the Bond Fund, (iii) the Renewal Fund, (iv) the Rebate Fund, in which there are two accounts, the Principal Account and the Earnings Account, and (v) the Earnings Fund. Upon the receipt of the proceeds of the Bonds, the Trustee shall deposit such proceeds (a) in the Bond Fund: all accrued interest, if any, paid by the purchaser of the Series 2014A Bonds and (b) in the Project Fund: the balance of the proceeds received from the sale of the Series 2014A Bonds. (Section 4.01 and 4.02)

Use of Moneys in the Project Fund

Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of the Loan Agreement and the Indenture. The Trustee is authorized to disburse from the Project Fund the amount required for the payment of Project Costs and is directed to issue its checks or make wire transfers for each disbursement from the Project Fund upon being furnished certain documents as required by the Indenture. If an Event of Default shall occur under the Indenture and the Outstanding principal amount of the Bonds shall have been declared due and payable pursuant to the Indenture, the entire balance remaining in the Project Fund, after making any required transfer to the Rebate Fund, shall be transferred to the Bond Fund. (Section 4.04)

Payments into the Bond Fund; Use of Moneys in the Bond Fund

The Trustee shall deposit into the Bond Fund: (i) the accrued interest and premium, if any, on the Bonds as provided in the Indenture, (ii) any and all payments received by the Trustee under the Loan Agreement, (iii) the balance in the Project Fund, the Renewal Fund, the Earnings Fund and the Rebate Fund to the extent specified in the Indenture, (iv) the amount of net income or gain received from investment of moneys in the Bond Fund and (v) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or the Indenture which, by the terms of the Loan Agreement or the Indenture are required to be or which are accompanied by directions that such moneys are to be paid into the Bond Fund. (Section 4.05)

So long as there remain any Bonds Outstanding, moneys in the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the Bonds or for the redemption of the Bonds as provided in the Indenture. (Section 4.06)

Payments into Renewal Fund; Application of Renewal Fund

The Net Proceeds resulting from any casualty insurance proceeds or Condemnation award with respect to the Facility deposited or delivered to the Trustee pursuant to the Loan Agreement shall be deposited in the Renewal Fund. The amounts in the Renewal Fund shall be subject to a security interest, lien and charge in favor of the Trustee until disbursed as provided in the Indenture. The Trustee is authorized under the Indenture to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same have been paid by or on behalf of the College or the Issuer) of the costs required for the rebuilding, replacement, repair and restoration of the Facility upon written instructions from the College. The Trustee is further authorized and directed to issue its checks for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee, signed by an Authorized Representative of the College. (Section 4.07)

Payments into Earnings Fund; Application of Earnings Fund

All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Earnings Fund or any other special fund held with respect to the Bonds under any of the Financing Documents (other than the Rebate Fund or the Bond Fund) shall be deposited upon

receipt by the Trustee into the Earnings Fund. Within thirty (30) days after the end of each Bond Year, or such later date that the Trustee receives the written certificate required to be delivered by or on behalf of the College pursuant to the Indenture and the Tax Compliance Agreement, the Trustee shall withdraw from the Earnings Fund an amount equal to the difference, if any, between the Rebate Amount set forth in such certificate and the amount then on deposit in the Rebate Fund. Any amounts remaining in the Earnings Fund following such transfer shall be transferred to the funds, as specifically directed by the College, which were the sources of the earnings deposited into the Earnings Fund. If an Event of Default under the Indenture shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance remaining in the Earnings Fund, after making the transfer to the Rebate Fund required under the Tax Compliance Agreement and the Indenture, shall be transferred to the Bond Fund and applied in accordance with the Indenture. (Section 4.08)

Payments into Rebate Fund; Application of Rebate Fund

The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee, the Owner of any Bond or any other Person.

The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the College, in accordance with the Tax Compliance Agreement, shall deposit in the Rebate Fund Principal Account within thirty (30) days after the end of each Bond Year, or such later date that the Trustee receives such certification from the College, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Facility pursuant to the Tax Compliance Agreement at any time during a Bond Year the Trustee shall deposit in the Rebate Fund Principal Account within thirty (30) days of the Completion Date, or such later date that the Trustee receives such certification from the College, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated at the Completion Date. The amounts deposited in the Rebate Fund Principal Account pursuant to the Indenture shall be withdrawn from the Earnings Fund, to the extent of any moneys therein, and then, to the extent of any deficiency, from such fund or funds as are designated by the College to the Issuer and the Trustee in writing.

In the event that on the first day of any Bond Year 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 College, shall withdraw such excess amount and prior to the Completion Date, deposit it in the Project Fund or, after the Completion Date, deposit it in the Bond Fund.

The Trustee, upon the receipt of written instructions from an Authorized Representative of the College, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount equal to ninety percent (90%) of the balance, if any, in the Rebate Fund Principal Account and the total amount on the Rebate Fund Earnings Account as of the date of

such payment and (ii) in accordance with the Indenture, not later than thirty (30) days after the date on which all Bonds have been paid in full, the balance in the Rebate Fund. (Section 4.09)

Investment of Moneys

Moneys held in any fund established by the Indenture (other than the Bond Fund) shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to direction by the Authorized Representative of the College. Moneys held in the Bond Fund shall be invested and reinvested, pursuant to direction by the Authorized Representative of the College, only in Governmental Obligations maturing as needed. (Section 4.11)

Payment to College Upon Payment of Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of (1) the principal of, premium, if any, and interest on all the Bonds (or after provision for the payment thereof has been made in accordance with the Indenture), (2) the fees, charges and expenses of the Trustee and Paying Agent and (3) all other amounts required to be paid under the Indenture, the Mortgage and the Loan Agreement, and provided that all moneys required to be paid into the Rebate Fund have been paid or adequately provided for, all amounts remaining in any fund established pursuant to the Indenture (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the College under the Indenture and the Loan Agreement shall be paid to the College. (Section 4.12)

Payments Due on Other Than Business Days

In any case where a Bond Payment Date shall not be a Business Day, then payment of the principal of, premium, if any, and interest on the Bonds need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date due and no interest shall accrue for the period after such date. (Section 5.14)

Priority Rights of Trustee

The rights and privileges of the College set forth in the Loan Agreement are specifically made subject and subordinate to the rights and privileges under the Financing Documents of the Trustee and the Holders of the Bonds. (Section 6.01)

Defeasance of Bonds

Any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, the Indenture if: (i) there shall have been irrevocably deposited with the Trustee sufficient Defeasance Obligations, in accordance with the Indenture, which will, without further investment, be sufficient, together with other amounts held for such payment, to pay the principal of the Bonds when due or to redeem the Bonds at the Redemption Price, if any, in accordance with the Indenture (ii) in the event such Bonds are to be redeemed prior to maturity in accordance with the Indenture, all action required by the provisions of the Indenture to redeem the Bonds shall have been taken or

provided for to the satisfaction of the Trustee, and notice thereof in accordance with the Indenture shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses of the Trustee and of any additional Paying Agents with respect to the Bonds, (iv) the Issuer shall have been reimbursed for all of its expenses under the Financing Documents and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the Bonds shall have been made or provided for. At such time as a Bond shall be deemed to be paid under the Indenture, as aforesaid, such Bond shall no longer be secured by or entitled to the benefit of the Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations.

For purposes of item (i) in the paragraph above, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem Outstanding Bonds prior to the maturity thereof only if there shall be on deposit with the Trustee for such purpose Defeasance Obligations maturing or redeemable at the option of the holder thereof not later than (i) the maturity date of such Bonds, or (ii) the first date following the date on which such Bonds are to be redeemed pursuant to the Indenture (whichever may first occur), or both cash and such Defeasance Obligations, in an amount which, together with income to be earned on such Defeasance Obligations (without reinvestment) prior to such maturity date or Redemption Date, equals the principal due on such Bond, together with the premium, if any, due thereon and all interest thereon which has accrued and which will accrue to such maturity date or Redemption Date. The College, at its own expense, shall deliver to the Trustee a report and/or opinion from an Accountant as to whether the cash or Defeasance Obligations held by the Trustee meet the requirements under the Indenture.

Upon the defeasance of all Outstanding Bonds in accordance with the Indenture, the Trustee shall hold in trust, for the benefit of the Holders of such Bonds, all such moneys and/or Defeasance Obligations and shall make no other or different investment of such moneys and/or Defeasance Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds. (Section 7.02)

Events of Default

The following shall be "Events of Default" under the Indenture, and the terms "Event of Default" or "Default" shall mean, when they are used in the Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of the interest on any Bond, irrespective of notice; or

(b) A default in the due and punctual payment of the principal or Redemption Price of any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof (except with respect to a proposed redemption as provided the Indenture for which the notice of redemption shall no longer be of force or effect in accordance with the Indenture), or upon the maturity thereof by declaration or otherwise; or

(c) (i) Subject to clause (ii) below, the failure by the Issuer to observe and perform any covenant, condition or agreement under the Indenture on its part to be observed or performed (except obligations referred to in (a) and (b) above) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Issuer and the College by the Trustee or by the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of Outstanding Bonds;

(ii) If the covenant, condition, or agreement which the Issuer has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Issuer shall not be in default if the Issuer commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Trustee or the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds Outstanding, unless the Trustee or the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Outstanding Bonds shall give their written consent to a longer period; or

(d) The occurrence and continuance of an "Event of Default" under the Loan Agreement; or

(e) The occurrence and continuance of an "Event of Default" under the Mortgage; or

(f) The occurrence and continuance of an "Event of Default" under the Pledge and Security Agreement. (Section 8.01)

Acceleration

Upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) of the aggregate principal amount of the Outstanding Bonds shall, by written notice delivered to the Issuer and the College declare all Bonds Outstanding immediately due and payable, and such Bonds shall become immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding. (Section 8.02)

Enforcement of Remedies

In the event the Bonds are declared immediately due and payable, the Trustee may, and upon the written request of the Holders as set forth in the Indenture shall, proceed forthwith to protect and enforce its rights and the rights of the Holders under the Act, the Bonds, the Loan Agreement, the Pledge and Security Agreement, the Mortgage and the Indenture by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem necessary or expedient. Upon the occurrence and continuance of any Event of Default, and upon being provided with the security and indemnity if so required pursuant to the Indenture, 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 man would exercise or use in the circumstances in the conduct of his/her own affairs.

The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the College for the payment of the principal, premium, if any, and interest on the Outstanding Bonds under any of the provisions of the Indenture, the Bonds, the Pledge and Security Agreement, the Mortgage or the Loan Agreement without prejudice to any other right or remedy of the Trustee or of the Holders.

In accordance with the Indenture, upon the occurrence and 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 the payment of the principal of, premium, if any, on and interest on the Bonds then Outstanding and to enforce and compel the performance of the duties and obligations of the Issuer and the College under the Financing Documents.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than fifty-one percent (51%) in the aggregate principal amount of the Outstanding Bonds may, and if provided with the security and indemnity required under the Indenture shall, institute and maintain such suits and proceedings as advised by such Holders shall be necessary or expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the Bonds, or to preserve or protect the interests of the Holders; provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders not making such request. (Section 8.03)

Application of Moneys

The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of and in accordance with the Indenture shall be deposited in the Bond Fund.

All moneys in the Bond Fund following the occurrence of an Event of Default shall be applied to the payment of the reasonable fees and expenses of the Issuer and the Trustee and then subject to the Intercreditor Agreement and any Mortgage Intercreditor Agreement, as follows:

(i) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable,

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

SECOND - To the payment of the unpaid principal or Redemption Price of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon

which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference.

THIRD - To the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable.

(ii) If the principal of all the Bonds shall have become due by declaration or otherwise, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture then, subject to the provisions of the Indenture, in the event that the principal of all the Bonds shall later become due by declaration or otherwise, the moneys shall be applied in accordance with the provisions of the Indenture. (Section 8.05)

Individual Holder Action Restricted

No Holder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture or of which under the Indenture the Trustee is deemed to have notice, and

(ii) the Holders of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and

(iii) such Holders shall have offered the Trustee indemnity as provided in the Indenture, and

(iv) the Trustee shall have failed or refused to exercise the powers granted under the Indenture or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and for the equal benefit of the Holders of all Bonds Outstanding. (Section 8.09)

Supplemental Indentures Not Requiring Consent of Holders

Without the consent of or notice to any of the Holders, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) In connection with the issuance of Additional Bonds, to set forth such matters as are specifically required or permitted under the Indenture;
- (b) To cure any ambiguity or formal defect or omission in the Indenture;
- (c) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;
- (d) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer;
- (e) To more precisely identify the Trust Estate;
- (f) To subject to the Lien of the Indenture additional revenue, receipts, Property or collateral;
- (g) To evidence the appointment of a successor Trustee;
- (h) To preserve the tax-exempt status of the Bonds;
- (i) In connection with the issuance of Parity Obligations in accordance with the Pledge and Security Agreement;
- (j) In connection with the creation of any Permitted Mortgage in accordance with the Mortgage; or
- (k) To effect any other change in the Indenture which, in the judgment of the Trustee based on an opinion of Independent Counsel, is not to the prejudice of the Trustee or the Holders. (Section 10.01)

Supplemental Indentures Requiring Consent of Holders

Except as provided in the Indenture, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture or in the Bonds; provided, however, that nothing contained in the Indenture shall permit: (i) a change in the terms of redemption or

maturity of the principal or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount of or premium, if any, on any Outstanding Bond or the rate of interest thereon, without the consent of the Holder of such Bond, or (ii) the creation of a Lien upon the Trust Estate ranking prior to or on a parity with the Lien created by the Indenture, without the consent of the Holders of all Outstanding Bonds, or (iii) the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Holders of all Outstanding Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, without the consent of the Holders of all Outstanding Bonds.

If the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof, as provided by the Indenture, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. (Section 10.02)

Amendments to Loan Agreement

Without the consent of or notice to the Holders, the Issuer and the College may enter into, and the Trustee may consent to, any amendment, change or modification of the Loan Agreement as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) for the purpose of issuing Additional Bonds under the Indenture; (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Bonds, (vi) in connection with the issuance of Parity Obligations in accordance with the Pledge and Security Agreement or (vii) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without notice thereof being given to the Holders in the manner provided in the Indenture and the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds. (Section 11.01)

Amendments to Pledge and Security Agreement, Intercreditor Agreement and Parity Mortgage

Without the consent of or notice to the Holders, the Issuer and the College may enter into, and the Trustee may consent to, any amendment, change or modification of the Pledge and Security Agreement, Intercreditor Agreement, Mortgage Intercreditor Agreement and/or Parity Mortgage as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) for the purpose of issuing

Additional Bonds under the Indenture or to spread the lien of, or otherwise supplement, the Mortgage in connection with the issuance of Additional Bonds, (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Bonds, (vi) in connection with the issuance of Parity Obligations in accordance with the Pledge and Security Agreement or to spread the Lien of, or otherwise supplement, the Parity Mortgage or Intercreditor Agreement in connection with the issuance of Parity Obligations, (vii) in connection with the creation or modification of any Parity Mortgage in accordance with the Parity Mortgage or to spread the Lien of, or otherwise supplement, the Parity Mortgage or any Mortgage Intercreditor Agreement in connection with the creation or modification of any Parity Mortgage or (viii) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Pledge and Security Agreement or Mortgage without notice thereof being given to the Holders in the manner provided in the Indenture and the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds. (Section 11.02)

Amendments to Tax Compliance Agreement

Without the consent of or notice to the Holders, the Issuer and the College may enter into, and the Trustee may consent to, any amendment, change or modification of the Tax Compliance Agreement as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) for the purpose of issuing Additional Bonds under the Indenture, (iv) in connection with the description of the Facility, (v) in order to preserve the tax-exempt status of the Bonds or (vi) in connection with any other change therein, which, in the sole judgment of the Trustee based on an opinion of Independent Counsel, does not adversely affect the interests of the Trustee or the Holders. Except for amendments, changes or modifications as provided in the Indenture, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Tax Compliance Agreement without notice thereof being given to the Holders in the manner provided in the Indenture and the written approval or consent of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Outstanding Bonds procured and given in the manner set forth in the Indenture; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Holders of all Outstanding Bonds. (Section 11.03)

[END OF APPENDIX D]

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APPENDIX E

**SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT
AND PLEDGE AND ASSIGNMENT**

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT AND PLEDGE AND ASSIGNMENT

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following description of certain provisions of the Loan Agreement is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Loan Agreement for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Completion by College

The College unconditionally covenants and agrees in the Loan Agreement that it will complete the Project, or cause the Project to be completed, by the Completion Date, and that such completion will be effected in a workmanlike manner, using high-grade materials, free of defects in materials or workmanship (including latent defects), as applicable, and in accordance with the Loan Agreement and the Indenture. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project, the College shall pay that portion of such costs of the Project as may be in excess of the moneys therefor in said Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the College be entitled to any diminution of the debt service payments payable or other payments to be made under the Loan Agreement. (Section 2.2)

Issuance of Series 2014A Bonds

On the Closing Date, or on such other date as the Issuer, the Trustee, and the College may mutually agree upon, the Trustee shall deposit the proceeds of the Series 2014A Bonds in the Project Fund (i) upon receipt of the Series 2014A Bonds and (ii) subject to the terms and conditions of the Indenture. Additional Bonds may be issued and purchased from time to time, as set forth in the Indenture on a pari passu basis with the Series 2014A Bonds. Each series of Additional Bonds shall be issued only for the purpose provided in the Supplemental Indenture executed in connection therewith.

The Issuer agrees to loan the proceeds of the Series 2014A Bonds to the College and the College agrees to pay to the Trustee the principal of and interest on the Series 2014A Bonds and all other amounts due hereunder in accordance with the terms of the Loan Agreement, the Indenture and the Series 2014A Bonds. (Section 3.1)

Payment Provisions; Pledge of Loan Agreement

The College covenants to make debt service payments for and in respect of the Series 2014A Bonds pursuant to the Loan Agreement, which the Issuer agrees shall be paid by the College directly to the Trustee on or prior to each Bond Payment Date for deposit in the Bond

Fund in an amount equal to the sum of (i) with respect to interest due and payable on the Series 2014A Bonds, an amount equal to the interest next becoming due and payable on the Series 2014A Bonds on the immediately succeeding Interest Payment Date (less any amount available in the Project Fund for transfer to the Bond Fund), (ii) the principal amount of the Bonds then Outstanding which will become due on the immediately succeeding Interest Payment Date (whether at maturity or by redemption or acceleration as provided in the Indenture), and (iii) the principal of and redemption premium, if any, including sinking fund installments, on the Bonds to be redeemed which will become due on the immediately succeeding redemption date together with accrued interest to the date of redemption. (Section 3.2)

Obligation of College Unconditional

The obligations of the College to pay debt service payments and all other payments provided for in the Loan Agreement and to maintain the Facility in accordance with the Loan Agreement constitute a general obligation of the College and shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Series 2014A Bond and the obligation of the College shall arise whether or not the Project has been completed as provided in the Loan Agreement. (Section 3.3)

Maintenance, Alterations and Improvements

During the term of the Loan Agreement, the College will keep the Facility in good and safe operating order and condition, ordinary wear and tear excepted, will occupy, use and operate the Facility in the manner for which it was designed and intended and contemplated by the Loan Agreement, and will make all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) reasonably necessary to ensure that the security for the Series 2014A Bonds shall not be materially impaired.

The College shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Facility or any part thereof, to the extent such portion of the Facility is part of the Mortgaged Premises, or the interest of the College in the Facility, to the extent such portion of the Facility is part of the Mortgaged Premises, or the Loan Agreement except for Permitted Encumbrances. (Section 4.1)

Taxes, Assessments and Charges

The College shall pay, when the same shall become due, all taxes and assessments, general and specific, if any, levied and assessed upon or against the Facility, any estate or interest of the College in the Facility, or the payments under the Loan Agreement during the term of the Loan Agreement and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility. (Section 4.3)

Insurance

At all times throughout the term of the Loan Agreement including, without limitation, during any period of construction or renovation of the Facility, the College, in accordance with the Loan Agreement, shall maintain insurance with insurance companies licensed to do business in the State (or authorized in the State under the Federal Liability Risk Retention Act), against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the College. (Section 4.4)

Damage, Destruction and Condemnation

In the event that at any time during the term of the Loan Agreement, the whole or part of the Facility shall be damaged or destroyed, or the whole or any part of the Facility shall be taken or condemned by a competent authority for any public use or purpose, or by agreement between the Company and/or the College and those authorized to exercise such right, or if the temporary use of the Facility or any part thereof shall be so taken by condemnation or agreement (a "Loss Event"): (i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Facility, (ii) there shall be no abatement, postponement or reduction in the debt service payments or other amounts payable by the College under the Loan Agreement, and (iii) the College will promptly give written notice of such Loss Event to the Issuer and the Trustee, generally describing the nature and extent thereof.

Upon the occurrence of a Loss Event, any Net Proceeds derived therefrom shall be paid to the College and the College shall either: (i) at its own cost and expense (except to the extent paid from the Net Proceeds deposited in the Renewal Fund as provided in the Loan Agreement and the Indenture), promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the College shall not, by reason of payment of any such excess costs, be entitled to any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the debt service payments or other amounts payable by the College under the Loan Agreement be abated, postponed or reduced, or (ii) if, to the extent and upon the conditions permitted to do so under the Loan Agreement and under the Indenture, exercise its option to make advance debt service payments to redeem the Series 2014A Bonds in whole; provided, however, that, any Net Proceeds derived from a Loss Event affecting the Facility shall be paid to the Trustee and deposited in the Renewal Fund and the College shall elect to comply with either clause (i) or clause (ii) above.

In accordance with the Loan Agreement, if all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the College as contemplated by the Loan Agreement, the College shall exercise its option to terminate the Loan Agreement pursuant to the Loan Agreement, and the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited in the Bond Fund, and the College shall thereupon pay to the Trustee for deposit in the Bond Fund an amount which, when added to any amounts then in the Bond Fund and available for that purpose, shall be sufficient to retire and redeem the Series 2014A Bonds in whole at the earliest possible date

(including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and to pay the expenses of redemption, the fees and expenses of the Issuer, the Bond Registrar, the Trustee and the Paying Agent, together with all other amounts due under the Indenture and under the Loan Agreement, and such amount shall be applied, together with such other available moneys in such Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or maturity date.

The College shall be entitled to any insurance proceeds or condemnation award, compensation or damages attributable to improvements, machinery, equipment or other property installed on or about the Facility but which, at the time of such damage or taking, is not part of the Facility and is owned by the College. (Section 5.1)

Restrictions on College

The College agrees that at all times during the term of the Loan Agreement it will (i) maintain its existence, (ii) continue to be a not-for-profit education corporation and a Tax-Exempt Organization subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business in the State, (iii) not, unless otherwise permitted by the terms of the Loan Agreement or the terms of any Permitted Encumbrances, sell, transfer, pledge or otherwise encumber all or substantially all of the assets which constitute the Facility; and (iv) not, unless otherwise permitted by the terms of the Loan Agreement, liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its property, business or assets remaining after the execution and delivery of the Loan Agreement. (Section 6.1)

Indemnity

The College shall at all times protect and hold the Issuer, the Trustee, the Bond Registrar, the Paying Agent, and any of their respective directors, members, officers, employees, servants or agents (excluding for this purpose the College, which is not obligated by the Loan Agreement to indemnify its own employees or affiliate individuals) or any of such Persons and persons under the control or supervision of any of such Persons (collectively, the "Indemnified Parties") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses (collectively, "Claims") of any kind for losses, damage, injury and liability (collectively, "Liability") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing from the date the Issuer adopted the Bond Resolution for the Project, and continuing throughout the term of the Loan Agreement and for the relevant statute of limitations thereafter for any Claim arising during such term (subject to the Loan Agreement), upon or about the Facility or resulting from, arising out of, or in any way connected with the events described in the Loan Agreement. (Section 6.2)

Notice by the College

The College shall promptly notify the Issuer and the Trustee of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Financing Document of which it has knowledge. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the College and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the College shall state this fact on the notice. (Section 6.6)

Debt Service Coverage Ratio

The College covenants to maintain during each Fiscal Year a Debt Service Coverage Ratio of 1.00:1.00, commencing with the Fiscal Year ending May 31, 2014. For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service on the outstanding Series 2011 Bonds, the outstanding Series 2012 Bonds, the outstanding Series 2014A Bonds and any Additional Bonds. On or prior to each Reporting Date, the College shall file with the Trustee a certificate of an Authorized Officer of the College stating whether at the immediately preceding Testing Date the Debt Service Coverage Ratio requirement is satisfied and setting forth the calculation upon which such statement is based. (Section 6.22)

Events of Default

Any one or more of the following events shall constitute an "Event of Default" under the Loan Agreement: (a) failure of the College to pay any debt service payment that has become due and payable by the terms of the Loan Agreement which results in a default in the due and punctual payment of the principal of, redemption premium, if any, or interest on any Bond; (b) failure of the College to pay any amount (except as set forth in the Loan Agreement) that has become due and payable and continuance of such failure for a period of thirty (30) days after receipt by the College of written notice from the Issuer, the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, specifying the nature of such default; (c) failure of the College to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be performed (except as set forth in the Loan Agreement) and (1) continuance of such failure for a period of thirty (30) days after receipt by the College of written notice specifying the nature of such default from the Issuer, the Trustee, or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, and the College fails to proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue, with reasonable diligence, its efforts to cure the same; (d) the College shall: (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the federal Bankruptcy Code (as now or in effect after the date of the Loan Agreement), (v) file a petition

seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) take any action for the purpose of effecting any of the foregoing, or (vii) be adjudicated a bankrupt or insolvent by any court; (e) a proceeding or case shall be commenced, without the application or consent of the College, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the College or of all or any substantial part of its assets, (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing against the College shall be entered and continue unstayed and in effect, for a period of ninety (90) days or (iv) the College shall fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the College as used above shall not be construed to prohibit any action otherwise permitted by the Loan Agreement; (f) any representation or warranty made (i) by or on behalf of the College in the application and related materials (including, but not limited to, any materials related to the SEQRA Act) submitted to the Issuer for approval of the Project or its financing, or (ii) by the College in the Loan Agreement or in any of the other Financing Documents or (iii) in the Bond Purchase Agreement, or (iv) in the Tax Compliance Agreement, or (v) in any report, certificate, financial statement or other instrument furnished pursuant to the Loan Agreement or any of the foregoing shall prove to be false, misleading or incorrect in any material respect as of the date made; (g) an "Event of Default" caused by the College under the Indenture or under any other Financing Document shall occur and be continuing or (h) failure of the College to maintain the Debt Service Coverage Ratio for two (2) consecutive Testing Dates. (Section 7.1)

Remedies on Default

Whenever any Event of Default referred to in the Loan Agreement shall have occurred and be continuing, the Issuer, or the Trustee where so provided, may take any one or more of the following remedial steps:

(a) the Trustee, as and to the extent provided in the Indenture, may cause all principal installments of debt service payments payable under the Loan Agreement for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable; *provided, however*, that, upon the occurrence of an Event of Default under the Loan Agreement, all principal installments of debt service payments payable under the Loan Agreement for the remainder of the term of the Loan Agreement, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(b) [Intentionally Omitted];

(c) the Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the debt service payments then due and thereafter to

become due, or to enforce performance or observance of any obligations, agreements or covenants of the College under the Loan Agreement;

(d) The Trustee may take possession of the Mortgaged Premises, together with the books, papers and accounts of the College pertaining thereto, and lease or sell the Mortgaged Premises or any part thereof in the name and for the account of the College, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same and any moneys received for the payment of, all proper costs and expenses of taking, holding, leasing and selling the Facility, including any taxes and other charges prior to the security interest hereof or of the Mortgages and all expenses of such repairs and improvements;

(e) The Trustee may take any action permitted under the Indenture or the Pledge and Security Agreement with respect to an Event of Default thereunder; and

(f) The Issuer, without the consent of the Trustee or any Bondholder, may proceed to enforce its Reserved Rights by bringing an action for damages, injunction or specific performance and the College under the Loan Agreement appoints the Issuer its true and lawful agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest) with full power of substitution to file on its behalf all affidavits, questionnaires and other documentation necessary to accomplish such conveyance.

In the event that the College fails to make any debt service or other payment required in the Loan Agreement, the amount so in default shall continue as an obligation of the College until the amount in default shall have been fully paid. (Section 7.2)

Remedies Cumulative

The rights and remedies of the Issuer or the Trustee under the Loan Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under the Loan Agreement. (Section 7.4)

Options

The College has the option to make advance debt service payments for the deposit in the Bond Fund to effect the retirement of the Bonds in whole or the redemption in whole or in part of the Bonds, all in accordance with the terms of the Indenture; *provided, however*, that, no partial redemption of the Bonds may be effected through advance debt service payments under the Loan Agreement if there shall exist and be continuing an Event of Default.

The College shall have the option to terminate the Loan Agreement on any date during the term of the Loan Agreement by causing the redemption, purchase or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture. (Section 8.1)

Termination of Loan Agreement

After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with the Indenture and the payment of the fees and expenses of the Issuer, the Trustee, the Bond Registrar, and the Paying Agent and all other amounts due and payable under the Loan Agreement or the Indenture, together with any amounts required to be rebated to the federal government pursuant to the Indenture or the Tax Compliance Agreement, the Loan Agreement shall terminate, subject, however, to the survival of the obligations of the College under the Loan Agreement. (Section 8.4)

Assignment

The College may not at any time, except as otherwise permitted pursuant to the Loan Agreement, assign or transfer the Loan Agreement, without the prior written consent of the Issuer, and the Trustee (which consents shall not be unreasonably withheld); provided, further, that, (1) the College shall nevertheless remain liable to the Issuer for the payment of all debt service payments and for the full performance of all of the terms, covenants and conditions of the Loan Agreement and of any other Financing Document to which it shall be a party, (2) any assignee or transferee of the College in whole of the Facility shall have assumed in writing and have agreed to keep and perform all of the terms of the Loan Agreement on the part of the College to be kept and performed, shall be jointly and severally liable with the College for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State, (3) in the Opinion of Counsel addressed to the Issuer and Trustee, such assignment or transfer shall not legally impair in any respect the obligations of the College for the payment of all debt service payments nor for the full performance of all of the terms, covenants and conditions of the Loan Agreement or of any other Financing Document to which the College shall be a party, nor impair or limit in any respect the obligations of any obligor under any other Financing Document, (4) any assignee or transferee shall be a Tax-Exempt Organization or, if not a Tax-Exempt Organization, upon receipt of an opinion of Bond Counsel addressed to the Issuer and the Trustee as to the non-includability in gross income of interest on the Bonds for purposes of federal income taxation, and shall utilize the Facility in compliance with the Act, (5) such assignment or transfer shall not violate any provision of the Loan Agreement, the Indenture or any other Financing Document, (6) such assignment or transfer shall in no way diminish or impair the College's obligation to carry the insurance required under the Loan Agreement and the College shall furnish written evidence satisfactory to the Issuer and the Trustee that such insurance coverage shall in no manner be limited by reason of such assignment or transfer, (7) each such assignment or transfer contains such other provisions as the Issuer or the Trustee may reasonably require, and (8) in the opinion of Bond Counsel, such assignment or transfer shall not cause the interest on the Bonds to be includable on gross income for federal income taxes. The College shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof. (Section 9.3)

Amendments

Except as otherwise provided in the Loan Agreement, the Loan Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture. (Section 9.6)

Inspection of Facility

The College will permit the Trustee, or its duly authorized agents, at all reasonable times during normal business hours upon written notice to enter upon the Facility and to examine and inspect the Facility and exercise their rights under the Loan Agreement, under the Indenture and under the other Financing Documents with respect to the Facility. (Section 9.10)

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SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT

The following description of the Pledge and Assignment is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Pledge and Assignment for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

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

[END OF APPENDIX E]

APPENDIX F

**SUMMARY OF CERTAIN PROVISIONS OF THE
PLEDGE AND SECURITY AGREEMENT**

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SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND SECURITY AGREEMENT

The following description of certain provisions of the Pledge and Security Agreement is only a brief outline of some of the provisions thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Pledge and Security Agreement for details of the provisions thereof.

All terms not otherwise defined below or in the Pledge and Security Agreement shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Representations and Warranties of the College

The College represents and warrants in the Pledge and Security Agreement that, among other things, the Pledge and Security Agreement is effective to create, in favor of the Trustee, legal, valid and enforceable liens on and security interests in the Pledged Revenues and all necessary and appropriate filings having been duly effected in all appropriate public offices so that the liens and security interests created by the Pledge and Security Agreement will constitute perfected liens on and security interests in the Pledged Revenues on a *pari passu* basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and Parity Obligations. (Section 2.1)

Pledge of the Pledged Revenues; Use Prior to Event of Default

As security for the obligations of the College under the Loan Agreement and for the College's obligation with respect to the Series 2014A Bonds issued under the Indenture, the College, pursuant to the Pledge and Security Agreement, pledges, assigns, hypothecates, transfers and delivers to the Trustee, and grants to the Trustee a security interest in, all right, title and interest, whether now owned or at any time acquired after the date of the Pledge and Security Agreement, of the College in and to the Pledged Revenues. So long as no Event of Default shall have occurred and be continuing, and except as otherwise provided in the Pledge and Security Agreement, nothing contained in the Pledge and Security Agreement shall be deemed to preclude the College from possessing, and consistent with its past practices, using and disposing of the Pledged Revenues in the ordinary course of its corporate purposes. Notwithstanding anything contained in the Pledge and Security Agreement or in any other document to the contrary, the College and the Trustee acknowledge and agree that the Pledge and Security Agreement is subject to the terms and conditions contained in the Intercreditor Agreement and the College's and Trustee's rights and obligations in and to the Pledged Revenues are controlled by and expressly subject to the Intercreditor Agreement. (Section 3.1)

Financing Statements

The Trustee is authorized on behalf of the College and itself to complete one or more financing statements, including continuation statements with respect to any Pledged Revenues covered by the Pledge and Security Agreement and to file the same in any appropriate office or place to the extent permitted by law. The College agrees to deposit all of its Pledged Revenues,

as and when received, into one or more deposit accounts and/or securities accounts with one or more banks or other financial institutions selected by the College (each, an "Account"). The College shall apply the monies comprising Pledged Revenues in the Accounts to the making of Debt Service Payments on the Series 2014A Bonds as they become due and payable, and may withdraw monies from the Accounts for any lawful purpose. The College shall provide to the Trustee a statement identifying the name and number of any fund or account established by the College with any banking, trust or other financial institution pursuant to the Pledge and Security Agreement. (Section 3.4)

No Set-Off by the College

No set-off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature (other than full performance by the College of the obligations under the Pledge and Security Agreement) which the College has or may have against the Trustee or any other Person, shall be available under the Pledge and Security Agreement to the College with respect to a claim under the Pledge and Security Agreement. The College acknowledges that no oral or other agreements, understandings, representations or warranties exist with respect to the Pledge and Security Agreement or with respect to the obligations of the College under the Pledge and Security Agreement, except as specifically set forth in the Pledge and Security Agreement. (Section 3.6)

Parity Obligations

The College may issue, incur or assume Long-Term Indebtedness secured by a Lien on Pledged Revenues, which in the event of any default and acceleration or claim on the Pledged Revenues is *pari passu* with the Lien on the Pledged Revenues granted by the Pledge and Security Agreement, the Series 2011 Revenue Pledge and the Series 2012 Revenue Pledge, provided (1) such Long-Term Indebtedness refunds or refinances all or a portion of the Series 2014A Bonds, or (2) (a) the College provides to the Trustee a certificate of an Authorized Representative of the College containing pro forma calculations demonstrating that the Maximum Annual Debt Service on the College's Indebtedness, including such Long-Term Indebtedness, does not exceed ten percent (10%) of the amount of its unrestricted operating revenues as reported for the most recently concluded Fiscal Year for which audited financial statements are available, **and** (b) the College provides to the Trustee a certificate of an Authorized Representative of the College containing pro forma calculations demonstrating a Debt Service Coverage Ratio of 1.00:1.00 or higher for the most recently concluded Fiscal Year for which audited financial statements are available taking into account the additional Long-Term Indebtedness proposed to be issued.

For purposes of calculating the Debt Service Coverage Ratio for such pro forma calculations, Annual Debt Service shall be equal to projected Maximum Annual Debt Service. Indebtedness which does not bear interest at a fixed rate will be deemed to bear interest at an annual rate equal to 120% of the weighted average annual interest rate borne by such Indebtedness over the 24-month period ending on the date of calculation (or with respect to such Long-Term Indebtedness issued during such 24-month period, 120% of the average of the most recent 24-month Bond Buyer 25 Revenue Bond Index). The principal of Balloon Indebtedness

will be deemed to mature pursuant to the Annual Debt Service definition in the Pledge and Security Agreement. In the event the project to be financed with such additional Long-Term Indebtedness is expected to generate additional revenues, such revenues, net of anticipated expenses, may be included in the pro forma calculations of the Debt Service Coverage Ratio provided that such estimations of additional net revenues are deemed reasonable in the opinion of an Authorized Representative of the College. (Section 3.8)

Events of Default Defined

An "Event of Default" shall exist if any of the following occurs:

COVENANTS FOR THE PAYMENT OF MONEY - the College fails to perform or observe any covenant for the payment of money contained in the Pledge and Security Agreement within ten (10) days of demand, after written notice with respect thereto is given by the Trustee to the College;

WARRANTIES OR REPRESENTATIONS - any warranty, representation or other statement by or on behalf of the College contained in the Pledge and Security Agreement is false or misleading in any material respect when made;

INVOLUNTARY BANKRUPTCY PROCEEDINGS - a receiver, liquidator or trustee of the College or of any of its Property is appointed by court order, and such order remains in effect for more than sixty (60) days; or the College is adjudicated bankrupt or insolvent; or any of the Property of the College is sequestered by court order and such order remains in effect for more than sixty (60) days; or a petition is filed against the College under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or after the Pledge and Security Agreement is in effect, and is not dismissed within sixty (60) days after such filing;

VOLUNTARY PETITIONS - the College files a petition in voluntary bankruptcy or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or after the Pledge and Security Agreement is in effect, or consents to the filing of any petition against it under such law;

ASSIGNMENTS FOR BENEFIT OF CREDITORS - the College shall generally not pay its debts as such debts become due or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee or liquidator of all or any part of its Property; or

DEFAULTS UNDER FINANCING DOCUMENTS OR INTERCREDITOR AGREEMENT - the occurrence and continuation of an "Event of Default" under any of the other Financing Documents or the Intercreditor Agreement. (Section 4.1)

Remedies on Default

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 them in the Pledge and Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Series 2014A 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 in the Pledge and Security Agreement) to or upon the College or any other Person (all and each of which demands, defenses, advertisements and notices are waived under the Pledge and Security Agreement), may in such circumstances forthwith, collect, receive, appropriate and realize upon the Pledged Revenues, or any part thereof, subject to the terms and limitations of the Intercreditor Agreement. The Trustee shall, subject to the terms and limitations of the Intercreditor Agreement, 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 Pledged Revenues or in any way relating to the Pledged Revenues or the rights of the Trustee under the Pledge and Security Agreement, respectively, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of amounts owed under the Series 2014A Bonds, in such order as the Trustee may elect, 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 College. To the maximum extent permitted by applicable law, the College waives all claims, damages and demands it may acquire against the Trustee arising out of the exercise of any rights under the Pledge and Security Agreement. If any notice of a proposed sale or other disposition of Pledged Revenues shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The College shall remain liable for any deficiency if the proceeds of any sale of the Pledged Revenues are insufficient to pay amounts owed with respect to the Series 2014A Bonds and the reasonable fees and disbursements of any attorneys employed by the Trustee to collect such deficiency.

If an Event of Default shall have occurred and be continuing, the Trustee shall, subject to the terms and limitations of the Intercreditor Agreement, have the right (1) to notify or to require the College to notify Persons obligated on any instruments, accounts, or contracts which are part of the Pledged 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, and (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. Subject to the provisions of the Financing Documents and the Intercreditor Agreement, until such time as the Trustee elects to exercise such rights, the College, as the agent of the Trustee, shall collect and enforce all such contracts and accounts. The cost of such collection and enforcement, including attorneys' fees and expenses, shall be borne by the College, whether the same is incurred by the Trustee or the College.

If an Event of Default exists and continues, subject to the terms and limitations of the Intercreditor Agreement, the Trustee may proceed to enforce the provisions of the Pledge and

Security Agreement 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 College under the Pledge and Security Agreement (subject to the Intercreditor Agreement) without proceeding against or exhausting any other remedies which it may have and without resorting to any other security held by the Issuer or the Trustee.

Each and every Event of Default under the Pledge and Security Agreement shall give rise to a separate cause of action under the Pledge and Security Agreement, and separate suits may be brought under the Pledge and Security Agreement by the Trustee as each cause of action arises.

The Trustee may, subject to the terms and limitations of the Intercreditor Agreement, pursue its rights and remedies under the Pledge and Security Agreement notwithstanding (1) any guaranty of or other security for the Series 2014A 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.

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. (Section 4.2)

Proceeds

If an Event of Default shall occur and be continuing, subject to the terms and limitations of the Intercreditor Agreement, (A) all Pledged Revenues received by the College consisting of cash, checks and other near-cash items shall be paid to the Trustee for application in accordance with the terms of the Financing Documents and Intercreditor Agreement and otherwise shall be held by the College in trust for the Trustee, segregated from other funds of the College, and shall, forthwith upon receipt by the College, be turned over to the Trustee in the exact form received by the College (duly indorsed by the College to the Trustee, if required), and (B) any and all such Pledged Revenues received by the Trustee (whether from the College or otherwise) may, in the sole discretion of the Trustee, as applicable, be held by the Trustee for application against amounts owed to it, and/or then, or at any time thereafter, may be applied by the Trustee against the Series 2014A Bonds (whether matured or unmatured), such application to be in such order as the Trustee shall elect. In accordance with the Pledge and Security Agreement, any balance of such Pledged Revenues remaining after all amounts owed to the Trustee and on the Series 2014A Bonds shall have been paid in full and the Financing Documents shall have been terminated shall be paid over to the College or to whomsoever may be lawfully entitled to receive the same. (Section 4.3)

Appointment of Security Agent; Establishment of Revenue Fund

As security for the prompt and complete payment of all amounts payable to the Trustee and payment when due (whether at the stated maturity, by acceleration or otherwise) of the Series 2014A Bonds, the College, pursuant to the Pledge and Security Agreement, agrees as follows:

The Trustee, pursuant to the Pledge and Security Agreement, is appointed by the College as security agent, and Trustee agrees to act as such and to accept all cash, other amounts, instruments, securities and investments to be delivered to or held by the Trustee pursuant to the terms of the Pledge and Security Agreement, subject, however, to the Intercreditor Agreement.

The following special, segregated and irrevocable cash collateral account is, pursuant to the Pledge and Security Agreement, established by the Trustee, which shall be maintained at all times until the termination of the Pledge and Security Agreement: the Revenue Fund. No amounts will be deposited into the Revenue Fund until the occurrence of an Event of Default. All moneys, investments and securities at any time on deposit in the Revenue Fund shall constitute trust funds to be held in the custody of the Trustee for the purposes and on the terms set forth in the Pledge and Security Agreement, subject, however, to the Intercreditor Agreement.

In order to secure the performance by the College of all of its covenants, agreements and obligations under the Financing Documents and the Intercreditor Agreement and the payment by the College of all amounts due on the Series 2014A Bonds, and in furtherance (and not in limitation) of the provisions of the Pledge and Security Agreement and the Intercreditor Agreement, the College, pursuant to the Pledge and Security Agreement, pledges and assigns to the Trustee, for the benefit of the Bondholders, and creates in favor of the Trustee, for the benefit of the Bondholders, a security interest in and to, the Revenue Fund, all cash, cash equivalents, instruments, investments and other securities at any time on deposit in the Revenue Fund and all proceeds of any of the foregoing. All moneys, cash equivalents, instruments, investments and securities at any time on deposit in the Revenue Fund shall constitute collateral security for the payment by the College of all amounts due under the Series 2014A Bonds and the performance and observance by the College of all the covenants and conditions contained in the Financing Documents and Intercreditor Agreement, and shall at all times be subject to the control of the Trustee and shall be held in the custody of the Trustee for the purposes of, and on the terms set forth in, the Pledge and Security Agreement and the Intercreditor Agreement. The College shall not have any right or power to distribute or to direct the Trustee to distribute any amounts in the Revenue Fund or any part thereof except in accordance with the provisions of the Pledge and Security Agreement and the Intercreditor Agreement.

Subject to the terms of the Intercreditor Agreement, upon the occurrence and continuation of an Event of Default, the College shall deposit or cause all Pledged Revenues to be deposited in the Revenue Fund immediately upon receipt thereof. The money from time to time in the Revenue Fund shall be applied by the Trustee, for the purpose of making the deposits required to be made to the following Funds or accounts created under the Indenture in the following order of priority: (1) the Bond Fund; (2) such account as the College shall have established for the payment of principal or interest on Subordinated Indebtedness, if any; and (3) if, on the last Business Day of any June or December, or in the event that (a) the balance on deposit in the Bond Fund shall equal the Bond Fund Requirement for the next Bond Payment Date, and (b) the Trustee shall have received from the College sufficient moneys to permit the Trustee to make all other deposits to other funds or accounts established under the Indenture required by the Indenture to be made into such funds and accounts as of such Business Day, then the Trustee shall notify the College, and the College may withdraw free and clear of the Lien of the Pledge and Security Agreement all amounts then on deposit in the Revenue Fund that are in

excess of the total of (x) the amount to be transferred from the Revenue Fund to the Bond Fund, and (y) any amounts required by the Indenture to be transferred to other funds or accounts established under the Indenture from the Revenue Fund during the current or the next ensuing calendar month.

Any deposit made into the Revenue Fund under the Pledge and Security Agreement shall be irrevocable and the amount of such deposit and any instrument or security held in the Revenue Fund under the Pledge and Security Agreement and all interest thereon shall be held in trust by the Trustee and applied solely as provided in the Pledge and Security Agreement and the Intercreditor Agreement.

Any cash held by the Trustee in the Revenue Fund shall be invested by the Trustee from time to time in Defeasance Obligations (as defined in the Indenture) as the College shall determine and specifically direct in writing. Any income or gain realized as a result of any such investment shall be held as part of the Revenue Fund and reinvested or released as provided in the Pledge and Security Agreement and the Intercreditor Agreement. Any income tax payable on account of any such income or gain shall be payable by the College as an expense of the Project. The Trustee shall have no liability for any loss, fee, tax or other charge resulting from any such investment, reinvestment or sale thereof other than by reason of their willful misconduct or gross negligence. Any such investment may be sold (without regard to maturity date) by the Trustee whenever necessary to make any withdrawal or distribution required by the Pledge and Security Agreement and the Intercreditor Agreement. The Trustee will promptly notify the College of any loss resulting from any such investment and the College shall thereupon reimburse the Revenue Fund.

After all the Series 2011 Bonds and all the Series 2012A Bonds shall have been paid in full and the Series 2011 Pledge and Security Agreement and the Series 2012 Pledge and Security Agreement shall have been terminated, if an Event of Default has been timely cured and no other Event of Default has occurred and is continuing, the balance in Revenue Fund shall be returned to the College and no Pledged Revenues shall be required under the Pledge and Security Agreement to be deposited therein until as may be required again under the Pledge and Security Agreement. (Section 4.4)

Remedies Not Exclusive; Waiver and Notice

No remedy conferred upon or reserved to the Trustee under the Pledge and Security Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Pledge and Security Agreement now or existing after the date of the Pledge and Security Agreement at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default under the Pledge and Security Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

In order to entitle the Trustee to exercise any remedy reserved to it in the Pledge and Security Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Pledge and Security Agreement.

In the event any provision contained in the Pledge and Security Agreement shall be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Pledge and Security Agreement.

No waiver, amendment, change, alteration, release, discharge, modification or termination of the Pledge and Security Agreement shall be established by conduct, custom or course of dealing. (Section 4.5)

Amendments / Intercreditor Agreement to Control

No waiver, amendment, change, modification, release, discharge, alteration or termination of this Pledge and Security Agreement shall be made except upon the written consent of the College, the Trustee and the approval of all other parties to the Intercreditor Agreement. Any amendment, change or modification of this Pledge and Security Agreement shall be subject to the Intercreditor Agreement and the approval of all other parties to the Intercreditor Agreement. In the event that any term or provision contained herein conflicts with any term or provision of the Intercreditor Agreement, the Intercreditor Agreement shall in all circumstances control. (Section 5.6)

Discharge of College's Obligations and Termination of The Pledge and Security Agreement

When all amounts owed under the Series 2014A Bonds have been paid in full and the Series 2014A Bonds are no longer Outstanding, then, and only then, the Pledge and Security Agreement and the security interests created by the Pledge and Security Agreement shall be null and void and shall be released in due form, at the College's expense; otherwise, it shall remain in full force and effect. No release of the Pledge and Security Agreement, or of the Lien, security interest or assignment created and evidenced by the Pledge and Security Agreement, shall be valid unless executed by the Trustee. The Trustee, upon the College's request and at the College's expense, shall deliver to the College all documents evidencing such release. On the date of such discharge, the College shall be released from any and all conditions, terms, covenants or restrictions created or placed upon it by the Pledge and Security Agreement and the College shall not have any further obligation or liability under the Pledge and Security Agreement. (Section 5.11)

[END OF APPENDIX F]

APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

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SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

The following description of the Mortgage is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Mortgage for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

General

Pursuant to the Mortgage, the College and the Company (collectively referred to as the "Mortgagor") will grant to the Issuer a mortgage lien on and security interest in certain properties of the Mortgagor as further set forth in the Mortgage. Under the Assignment of Mortgage, the Issuer has assigned all of its rights, title and obligations under the Mortgage to the Trustee, with acknowledgment thereof by the Mortgagor.

Parity Mortgages

In accordance with the Mortgage, the College may, from time to time, issue, incur or assume Long-Term Indebtedness secured by a lien on real property now owned or hereafter acquired of the College and/or real property subject to a ground lease from the College to the Company, including the Mortgaged Premises, which in the event of a default, and acceleration or claim on the Mortgaged Premises is *pari passu* with the lien on the Mortgaged Premises granted by the Mortgage and the Series 2012 Mortgage (individually, a "Permitted Mortgage" and collectively, the "Permitted Mortgage") provided (i) such Long-Term Indebtedness refunds or refinances all or a portion of the Series 2014A Bonds, or (ii) (A) the College provides the Trustee a certificate of an Authorized Representative of the College demonstrating that the Value (as defined in the Mortgage) of the Mortgaged Premises is not less than 1.00 x the then outstanding principal amount of the Long-Term Indebtedness (including such Long-Term Indebtedness to be issued, incurred or assumed) secured by the Parity Mortgages and (B) the lien of the Mortgage is spread to any Additional Property and/or the mortgagee of the Permitted Mortgage shall execute and deliver a Mortgage Intercreditor Agreement with respect to the Mortgaged Premises by and among the College, the Trustee, the Series 2012 Trustee and such mortgagee, and the Mortgage, the Series 2012 Mortgage and such Permitted Mortgage shall be subject to the terms and conditions contained in such Mortgage Intercreditor Agreement.

The Mortgage shall be *pari passu* with the lien of all other Permitted Mortgages which may, from time to time, be delivered to by the College and/or the Company in accordance with the Mortgage. The lien of the Mortgage shall automatically be *pari passu* with the lien of other Permitted Mortgages delivered in accordance with the Mortgage. All monies received by the Mortgagee under the terms of the Mortgage shall be shared *pro rata* with all holders of any future Permitted Mortgages granted by the College and/or the Company on all or a portion of the Mortgaged Premises in accordance

with the Mortgage. In accordance with the Mortgage, the Mortgagee shall execute and deliver such documents (including, but not limited to, the documents and Mortgage Intercreditor Agreement referred to above) as may be required by the holder of any Permitted Mortgage to evidence that the Lien of the Mortgage is pari passu with the lien of the other Permitted Mortgages executed and delivered in accordance with the Mortgage.

Mortgage Intercreditor Agreement

In accordance with the Mortgage, the College and the Trustee acknowledge and agree that the Mortgage is subject to the terms and conditions contained in any Mortgage Intercreditor Agreement and the College's and Trustee's rights and obligations with respect to the Mortgaged Premises are controlled by and expressly subject to such Mortgage Intercreditor Agreement.

In accordance with the Mortgage, any amendment, change or modification of the Mortgage shall be subject to any Mortgage Intercreditor Agreement and the approval of all other parties to such Mortgage Intercreditor Agreement.

In the event that any term or provision contained the Mortgage conflicts with any term or provision of any Mortgage Intercreditor Agreement, such Mortgage Intercreditor Agreement shall in all circumstances control.

[END OF APPENDIX G]

**SUMMARY OF CERTAIN PROVISIONS OF
THE PLEDGED REVENUE INTERCREDITOR AGREEMENT AND
THE MORTGAGE INTERCREDITOR AGREEMENT**

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**SUMMARY OF CERTAIN PROVISIONS OF
THE PLEDGED REVENUE INTERCREDITOR AGREEMENT AND
THE MORTGAGE INTERCREDITOR AGREEMENT**

**SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGED REVENUE
INTERCREDITOR AGREEMENT**

The following description of the Pledged Revenue Intercreditor Agreement is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Pledged Revenue Intercreditor Agreement for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Definitions

“Bonds” means collectively the Series 2011 Bonds, the Series 2012A Bonds and the Series 2014A Bonds.

“College” means St. John Fisher College.

“Creditor” means the Series 2011 Trustee, the Series 2012 Trustee and the Trustee individually.

“Creditors” means the Series 2011 Trustee, the Series 2012 Trustee and Trustee collectively.

“Financing Documents” shall mean collectively the 2011 Bond Documents, the 2012A Bond Documents and the 2014A Bond Documents.

“MCIDC” means the Monroe County Industrial Development Corporation.

“Mortgage” means any mortgage from the College and/or St. John Fisher Real Estate, LLC to a Creditor covering all or a portion of the real property of the College, excluding any lien thereunder on the Pledged Revenues.

“Person” shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

“Pledged Revenues” or “Gross Revenues” shall mean all receipts, revenues, income and other money received by the College from any source and all rights to receive the same (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof,

and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the College; provided, however, that there shall be excluded from Pledged Revenues gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes, and the income derived therefrom, to the extent required by such designation.

“Pledge and Security Agreements” means collectively the 2011 Pledge and Security Agreement, the 2012A Pledge and Security Agreement and the 2014A Pledge and Security Agreement.

“Proceeds” means any payment, directly or indirectly, from the College to a Creditor after such Creditor has notice of any event of default and acceleration under any of the Financing Documents, whether by voluntary payment by the College, by judicial process, by set off or by other means, including receipt or collection of Pledged Revenues. “Proceeds” shall include all set offs of deposit or investment accounts held by a Creditor, other than accounts held by a Creditor as a fiduciary including any funds held by a trustee pursuant to the terms of the applicable Financing Documents and further, the term “Proceeds” shall not include any payment, recovery or other collection of proceeds realized by a Creditor from any mortgaged property pursuant to a Mortgage or any mortgage title insurance policy in connection therewith.

“2011 Bond Documents” means the 2011 Indenture, the 2011 Loan Agreement, the 2011 Pledge and Security Agreement, the 2011 Bonds, and any and all other easements, licenses, documents or instruments related to any of the foregoing or issued pursuant thereto.

“2011 Bonds” means the Monroe County Industrial Development Corporation \$13,855,000 Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2011.

“2011 Indenture” means that certain Indenture of Trust, dated as of May 1, 2011, between MCIDC and the Series 2011 Trustee, as amended from time to time.

“2011 Loan Agreement” means that certain Loan Agreement, dated as of May 1, 2011, between MCIDC and the College, as amended from time to time.

“2011 Pledge and Security Agreement” means that certain Pledge and Security Agreement, dated as of May 1, 2011, from the College to the Series 2011 Trustee, as amended from time to time.

“2012A Bond Documents” means the 2012 Indenture, the 2012 Loan Agreement, the 2012A Pledge and Security Agreement, the 2012A Bonds, and any and all other easements, licenses, documents or instruments related to any of the foregoing or issued pursuant thereto.

“2012A Bonds” means the Monroe County Industrial Development Corporation \$23,680,000 Tax-Exempt Revenue Refunding Bonds (St. John Fisher College Project), Series 2012A.

“2012 Indenture” means that certain Indenture of Trust, dated as of June 1, 2012, between MCIDC and the Series 2012 Trustee, as amended from time to time.

“2012 Loan Agreement” means that certain Loan Agreement, dated as of June 1, 2012, between MCIDC and the College, as amended from time to time.

“2012A Pledge and Security Agreement” means that certain Pledge and Security Agreement, dated as of June 1, 2012, from the College to the Series 2012 Trustee, as amended from time to time.

“2014A Bond Documents” means the 2014 Indenture, the 2014 Loan Agreement, the 2014A Pledge and Security Agreement, the 2014A Bonds, and any and all other easements, licenses, documents or instruments related to any of the foregoing or issued pursuant thereto.

“2014A Bonds” means the Monroe County Industrial Development Corporation \$_____ Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A.

“2014 Indenture” means that certain Indenture of Trust, dated as of March 1, 2014, between MCIDC and the Trustee, as amended from time to time.

“2014 Loan Agreement” means that certain Loan Agreement, dated as of March 1, 2014, between MCIDC and the College, as amended from time to time.

“2014A Pledge and Security Agreement” means that certain Pledge and Security Agreement, dated as of March 1, 2014, from the College to the Trustee, as amended from time to time.

Creditors’ Priority of Interests

Upon the occurrence of an event of default and acceleration by any of the Creditors under any of the Financing Documents, any claim held by each of the Creditors with respect to the Proceeds shall be *pari passu* (i.e., equal and ratable in right without regard to order of priority); the interests of each of the Creditors being co-equal and in proportion to the unpaid outstanding principal amount of the Series 2011 Bonds, the Series 2012A Bonds and the Series 2014A Bonds (net of any cash or investments held as security therefor), whether or not each such Creditor has accelerated repayment of such principal amount. The College by signing the Pledged Revenue Intercreditor Agreement agrees, without impairing or otherwise limiting any other rights of any of the Creditors, that the occurrence of an event of default and acceleration of the obligations under any of the Financing Documents by any Creditor shall constitute an event of default under all of the other Financing Documents applicable to each other Creditor, and each other Creditor shall thereupon have the right, upon notice to the College, to accelerate repayment of all obligations owing under the Financing Documents applicable to such other Creditor, whether or not expressly stated in such applicable Financing Documents.

Recovery of Proceeds

Subject to a Creditor's rights under a Mortgage as summarized in the paragraph below, if any Creditor has notice of an event of default and acceleration under any of the Financing Document, and such Creditor receives or recovers any Proceeds, which Proceeds are not also shared with the other Creditors in accordance with the Pledged Revenue Intercreditor Agreement, such Creditor receiving such Proceeds shall, after allowing for the recovery of the initiating Creditor's costs, fees and expenses of collection, including reasonable attorneys' fees directly related to such recoveries, hold such Proceeds in trust and promptly, with the effect as of the date of receipt of such Proceeds, make its applicable payment to the other non-receiving Creditors so as to effectuate and implement the terms of the Pledged Revenue Intercreditor Agreement. Each Creditor that is a trustee shall only deposit into the funds or accounts held under the applicable Financing Documents for application to all amounts then due and payable under such Financing Documents or as security for the repayment of all obligations then or thereafter payable under the applicable Financing Documents, the net amount remaining of such payment after such sharing has been accomplished in accordance with the Pledged Revenue Intercreditor Agreement.

Rights Under Mortgages

Upon the occurrence of an event of default and acceleration under any of the Financing Documents, a Creditor, subject to any intercreditor agreement, including, but not limited to, the Mortgage Intercreditor Agreement, shall have the sole right to take any action, exercise any right granted to such Creditor and to pursue to the extent permitted by a Mortgage, remedies pursuant thereto, including the commencement and prosecution of a foreclosure action with respect to the Mortgage or any portion thereof. A Creditor, subject to any intercreditor agreement, including, but not limited to, the Mortgage Intercreditor Agreement, shall have the sole right to any payment, recovery or other collection of proceeds realized from any remedial action taken with respect to the Mortgage and the mortgaged property (excluding the Pledged Revenues) and such Creditor shall bear sole responsibility for the costs, fees and expenses of such collection, including reasonable attorneys' fees directly related thereto.

Additional Creditors

In accordance with the Financing Documents and the Pledge and Security Agreements, the College may issue, incur or assume long-term indebtedness secured by a lien on Pledged Revenues pursuant to additional financing documents (the "Additional Documents"), which upon the occurrence of any event of default under any of the Financing Documents or Pledge and Security Agreements, or under the Additional Documents, and acceleration of any of the obligations under any of the Financing Documents or Additional Documents, is *pari passu* with the lien on the Pledged Revenues granted by the Pledge and Security Agreements (the "Parity Obligations"). Any holder of such Parity Obligations shall be required, as a condition to the College issuing such Parity Obligations, to become a party to the Pledged Revenue Intercreditor Agreement, as a Creditor, and agree to be bound by the terms thereof. To the extent that Parity Obligations are issued by or on behalf of the College as permitted by the Financing Documents and the Pledge and Security Agreements, each Creditor agrees that it will not unreasonably

withhold its consent to the execution of any amendment or modification of the Pledged Revenue Intercreditor Agreement necessary to allow the addition of a party, as a Creditor, thereto.

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE INTERCREDITOR AGREEMENT

The following description of the Mortgage Intercreditor Agreement is only a brief outline thereof, and does not purport to summarize or describe all of the provisions thereof. Reference is made to the Mortgage Intercreditor Agreement for details of the provisions thereof.

All terms not otherwise defined below shall have the meaning given to such terms in Appendix C attached to the Official Statement.

Definitions

“Bonds” means collectively the Series 2012A Bonds and the Series 2014A Bonds.

“College” means St. John Fisher College.

“Company” means St. John Fisher Real Estate, LLC.

“Creditor” means the Series 2012 Trustee and the Trustee individually.

“Creditors” means the Series 2012 Trustee and the Trustee collectively.

“Financing Documents” shall mean collectively the 2012A Bond Documents and the 2014A Bond Documents.

“Foreclose” means to foreclose upon or to exercise any power of sale or otherwise to foreclose, accept a deed in lieu of foreclosure or realize upon the Mortgages or any part thereof.

“MCIDC” means the Monroe County Industrial Development Corporation.

“Mortgages” means the 2012A Mortgage and Security Agreement and the 2014A Mortgage and Security Agreement, excluding, in each case, any lien thereunder on the Pledged Revenues.

“Mortgaged Premises” shall mean all property upon which a mortgage lien on and security interest in has been granted pursuant to the Mortgages, including, without limitation, the property more particularly described on Schedule A attached to the Mortgage Intercreditor Agreement and made a part thereof.

“Mortgagor” means the College and the Company.

“Person” shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, and a government or agency or political subdivision thereof.

“Pledged Revenues” or “Gross Revenues” shall mean all receipts, revenues, income and other money received by the College from any source and all rights to receive the same (including, without limitation, operating revenues and non-operating revenues determined in accordance with generally accepted accounting principles), whether in the form of accounts receivable, contract rights, chattel paper, instruments or other rights, and the proceeds thereof, and any insurance thereon, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the College; provided, however, that there shall be excluded from Pledged Revenues gifts, grants, bequests, donations and contributions heretofore or hereafter made, designated at the time of making thereof by the donor or maker as being for certain specific purposes, and the income derived therefrom, to the extent required by such designation.

“2012A Bond Documents” means the 2012 Indenture, the 2012 Loan Agreement, the 2012A Mortgage and Security Agreement, the 2012A Bonds, and any and all other easements, licenses, documents or instruments related to any of the foregoing or issued pursuant thereto.

“2012A Bonds” means the Monroe County Industrial Development Corporation \$23,680,000 Tax-Exempt Revenue Refunding Bonds (St. John Fisher College Project), Series 2012A.

“2012 Indenture” means that certain Indenture of Trust, dated as of June 1, 2012, between MCIDC and the Series 2012 Trustee, as amended from time to time.

“2012 Loan Agreement” means that certain Loan Agreement, dated as of June 1, 2012, between MCIDC and the College, as amended from time to time.

“2012A Mortgage and Security Agreement” means that certain Mortgage and Security Agreement, dated as of June 1, 2012, from the Mortgagor to MCIDC, which was assigned by MCIDC to the Series 2012 Trustee, as amended from time to time.

“2014A Bond Documents” means the 2014 Indenture, the 2014 Loan Agreement, the 2014A Mortgage and Security Agreement, the 2014A Bonds, and any and all other easements, licenses, documents or instruments related to any of the foregoing or issued pursuant thereto.

“2014A Bonds” means the Monroe County Industrial Development Corporation \$_____ Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A.

“2014 Indenture” means that certain Indenture of Trust, dated as of March 1, 2014, between MCIDC and the Trustee, as amended from time to time.

“2014 Loan Agreement” means that certain Loan Agreement, dated as of March 1, 2014, between MCIDC and the College, as amended from time to time.

“2014A Mortgage and Security Agreement” means that certain Mortgage and Security Agreement, dated as of March 1, 2014, from the Mortgagor to MCIDC, which was assigned by MCIDC to the Trustee, as amended from time to time.

Creditors’ Priority of Interests

Notwithstanding any provision in the Financing Documents to the contrary, and notwithstanding any priority in the time of creation, attachment or perfection of any lien or security interest in any portion of the Mortgaged Premises, the liens of the 2012A Mortgage and Security Agreement and the 2014A Mortgage and Security Agreement on the Mortgaged Premises shall be of equal priority with each other, and the proceeds of any recovery by either of Creditors under any title insurance policy covering the Mortgaged Premises shall be applied on a pro rata basis in accordance with the summarized paragraph below entitled “Cash Proceeds”. Any claim held by each of the Creditors with respect to the proceeds of a Foreclosure shall be *pari passu* (i.e., equal and ratable in right without regard to order of priority); the interests of each of the Creditors being co-equal and in proportion to the unpaid outstanding principal amount of the Series 2012A Bonds and the Series 2014A Bonds (net of any cash or investments held as security therefor), whether or not each such Creditor has accelerated repayment of such principal amount. The College by signing the Mortgage Intercreditor Agreement agrees, without impairing or otherwise limiting any other rights of any of the Creditors, that the occurrence of an event of default and acceleration of the obligations under any of the Financing Documents by any Creditor shall constitute an event of default under all of the other Financing Documents applicable to each other Creditor, and each other Creditor shall thereupon have the right, upon notice to the College, to accelerate repayment of all obligations owing under the Financing Documents applicable to such other Creditor, whether or not expressly stated in such applicable Financing Documents.

The priorities specified above shall be applicable irrespective of the time or order in which any such agreements were entered into, any loan was made under any of the foregoing agreements, any Bond was issued, the time or order of attachment or perfection of the security interests or other interests referred to herein, the time or order of recording or filing of mortgages or financing statements or knowledge by any of the parties to the Mortgage Intercreditor Agreement of the making or giving of any pledge, security interest, mortgage or other interest referred to in the Mortgage Intercreditor Agreement.

Foreclosure

(a) Each of the Creditors may commence an action or proceeding to Foreclose, and Foreclose, the lien of any or all of the 2012A Mortgage and Security Agreement or 2014A Mortgage and Security Agreement, as applicable, on the Mortgaged Premises whenever, and to the extent permitted under, the relevant Financing Documents.

(b) Each other party to the Mortgage Intercreditor Agreement may, if it is then entitled to, independently commence an action or proceeding to Foreclose on the Mortgaged Premises, join in any action or proceeding commenced by another party to the Mortgage

Intercreditor Agreement to Foreclose on any of the applicable Mortgaged Premises, and, to the extent practicable, shall confer in good faith so as to determine a mutually agreeable course of action in connection with such action or proceeding to Foreclosure.

(c) Notwithstanding anything contained in any of the Financing Documents, any action or proceeding to Foreclose on any Mortgaged Premises shall be undertaken in accordance with the terms of the Mortgage Intercreditor Agreement so long as the Mortgage Intercreditor Agreement remains in full force and effect.

Cash Proceeds

Any cash proceeds realized by any of the parties to the Mortgage Intercreditor Agreement as a consequence of the sale of, collection out of or other realization upon all or any part of the Mortgaged Premises (including, without limitation, from the proceeds recovered under any title insurance policy covering the Mortgaged Premises) shall be held in trust for the pro rata benefit and security of the Series 2012 Trustee (for the benefit of the holders of the 2012A Bonds) and the Trustee (for the benefit of the holders of the 2014A Bonds) and, as soon as reasonably practicable, shall be applied:

(i) first, to the costs and expenses incurred by such parties in connection with the collection thereof, including the reasonable fees and expenses of their counsel, if required; and

(ii) second, to payment to the Series 2012 Trustee (for the benefit of the holders of the 2012A Bonds) and the Trustee (for the benefit of the holders of the 2014A Bonds), pro rata based on the unpaid principal amount of the indebtedness and interest due and payable at the time of calculation under the applicable Financing Documents for application in accordance with the provisions of the applicable Mortgage and other Financing Documents.

Additional Creditors

In accordance with the Financing Documents and the Mortgages, the College may issue, incur or assume long-term indebtedness secured by a mortgage lien on and security interest in the Mortgaged Premises pursuant to additional financing documents (the “Additional Documents”), which is *pari passu* with the mortgage lien on and security interest in the Mortgaged Premises granted by the Mortgages (the “Parity Obligations”). Any holder of such Parity Obligations shall be required, as a condition to the College issuing such Parity Obligations, to become a party to the Mortgage Intercreditor Agreement, as a Creditor, and agree to be bound by the terms thereof. To the extent that Parity Obligations are issued by or on behalf of the College as permitted by the Financing Documents and the Mortgages, each Creditor agrees that it will not unreasonably withhold its consent to the execution of any amendment or modification of the Mortgage Intercreditor Agreement necessary to allow the addition of a party, as a Creditor, thereto.

[END OF APPENDIX H]

APPENDIX I

FORM OF APPROVING OPINION OF BOND COUNSEL

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FORM OF APPROVING OPINION OF BOND COUNSEL

Upon the delivery of the Series 2014A Bonds, Harris Beach PLLC, Bond Counsel to the Issuer, proposes to deliver its legal opinion in substantially the following form:

[Date of Closing]

Monroe County Industrial Development Corporation
8100 CityPlace
50 West Main Street
Rochester, New York 14614

**Re: \$17,000,000 Monroe County Industrial Development Corporation
Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A**

Ladies and Gentlemen:

We have examined the record of proceedings in connection with the issuance by the Monroe County Industrial Development Corporation (the "Issuer") of its \$17,000,000 Monroe County Industrial Development Corporation Tax-Exempt Revenue Bonds (St. John Fisher College Project), Series 2014A (the "Series 2014A Bonds" or the "Bonds"). The Bonds are authorized to be issued pursuant to (a) Section 1411 of the Not-for-Profit Corporation Law of the State of New York, (b) Resolution No. 288 of 2009 of the Monroe County Legislature (the "County Resolution"), (c) a bond resolution (the "Bond Resolution") adopted by the members of the Issuer on February 11, 2014, for the purpose of providing funds to assist in the financing of the Project (as hereinafter defined) for the benefit of St. John Fisher College, a not-for-profit education corporation organized under the Laws of the State of New York (the "College"), and (d) a certain Indenture of Trust, dated as of March 1, 2014 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee").

The project being financed by the Bonds (the "Project") consists of: (A)(i) the acquisition, construction and equipping on the College's approximately 154-acre main campus located at 3690 East Avenue in the Town of Pittsford, New York (the "Campus") of an approximately 30,750 square-foot two-story addition to the existing approximately 61,700 square-foot Joseph S. Skalny Science Center facility (the "Skalny Science Center") to house the College's academic programming to serve its science, nursing and pharmacy students and faculty and provide laboratory space, classroom space, faculty/student research space and faculty offices, together with ancillary and related facilities and improvements, and related site improvements and landscaping improvements (collectively, the "Skalny Science Center Addition Improvements") and (ii) the renovation, equipping and modernization of the existing Skalny Science Center for purposes of providing for enlarged and/or updated laboratory space and/or space for such other instructional purposes (collectively, the "Skalny Science Center Renovation

Improvements", and collectively with the Skalny Science Center Addition Improvements, the "Skalny Science Center Improvements"); (B)(i) the acquisition, construction and equipping on the Campus of an approximately 5,800 square-foot one-story addition to the existing approximately 105,200 square-foot Ralph C. Wilson, Jr. Athletic Center and Manning & Napier Varsity Gym facility (collectively, the "Athletic Center") to house the College's additional athletic coaching offices and staff, together with ancillary and related facilities and improvements, and related site improvements and landscaping improvements (collectively, the "Athletic Center Addition Improvements") and (ii) the renovation, equipping and modernization of the existing Athletic Center for purposes of providing for enlarged and/or updated locker room space and expansion of the general fitness area (collectively, the "Athletic Center Renovation Improvements", and collectively with the Athletic Center Addition Improvements, the "Athletic Center Improvements"); (C) the renovation, equipping and modernization of various buildings and facilities throughout the Campus (collectively, the "Miscellaneous Improvements", and collectively with the Skalny Science Center Improvements and the Athletic Center Improvements, the "Improvements"); (D) the acquisition and installation in and around the Improvements of certain items of machinery, equipment, fixtures, furniture and other incidental tangible personal property (collectively, the "Equipment", together with the Improvements, the "Facility") and (E) the payment of certain costs and expenses incidental to the issuance of the Bonds (items (A) through (E) hereinafter collectively referred to as the "Project Costs").

All capitalized terms, not otherwise defined herein, shall have the meaning given such terms in the Indenture.

The Bonds are being purchased by RBC Capital Markets, LLC, acting on behalf of itself and M&T Securities, Inc. (collectively, the "Underwriter"), pursuant to a certain Bond Purchase Agreement, dated March 13, 2014, by and among the Issuer, the College and the Underwriter (the "Bond Purchase Agreement").

Under the terms of a certain Loan Agreement, dated as of March 1, 2014 (the "Loan Agreement"), between the Issuer and the College, the Issuer has loaned the proceeds of the Bonds to the College to finance a portion of the costs of the Project with the loan payments thereunder to be in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable and to make certain other payments with respect to the Bonds as described therein.

As security for the Bonds, (i) the Issuer has assigned to the Trustee all of its rights (except Reserved Rights, as defined in the Indenture) under the Loan Agreement, pursuant to the terms of a certain Pledge and Assignment, dated as of March 1, 2014, from the Issuer to the Trustee (the "Pledge and Assignment"), (ii) the College and St. John Fisher Real Estate, LLC (the "Company", and collectively with the College, "Mortgagor") have granted to the Issuer a mortgage lien on and security interest in certain properties of the Mortgagor pursuant to a certain Mortgage and Security Agreement, dated as of March 1, 2014, from the Mortgagor to the Issuer (the "Mortgage"), which mortgage lien and security interest has been assigned by the Issuer to the Trustee pursuant to a certain Assignment of Mortgage and Security Agreement, dated as of March 1, 2014, from the Issuer to the Trustee (the "Assignment of Mortgage"); such mortgage lien and security interest to be on a parity basis with the Series 2012 Mortgage (as defined in the

Mortgage) and any future Parity Mortgage (as defined in the Mortgage) and (iii) the College has granted to the Trustee a security interest in and lien on the Pledged Revenues (as defined in the hereinafter defined Pledge and Security Agreement) pursuant to a certain Pledge and Security Agreement, dated as of March 1, 2014, by and between the College and the Trustee (the "Pledge and Security Agreement"); such pledge of Pledged Revenues to be on a parity basis with the Series 2011 Revenue Pledge, the Series 2012 Revenue Pledge and any future Parity Obligation (as defined in the Pledge and Security Agreement).

The Issuer and the College have executed and delivered a certain Tax Compliance Agreement, dated the date of issuance of the Bonds (the "Tax Compliance Agreement"), in which the Issuer and the College have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code").

The Bonds are dated as of their date of issuance and bear interest from that date on the unpaid principal amount at the rates set forth in, and pursuant to the terms of, the Indenture and the Bonds. The Bonds are subject to prepayment or redemption prior to maturity, in whole or in part, at such time or times, or under such circumstances and in such manner as are set forth in the Bonds and the Indenture, respectively.

As Bond Counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of rendering the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents, without having conducted any independent investigation.

In rendering the opinions set forth below, we have relied upon the opinion of Nixon Peabody LLP, counsel to the College, of even date herewith, as to the matters set forth in such opinion without making any independent investigation of the factual basis therefor or the legal conclusions set forth therein.

Based upon and in reliance upon the foregoing, it is our opinion that:

(a) The Issuer is a local development corporation created pursuant to the Not-For-Profit Corporation Law of the State of New York and is duly organized and validly existing under the laws of the State of New York.

(b) The Issuer is duly authorized and entitled by law and the County Resolution to issue, execute, sell and deliver the Bonds for the purpose of financing the Project and to execute and deliver the Financing Documents to which the Issuer is a party.

(c) The Bond Resolution has been duly and lawfully adopted by the Issuer, is in full force and effect, and is valid and legally binding upon the Issuer in accordance with its terms.

(d) The Bonds have been duly authorized, executed and delivered, have been duly issued for value by the Issuer and are valid and legally binding special obligations of the Issuer payable in accordance with their terms and are entitled to the benefit and security of the Indenture in accordance with its terms.

(e) The Bonds do not constitute a debt of the State of New York or Monroe County, New York, and neither the State of New York nor Monroe County, New York will be liable thereon.

(f) Under statutes, regulations, administrative rulings and court decisions existing as of the date hereof, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not an "item of tax preference" for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. Interest on the Bonds is, however, included in the computation of "adjusted current earnings," a portion of which is taken into account in determining the federal alternative minimum tax imposed on certain corporations.

(g) Under existing law, interest on the Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof.

In rendering the opinions set forth in paragraph (f) and (g) above, we have relied upon, among other things, certain representations and covenants of (i) the Issuer in the Indenture, the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the Issuer, dated the date hereof and (ii) the College in the Loan Agreement, the Tax Compliance Agreement and the General Certificate of the College, dated the date hereof. We call your attention to the fact that there are certain requirements contained in the Code with which the Issuer and the College must comply from and after the date of issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for federal income tax purposes, and consequently to remain exempt from personal income taxes imposed by the State of New York or any political subdivision thereof. The Issuer, the College or any other Person, by failing to comply with such requirements, may cause interest on the Bonds to become includable in gross income for federal income tax purposes and therefore subject to personal income taxes imposed by the State of New York and any political subdivision thereof, in each case, retroactive to the date of issuance of the Bonds. We render no opinion as to any federal, state or local tax consequences with respect to the Bonds, or the interest thereon, if any change occurs or action is taken or omitted under the Indenture, the Loan Agreement or the Tax Compliance Agreement by the Issuer or the College, or under any other relevant documents without the advice or approval of, or upon the advice or approval of any Bond Counsel other than, Harris Beach PLLC.

Except for the opinions as set forth in paragraphs (f) and (g) above, we express no opinion regarding any other federal, state or local income tax consequences arising with respect to the purchase or ownership of the Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Bond Resolution, the Bonds, any of the Financing Documents and any other document executed in connection therewith may be limited by any applicable bankruptcy, insolvency or other similar law or equitable principle now or hereafter enacted by the State of New York or the federal government or pronounced by a court having proper jurisdiction, affecting the enforcement of creditors' rights generally.

We express no opinion as to (i) the title to the Facility; (ii) the sufficiency of the description of the Facility in the Indenture, the Loan Agreement or any other document; or (iii) the perfection or priority of any liens, charges or encumbrances on the Facility. Further, we have not been requested to examine and have not examined any documents or information relating to the Issuer or the College other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial information, or the adequacy thereof, which has been or may be supplied to the Trustee, the Underwriter or any other person.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. We express no opinion herein except as to the laws of the State of New York and the federal laws of the United States.

Very truly yours,

[END OF APPENDIX I]

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