

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer and the University, described herein, interest on the Series 2021 Bonds (as defined herein) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York and its political subdivisions. See “Tax Matters” herein regarding certain other tax considerations.

\$13,520,000
TOWN OF HEMPSTEAD
LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2021
(ADELPHI UNIVERSITY PROJECT)

Dated: Date of Delivery**Due: June 1, as shown on the inside cover**

The above-referenced bonds (the “Series 2021 Bonds”) are special obligations payable solely out of the revenues or other receipts, funds or monies of the Town of Hempstead Local Development Corporation (the “Issuer”) pledged therefor or otherwise available to The Bank of New York Mellon, as trustee (the “Trustee”), for the payment thereof, including those derived under a Loan Agreement, dated as of March 1, 2021, between the Issuer and Adelphi University (the “University” or “Adelphi”).

Capitalized terms used in this Official Statement (including this cover page) shall have the meanings ascribed to such terms in APPENDIX C hereto unless otherwise specified herein.

The Series 2021 Bonds are issuable only in fully registered form, without coupons, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests will not receive certificates representing their interest in the Series 2021 Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Series 2021 Bonds. See “THE SERIES 2021 BONDS - Book-Entry Only System” herein.

The Series 2021 Bonds will be dated and will bear interest from the date of delivery thereof. Interest on the Series 2021 Bonds will be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2021. Principal of, Redemption Price of, and interest on the Series 2021 Bonds will be paid directly to DTC by The Bank of New York Mellon, as Trustee and Paying Agent. So long as DTC or its nominee, Cede & Co., is the Bondowner, disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The Series 2021 Bonds are subject to optional redemption and extraordinary redemption, without premium, prior to maturity. See “The Series 2021 Bonds - Redemption to Prior Maturity” herein.

THE SERIES 2021 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER AND NEITHER THE STATE OF NEW YORK, NOR ANY MUNICIPALITY OF THE STATE (INCLUDING WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) IS OBLIGATED TO PAY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY MUNICIPALITY OF THE STATE (INCLUDING THE TOWN OF HEMPSTEAD, NEW YORK) IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, REDEMPTION PRICE OF, OR INTEREST ON THE SERIES 2021 BONDS. THE SERIES 2021 BONDS ARE PAYABLE SOLELY FROM AND ARE SECURED BY RECEIPTS AND REVENUES OF THE ISSUER UNDER THE LOAN AGREEMENT AND OTHER MONIES AVAILABLE THEREFOR AS DESCRIBED HEREIN. THE ISSUER HAS NO TAXING POWER.

The Series 2021 Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality by Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the University by its counsel, Farrell Fritz, P.C., Uniondale, New York, for the Issuer by its counsel, Ryan, Brennan & Donnelly LLP, Floral Park, New York and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, New York, New York. It is expected that the Series 2021 Bonds in definitive form will be available for delivery through the facilities of DTC on or about March 31, 2021, in New York, New York, against payment therefor.

TD Securities

Dated: March 16, 2021.

\$13,520,000
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2021
(ADELPHI UNIVERSITY PROJECT)

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP Number[†]</u>
2021	\$140,000	5.000%	0.330%	100.776	424682KQ4
2022	940,000	5.000	0.420	105.324	424682KR2
2023	995,000	5.000	0.530	109.616	424682KS0
2024	1,040,000	5.000	0.700	113.442	424682KT8
2025	1,095,000	5.000	0.850	116.952	424682KU5
2026	1,145,000	5.000	1.020	119.979	424682KV3
2027	1,200,000	5.000	1.200	122.520	424682KW1
2028	1,255,000	5.000	1.350	124.851	424682KX9
2029	1,330,000	5.000	1.510	126.717	424682KY7
2030	1,390,000	5.000	1.650	128.388	424682KZ4
2031	1,460,000	5.000	1.760	130.038	424682LA8
2032	1,530,000	5.000	1.840*	129.176*	424682LB6

[†] CUSIP data herein are provided by CUSIP Global Services ("CGS"), operated on behalf of the American Bankers Association (the "ABA") by S&P Global Market Intelligence, a division of S&P Global Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers are included solely for the convenience of Bondholders of the Series 2021 Bonds. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financing products. The CUSIP numbers are subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of a maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by Bondholders that is applicable to all or a portion of the Series 2021 Bonds. Neither the University nor the Issuer is responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the Series 2021 Bonds or as indicated above.

* Denotes price and yield calculated to June 1, 2031 call date.

TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
(State of New York)
350 Front Street
Hempstead, New York 11556

Chairman	Florestano Girardi
Vice Chairman	James G. Marsh, Esq.
Treasurer	Rev. Dr. Eric C. Mallette
Secretary	Jack Majkut
Member	Cherice P. Vanderhall
Member	Robert Bedford

AGENCY COUNSEL
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New York, New York

TRUSTEE
The Bank of New York Mellon
New York, New York

UNDERWRITER
TD Securities (USA) LLC
New York, New York

No person has been authorized 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 by the Issuer, the University, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which such offer, solicitation or sale is not authorized or in which it is unlawful to make such offer, solicitation or sale. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2021 Bonds. The information set forth herein has been obtained from the Issuer, the University and other sources believed to be reliable but is not guaranteed as to accuracy or completeness by the Underwriter. Statements contained in this Official Statement which involve estimates, forecasts or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This information and expressions of opinions herein are subject to change without notice, and neither 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 University since the date hereof. This Official Statement, including any supplement or amendment hereto, is intended to be deposited with one or more nationally recognized municipal securities information repositories.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the amount of revenue collected by the University include, among others, changes in economic conditions and various other events, conditions and circumstances, many of which are beyond the control of the University. Such forward-looking statements speak only as of the date of this Official Statement. The Issuer and the University disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the University's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS.

The order and placement of materials in this Official Statement, including the Appendices hereto, 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.

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 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 UNDERWRITER MAY OFFER AND SELL THE SERIES 2021 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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OFFICIAL STATEMENT

Relating to

\$13,520,000

**TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2021
(ADELPHI UNIVERSITY PROJECT)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover page, the table of contents and the Appendices hereto, is to furnish certain information with respect to the issuance by the Town of Hempstead Local Development Corporation (the "Issuer") of its Revenue Refunding Bonds, Series 2021 (Adelphi University Project) in the aggregate principal amount of \$13,520,000 (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to a certain Indenture of Trust, dated as of March 1, 2021 (the "Indenture"), to be entered into by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee").

Reference is hereby made to the Indenture for a description of the property pledged, assigned and otherwise available for the payment of the Series 2021 Bonds, the provisions, among others, with respect to the nature and extent of the security for the Series 2021 Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Series 2021 Bonds, and the terms upon which the Series 2021 Bonds are issued and secured. Capitalized terms used in this Official Statement but not otherwise defined shall have the meanings assigned thereto in "APPENDIX C - Schedule of Definitions and Summary of Documents."

The Series 2021 Bonds are authorized to be issued pursuant to the New York Membership Corporation Law as in effect in 1966, as superseded by Section 1411 of the New York Not-For-Profit Corporation Law (the "Act"), the inducement resolution of the Issuer adopted on January 21, 2021 and the authorizing resolution of the Issuer adopted on February 25, 2021 (collectively, the "Issuer Resolution").

The proceeds of the Series 2021 Bonds, together with other available funds of Adelphi University ("Adelphi" or the "University") will be used to: (i) refinance the outstanding Town of Hempstead Local Development Corporation Revenue Bonds, Series 2011 (Adelphi University Project) (the "Series 2011 Bonds"), and (ii) pay all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds and any reserve funds as may be necessary to secure the Series 2021 Bonds (collectively, the "Series 2021 Project"). See "PLAN OF FINANCE" herein.

The Series 2021 Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the Loan Agreement, dated as of March 1, 2021 (the "Loan Agreement"), between the Issuer and the University, and pledged to the Trustee under the terms of the Indenture and as otherwise provided in the Indenture. The Series 2021 Bonds are not secured by any mortgage lien on or security interest in the Series 2021 Project or in any other real or personal property of the University. The payment of the principal of, Redemption Price of and interest on the Series 2021 Bonds is an unconditional obligation of the University.

The principal of, Redemption Price of and interest on the Series 2021 Bonds shall not constitute or give rise to an obligation of the State of New York (the "State") or any municipality or subdivision

thereof (including, without limitation, the Town of Hempstead, New York) and neither the State nor any municipality or political subdivision thereof (including, without limitation, the Town of Hempstead, New York) shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute special obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the Loan Agreement (except for Unassigned Rights).

The Series 2021 Bonds will bear interest payable on each June 1 and December 1, commencing June 1, 2021 (each a "Debt Service Payment Date") to the Owner in whose name each Series 2021 Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date (1) by check or draft mailed on the Debt Service Payment Date to each registered Owner, or (2) by wire transfer on the Debt Service Payment Date to each Owner of at least \$500,000 in aggregate principal amount of Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date. Except as provided in the Series 2021 Bonds and the Indenture, payment of interest upon redemption of any Series 2021 Bond shall be made only upon presentation and surrender of such Bond as provided in the Indenture, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Debt Service Payment Date. See "THE SERIES 2021 BONDS."

Pursuant to the Indenture, all payments due from the University to the Issuer under the Loan Agreement (except for Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund, established under the Indenture) are assigned by the Issuer to the Trustee to secure the payment of the principal or Redemption Price of and interest on the Series 2021 Bonds.

Payments under the Loan Agreement are to be made by the University to the Trustee in amounts sufficient, together with any moneys then held by the Trustee and available for such purpose, to pay the principal or Redemption Price of, and interest on the Series 2021 Bonds as the same become due, whether at maturity, upon redemption or by acceleration or otherwise. The payments under the Loan Agreement are an absolute and unconditional obligation of the University.

Pursuant to a Tax Regulatory Agreement, dated the date of issuance of the Series 2021 Bonds, between the University and the Issuer, the University has made various covenants in connection with (i) the preservation of the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes and (ii) for purposes of compliance with the arbitrage rebate requirements set forth in the Treasury Regulations. See "TAX MATTERS."

Brief descriptions follow of the Issuer, the Plan of Finance, Estimated Sources and Uses of Funds, the Series 2021 Bonds, Debt Service Requirements, Security for the Series 2021 Bonds, the University, Tax Matters, Independent Auditor, Absence of Litigation, Underwriting, Rating, Legality for Investment, Legal Matters and Secondary Market Disclosure. APPENDIX A contains Information Pertaining to the University. APPENDIX B contains the Audited Consolidated Financial Statements of the University as of and for the years ended August 31, 2020 and 2019. APPENDIX C contains a Schedule of Definitions used herein and summaries of each of the Indenture and the Loan Agreement (collectively, referred to herein as the "Bond Documents"). APPENDIX D contains a form of the opinion of Bond Counsel, which Nixon Peabody LLP, New York, New York, proposes to render upon the delivery of the Series 2021 Bonds. APPENDIX E contains a form of the Continuing Disclosure Agreement to be entered into by the University and the Trustee. The descriptions and summaries previously listed do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the respective documents and to "APPENDIX C - Schedule of Definitions and Summary of Documents." All such descriptions and summaries are further qualified in their entirety by reference to bankruptcy laws, insolvency or other laws or enactments now or hereafter enacted by the State or the United States relating to or affecting generally

the enforcement of creditor's rights and the availability of equitable remedies, and to the extent, if any, that enforceability of the indemnification and contribution provisions of the Bond Documents may be limited by law. Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether so stated, they are intended merely as such and not as representations of fact. Copies of the Bond Documents may be obtained, upon written request, from the Underwriter during the offering period and, after the initial delivery of the Series 2021 Bonds, at the corporate trust office of the Trustee located at 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262 (the "Office of the Trustee").

The information appearing in this Official Statement relating to the Series 2021 Project, the use of the proceeds of the Series 2021 Bonds and the University has been furnished by the University, and neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information.

THE ISSUER

The Issuer was established pursuant to and in accordance with the provisions of the New York Membership Corporation Law as in effect in 1966, as superseded by Section 1411 of the New York Not-For-Profit Corporation Law (collectively, the "Act"), and is empowered under the Act to undertake the providing of projects of a character such as the Series 2021 Project for the public purposes of the State for the purpose of promoting the economic welfare of the inhabitants of the Town of Hempstead and promoting, attracting, encouraging and developing economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration. The Town of Hempstead, New York (the "Town") is the sole member of the Issuer. The Town as the sole member of the Issuer, acting through the Town Board, appoints the Board of Directors of the Issuer.

As provided in the Act, the Issuer is authorized and empowered to (i) make a loan to the University pursuant to the Loan Agreement; (ii) issue, execute and deliver the Series 2021 Bonds; (iii) secure the Series 2021 Bonds by a pledge of the moneys payable by the University under the Series 2021 Loan Agreement; and (iv) enter into the Bond Documents in connection with the Series 2021 Bonds.

By adopting the Issuer Resolution, the Issuer has taken official action relating to the issuance of the Series 2021 Bonds. The Issuer has held the required public hearing, in compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the issuance of the Series 2021 Bonds, following the timely publication of notice of the hearing. In addition, the Supervisor of the Town of Hempstead, New York has approved the issuance of the Series 2021 Bonds, as required by the Code.

The Board of Directors of the Issuer is presently composed of members appointed by the Town. The names and positions of the current members of the Issuer are as follows:

<u>Position</u>	<u>Name</u>
Chairman	Florestano Girardi
Vice Chairman	James G. Marsh, Esq.
Treasurer	Rev. Dr. Eric C. Mallette
Secretary	Jack Majkut
Member	Cherice P. Vanderhall
Member	Robert Bedford

The Chief Executive Officer and the Deputy Executive Director and Chief Financial Officer of the Issuer are appointed by the Board of Directors of the Issuer. The Executive Director and Chief

Executive Officer of the Issuer is Frederick E. Parola, Esq. and the Deputy Executive Director and Chief Financial Officer of the Issuer is Edith M. Longo.

THE UNIVERSITY

The University is an independent, comprehensive institution chartered by the University of the State of New York, offering the personalized focus of a liberal arts education combined with the academic rigors of nationally recognized undergraduate and graduate professional programs. Founded in Brooklyn, New York in 1896, Adelphi has been creating opportunities for students through higher education in the liberal arts and sciences, as well as the professions, for nearly 125 years. Adelphi was one of the first coeducational colleges in New York State and became the first liberal arts college on Long Island when it moved to Garden City, New York, in 1929. The main campus, which has 29 buildings on approximately 74 acres of land, is situated in the Village of Garden City, a primarily residential community, approximately 25 miles from New York City. To accommodate regional needs, the University has expanded beyond its Garden City campus, with centers in Manhattan, Hauppauge and Poughkeepsie, New York. Adelphi had a Fall 2020 enrollment of approximately 7,600 students from across the region, the country, and the world pursuing undergraduate and graduate degrees in its various schools and programs. For more information on the University, see “APPENDIX A — Information Pertaining to Adelphi University” attached hereto.

PLAN OF FINANCE

The Series 2021 Project consists of: (A) the refinancing of the outstanding Series 2011 Bonds issued on June 15, 2011 by the Issuer in the original aggregate principal amount of \$25,000,000, approximately \$16,835,000 of which are currently outstanding, and (B) paying all or a portion of the costs incidental to the issuance of the Series 2021 Bonds, including issuance costs of the Series 2021 Bonds and any reserve funds as may be necessary to secure the Series 2021 Bonds.

On the date of issuance of the Series 2021 Bonds, a portion of the proceeds of the Series 2021 Bonds, together with other available funds of the University, is expected to be deposited pursuant to a Letter of Instructions dated as of such date of delivery (the “Letter of Instruction”), to be entered into among the Issuer, the University and The Bank of New York Mellon, as trustee for the Series 2011 Bonds (the “Series 2011 Trustee”), and used to purchase certain direct obligations of the United States of America (the “Government Securities”) which will earn interest at such rates and mature at such times so as to provide sufficient funds, together with other available funds of the University deposited with the Series 2011 Trustee, to pay the principal of and interest on the Series 2011 Bonds to and including June 1, 2021, and to redeem the outstanding Series 2011 Bonds in full on such date.

The adequacy of the mathematical computations supporting the adequacy of the maturing principal amount of and interest accruing on the Government Securities purchased by the Series 2011 Trustee to pay the principal of, redemption premium and interest on the Series 2011 Bonds, as and when due, will be verified by Precision Analytics Inc. See “VERIFICATION OF MATHEMATICAL ACCURACY” herein. A more detailed description of the use of proceeds of the Series 2021 Bonds and other moneys and receipts, including approximate amounts and purposes, is included herein under “ESTIMATED SOURCES AND USES OF FUNDS.”

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the estimated sources and uses of funds. The payment of any additional costs related to the Series 2021 Project will be paid from the University's own funds.

Sources of Funds

Principal Amount of Series 2021 Bonds	\$13,520,000
Original Issue Premium	2,917,989
Cash Contribution	41,543
Funds Released Upon Refunding	<u>18</u>
Total Sources	<u>\$16,479,550</u>

Uses of Funds

Refunding of the Series 2011 Bonds	\$16,105,712
Costs of Issuance ⁽¹⁾	<u>373,838</u>
Total Uses	<u>\$16,479,550</u>

⁽¹⁾ Including, but not limited to, fees of the Issuer, attorneys' fees, rating agency fees, trustee fees, fees of the verification agent and the underwriter's discount.

THE SERIES 2021 BONDS

Description of the Series 2021 Bonds

The following is a summary of certain provisions of the Series 2021 Bonds and should not be considered a full statement thereof. Reference is made to the Indenture (including the form of Series 2021 Bond) for the detailed provisions thereof and the discussion herein is qualified by such reference.

General Provisions

The Series 2021 Bonds are dated the date of delivery. The Series 2021 Bonds mature on June 1 of the years and bear interest at the rates set forth on the inside front cover page hereof, and are issuable in the form of fully registered bonds without coupons in minimum denominations of \$5,000 or integral multiples thereof. The Series 2021 Bonds will bear interest, computed on the basis of a 360-day year composed of twelve 30-day months, from the date of delivery, payable on each Debt Service Payment Date.

Interest on the Series 2021 Bonds due on any Debt Service Payment Date shall be payable to the Owner in whose name each Series 2021 Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date by (1) check mailed on the Debt Service Payment Date to the Owner or (2) by wire transfer on the Debt Service Payment Date to each Owner of not less than \$500,000 in aggregate principal amount of Series 2021 Bonds, upon written notice provided by each Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date, except that payment of interest upon redemption of any Series 2021 Bonds shall be made only upon presentation and surrender of such Series 2021 Bond as provided in the Indenture, irrespective of any transfer or exchange of such Series 2021 Bond subsequent to such Record Date and prior to such Debt Service Payment Date, unless the Issuer shall default in the payment of interest due on such Debt Service

Payment Date. In the event of any such default, such defaulted interest shall be payable to the Person in whose name such Series 2021 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 or on behalf of the Issuer to the Owners of Series 2021 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 2021 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on Series 2021 Bonds by mail will be made to the registered address of the Person entitled thereto.

Payment of the principal and, in the case of any Series 2021 Bonds redeemed prior to maturity, payment of the Redemption Price, if any, and interest accrued to the Redemption Date, shall be made, upon presentation and surrender at the principal corporate trust office of the Trustee, or at the office designated for such payment by any successor trustee or paying agent or at such other place as may be agreed upon in advance by the Trustee and the Owner of a Series 2021 Bond. The principal of, Redemption Price of, and interest on the Series 2021 Bonds are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2021 Bonds are subject to optional and extraordinary redemption prior to their stated maturity as described below.

Optional Redemption. The Series 2021 Bonds maturing on June 1, 2032 are subject to redemption prior to maturity by the Issuer, at the option of the University, on or after June 1, 2031, in whole at any time or in part at any time, at the Redemption Price equal to 100% of the principal amount thereof plus accrued interest.

Extraordinary Redemption of Bonds. The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Debt Service Payment Date, without premium or penalty, at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the Redemption Date upon the occurrence of any one of the following events:

(i) the Facility shall have been damaged or destroyed to such extent that, in the opinion of an Authorized Representative of the University (expressed in a certificate filed with the Issuer and the Trustee within sixty (60) days after such damage or destruction), (a) the Facility cannot be reasonably restored within a period of eighteen (18) consecutive months after such damage or destruction to the condition thereof immediately preceding such damage or destruction, (b) the University is thereby prevented or is reasonably expected to be thereby prevented from carrying on its normal operations within the Facility for a period of eighteen (18) consecutive months after such damage or destruction, or (c) the cost of restoration of the Facility would exceed the Net Proceeds of insurance carried thereon, plus the amount for which the University is self-insured, if any, as the result of permitted deductible amounts under the Loan Agreement; or

(ii) title to, or the use of, all or any material part of the Facility shall have been taken by Condemnation so that in the opinion of an Authorized Representative of the University, the University is thereby prevented from carrying on its normal operations therein for a period of eighteen (18) consecutive months after such taking.

Mandatory Taxability Redemption. The Series 2021 Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days

following the date a Responsible Officer of the Trustee is notified of an Event of Taxability) from any Owner or the University, at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

Notice of Redemption

When the Series 2021 Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of the Series 2021 Bonds in the name of the Issuer stating: (i) the Series 2021 Bonds to be redeemed identified by name, certificate number, CUSIP number, interest rate, maturity date and any other descriptive information necessary to identify the Series 2021 Bonds; (ii) the Redemption Date; (iii) that such Series 2021 Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned upon sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and, if sufficient funds are not on deposit with the Trustee on or before the Redemption Date, the notice of redemption shall be rescinded and be of no further force or effect.

Notice of redemption required by the Indenture shall be given by mailing at least thirty (30) days and not more than sixty (60) days prior to such Redemption Date to the Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; provided, however, that the failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2021 Bonds.

Negotiability; Transfers and Exchanges of Bonds

All Series 2021 Bonds shall be negotiable, subject to the provisions for registration and transfer contained in the Indenture and in the Series 2021 Bonds themselves.

So long as any Series 2021 Bonds shall remain Outstanding, the Issuer shall maintain, at the Office of the Trustee, books for the registration and transfer of Series 2021 Bonds. The Trustee is the Bond Registrar for the Issuer for the purpose of registering and making transfers on such registration books. The Trustee, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Trustee may prescribe, any Series 2021 Bond entitled to registration or transfer.

The Series 2021 Bonds shall be transferable only on the books of the Issuer, upon surrender thereof at the Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any registered Series 2021 Bond, the Issuer shall issue in the name of the transferee a new Series 2021 Bond or Series 2021 Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Series 2021 Bond.

The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Series 2021 Bond shall be registered upon the books of the Issuer as the absolute Owner thereof, whether such Series 2021 Bond shall be overdue or not for the purpose of receiving payment of the principal, or Redemption Price and, except as otherwise provided in the Indenture, interest on such Series 2021 Bond and for all other purposes. All such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Series 2021 Bond to the extent of the sum or sums so paid. Neither the Issuer, nor the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring Series 2021 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Series 2021 Bonds in accordance with the provisions of the Indenture. All Series 2021 Bonds surrendered in any exchanges or transfers shall forthwith be cancelled in accordance with the provisions of the Indenture. For every exchange or transfer of Series 2021 Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive bonds in exchange for temporary bonds, (ii) the cost of preparing each new Series 2021 Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any Series 2021 Bond during the ten (10) days next preceding (i) any Debt Service Payment Date, or (ii) in the case of any proposed redemption of Bonds, the date of the first mailing of notice of such redemption.

Book-Entry Only System

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2021 Bonds, payment of interest and other payments on the Series 2021 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Series 2021 Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners is based on certain information furnished by DTC. Accordingly, neither the Issuer, the University, the Underwriter nor the Trustee makes any representations concerning these matters.

The Depository Trust Company (“DTC”), New York, New York will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 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 instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their 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 2021 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 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2021 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 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, Redemption Price, and interest payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the 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, the Trustee, the University or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The Trustee and the Issuer may treat DTC (or its nominee) as the sole and exclusive registered owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal of or interest on the Series 2021 Bonds, giving any notice permitted or required to be given to registered owners, registering the transfer of the Series 2021 Bonds, obtaining consent or other action to be taken by registered owners and for all other purposes whatsoever. Conveyance of notices and other communications by DTC to Participants, by DTC to Indirect Participants and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

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

NEITHER THE ISSUER, THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021 BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF BONDS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF SERIES 2021 BONDS.

DTC may discontinue providing its service with respect to the Series 2021 Bonds at any time by giving notice to the Trustee and the Issuer and discharging its responsibilities with respect thereto under applicable law, or the Issuer may terminate its participation in the system of book-entry transfer through DTC at any time by giving notice to DTC. In either event, the Issuer may retain another securities depository for the Series 2021 Bonds or may authenticate and deliver bonds in the form of fully registered bond certificates in accordance with instructions from DTC or its successor. If the Issuer delivers such bond certificates, principal of the Series 2021 Bonds, and any premium, if applicable, would be payable in lawful money of the United States of America at such office as may be designated by the Issuer and interest on the Series 2021 Bonds will be payable by wire transfer or by check mailed to the respective addresses of the registered owners thereof as shown on the registration books of the Issuer as of the close of business on the last day of the calendar month preceding the applicable Debt Service Payment Date.

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DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year of the University ending August 31, the amounts required to be made available in such year by the University for payment of the principal of, and interest on its outstanding indebtedness. See “APPENDIX A — Information Pertaining to Adelphi University — Outstanding Indebtedness of the University” for a description of the University's outstanding bonds. The debt service amounts have been rounded to the nearest dollar. As a result, numbers in certain rows and columns may not foot to total.

Fiscal Year Ending August 31	Principal Payments on Series 2021 Bonds	Interest Payments on the Series 2021 Bonds	Total Debt Service on Other Outstanding Indebtedness ⁽¹⁾	Total Annual Debt Service
2021	\$140,000	\$114,544	\$3,000,941	\$3,255,486
2022	940,000	669,000	9,361,322	10,970,322
2023	995,000	622,000	9,358,347	10,975,347
2024	1,040,000	572,250	9,353,647	10,965,897
2025	1,095,000	520,250	9,357,522	10,972,772
2026	1,145,000	465,500	9,356,097	10,966,597
2027	1,200,000	408,250	9,351,622	10,959,872
2028	1,255,000	348,250	9,344,472	10,947,722
2029	1,330,000	285,500	9,346,984	10,962,484
2030	1,390,000	219,000	8,561,180	10,170,180
2031	1,460,000	149,500	7,463,113	9,072,613
2032	1,530,000	76,500	7,460,963	9,067,463
2033	--	--	7,466,563	7,466,563
2034	--	--	7,466,531	7,466,531
2035	--	--	7,458,825	7,458,825
2036	--	--	7,460,875	7,460,875
2037	--	--	4,855,825	4,855,825
2038	--	--	4,856,450	4,856,450
2039	--	--	4,849,000	4,849,000
2040	--	--	2,986,125	2,986,125
2041	--	--	2,988,750	2,988,750
2042	--	--	2,985,125	2,985,125
2043	--	--	2,985,000	2,985,000
2044	--	--	2,987,875	2,987,875
Total:	<u>\$13,520,000</u>	<u>\$4,450,544</u>	<u>\$160,663,151</u>	<u>\$178,633,695</u>

⁽¹⁾ Excludes the University's debt service on the outstanding Series 2011 Bonds subject to optional redemption prior to maturity, which are expected to be refunded with the proceeds of the Series 2021 Bonds and long-term capital lease obligations. See “APPENDIX A — Information Pertaining to Adelphi University — Outstanding Indebtedness of the University” for information on the University's outstanding long-term capital lease obligations.

SECURITY FOR THE SERIES 2021 BONDS

The principal, or Redemption Price of, and interest on the Series 2021 Bonds are payable solely from (i) the moneys payable by the University under the Loan Agreement and (ii) all moneys and obligations which are deposited or required to be deposited in the Bond Fund, the Project Fund, or any other fund established under the Indenture (except the Rebate Fund). The Series 2021 Bonds are not secured by any mortgage lien on or security interest in any real or personal property of the University.

Pursuant to the Indenture, the Issuer will pledge and assign to the Trustee a security interest in certain moneys due or to become due, and certain other rights and remedies of the Issuer, under or arising out of the Loan Agreement (except for certain rights specially reserved to the Issuer, the “Unassigned Rights”). The University's obligation to make payments under the Loan Agreement is an unconditional obligation of the University.

Special Obligations; Limited Resources

The Series 2021 Bonds are special obligations of the Issuer and are payable solely from the revenues, receipts and other payments derived from the Loan Agreement and the Indenture. Payments pursuant to the Loan Agreement are required to be made by the University directly to the Trustee and to be deposited in a separate Bond Fund held by the Trustee for the payment of the principal of, Redemption Price of, and interest on the Series 2021 Bonds.

THE SERIES 2021 BONDS ARE NOT OBLIGATIONS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK), AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) HAS ANY LIABILITY, LEGAL, MORAL OR OTHERWISE THEREUNDER. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING, WITHOUT LIMITATION, THE TOWN OF HEMPSTEAD, NEW YORK) HAS BEEN PLEDGED TOWARDS THE PAYMENT OF THE SERIES 2021 BONDS. THE SERIES 2021 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE INDENTURE AND THE OTHER BOND DOCUMENTS. THE SERIES 2021 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. NEITHER THE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES OF THE ISSUER, THE TRUSTEE NOR ANY PERSON EXECUTING THE SERIES 2021 BONDS SHALL BE LIABLE PERSONALLY OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWERS.

ADDITIONAL INDEBTEDNESS

The University is subject to various covenants contained in the Loan Agreement, and in particular, to a covenant regarding its incurrence of additional indebtedness. For a further description of the conditions under which the University may incur indebtedness, see “APPENDIX C — Schedule of Definitions and Summary of Documents — Summary of Certain Provisions of the Loan Agreement — Additional Indebtedness.” For a description of the additional covenants to which the University is subject, see “APPENDIX C — Schedule of Definitions and Summary of Documents — Summary of Certain Provisions of the Loan Agreement — Certain Additional Covenants.”

CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS

Prospective purchasers of the Series 2021 Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in the Series 2021 Bonds. Purchase of the Series 2021 Bonds involves investment risk. Accordingly, prospective purchasers should consider carefully the following investment considerations and risk factors, in addition to the other information concerning the University contained in this Official Statement, before purchasing the Series 2021 Bonds offered hereby.

Written or oral statements made by the Issuer, the University, the Underwriter or their respective representatives, including statements describing their respective objectives, estimate, expectations or predictions of the future may be “forwarding-looking statements,” which can be identified by use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “estimates,” “anticipates” or the negative thereof or other variations thereon. The Issuer, the University, and the Underwriter caution that, by their nature, forward-looking statements involve risk and uncertainty and that the actual results achieved by the University could differ materially from those expressed or implied in such forward-looking statements or could affect the extent to which a particular projection is realized. Some of the factors which may affect the actual results of the University are described below.

Limited Obligations of the Issuer

The Series 2021 Bonds are limited obligations of the Issuer payable exclusively from the Trust Estate and payments made to the Issuer by the University pursuant to the Loan Agreement, which payments are pledged under the Indenture. In addition, the Series 2021 Bonds are not a debt of the State or any other municipality of the State and neither the State nor any other municipality of the State, shall be liable on the Series 2021 Bonds. No owner of any Series 2021 Bond shall have the right to compel the taxing power of the State or any other municipality of the State to pay the principal of or interest on the Series 2021 Bonds. The Issuer has no taxing powers. See “SECURITY FOR THE SERIES 2021 BONDS.”

Unsecured Obligations

The payment obligations of the University under the Loan Agreement constitute general unsecured debt obligations and no specific revenues, property or assets of the University are pledged to pay debt service on the Series 2021 Bonds. In the event of a default and the exercise by the Trustee of remedies available to it, the Trustee would be an unsecured creditor with no rights to any specific revenues, property or assets of the University. See “SECURITY FOR THE SERIES 2021 BONDS” and “CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS — University Revenues.”

University Revenues

The University receives certain revenues each year in the form of tuition and fees from students. For the fiscal year ended August 31, 2020, student-related revenues accounted for approximately 85% of the total revenues of the University. The future financial condition of the University could be adversely affected if the amount received for student tuition and fees is reduced. The University competes with a number of other schools for its students, many of which receive significant support from federal and state governments and therefore can afford to charge lower tuition than the University. There can be no assurance that the University will be able to continue to attract the current number and quality of students. A decrease in the student population interested in pursuing higher education could have a material adverse economic impact on the University. Another factor is the potential outbreak or spread of highly contagious or epidemic disease, including, but not limited to COVID-19, which may reduce the current

number of students. See “APPENDIX A — Information Pertaining to Adelphi University” and “APPENDIX B — Audited Consolidated Financial Statements of the University as of and for the Years Ended August 31, 2020 and 2019.”

Fundraising

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

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. In addition to scholarships provided by the University, students secure grant and loan support from a variety of other sources, including the federal and state governments. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University.

Damage or Destruction of the University’s Facilities

The Adelphi campus and other facilities utilized by the University (collectively, the “University’s Facilities”) could be subject to damage or destruction, in whole or in part. If an event occurs that materially damages, or causes a material loss of the availability of, the University’s Facilities, the resulting economic losses to the University, which might include a reduction of revenues from affected activities and programs of the University, might exceed its applicable insurance coverage. The amount of such insurance coverage might not be sufficient to replace or rebuild the University’s Facilities. See “APPENDIX A — Information Pertaining to Adelphi University” and “APPENDIX B — Audited Consolidated Financial Statements of the University for the Years Ended August 31, 2020 and 2019.”

Investment Risks

The University derives a portion of its annual revenues from the investment of its endowment and quasi-endowment funds in various publicly traded and private investment securities. Investment securities are exposed to various risks such as interest rate, market, legal and the operating performance of the underlying businesses, which impact investment valuations. Due to risks associated with investing in general, it is possible that changes in the values of investment securities could occur that might negatively impact the aggregate value of such endowment and quasi-endowment funds and the University’s total assets. See “APPENDIX A — Information Pertaining to Adelphi University— Cash and Investments” and “APPENDIX B — Audited Consolidated Financial Statements of the University for the Years Ended August 31, 2020 and 2019.”

Additional Indebtedness

The University may issue, incur or assume additional indebtedness in accordance with certain requirements under the Loan Agreement. See “SECURITY FOR THE SERIES 2021 BONDS” and “APPENDIX C — Schedule of Definitions and Summary of Documents — Summary of Certain Provisions of the Loan Agreement — Additional Indebtedness.” Any such indebtedness may be secured by a lien upon the University’s revenues or assets or by a mortgage on or security interest in property of the University without granting to the Issuer any security interest in such property to secure the

University's obligations under the Loan Agreement. In the event of a default under any debt instrument secured by such property, the holder or trustee under such debt instrument may have the right to foreclose the lien on such property, and apply the money so collected to the payment of amounts due under such debt instrument. Until any such senior debt is repaid in full, any money so collected and applied may not be available for satisfying any of the University's obligations under the Loan Agreement.

Matters Relating to Enforceability

The practical realization of any rights upon any default by the University will depend upon the exercise of various remedies specified in the Indenture and the Loan Agreement. Any attempt by the Trustee to enforce these remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Indenture and the Loan Agreement may not be readily enforceable. For example, a court may decide not to order the specific performance of the covenants contained in these documents if it determines that monetary damages will be an adequate remedy. In the event of a bankruptcy of the University, the federal bankruptcy laws may delay or prevent the enforcement by the Trustee and the Bondholders of their claim to the Trust Estate, which could delay or prevent payment of debt service on the Series 2021 Bonds.

All legal opinions with respect to the enforceability of legal documents will be expressly subject to a qualification that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditor's rights generally and by applicable principles of equity.

Changes in Law

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021 Bonds and for federal or state income tax purposes, and thus on the value or marketability of the Series 2021 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021 Bonds from gross income for federal or state income tax purposes, or otherwise. See "TAX MATTERS."

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the Series 2021 Bonds, and no representation is made concerning the existence of any secondary market for the Series 2021 Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Series 2021 Bonds and no assurance is given that the initial offering prices for the Series 2021 Bonds will continue for any period of time.

Impact of COVID-19 Pandemic

The outbreak of the 2019 novel coronavirus ("COVID-19"), a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, has been declared a pandemic by the World Health Organization. The Governor of the State of New York, the Mayor of the City of New York, and the County Executives of both Suffolk and Nassau Counties, have all declared states of emergency in their respective jurisdictions. Since declaring a state of emergency in New York State on March 7, 2020, Governor Andrew M. Cuomo has issued numerous Executive Orders suspending or modifying dozens of state and local laws and issuing numerous directives to aid the state's response. The outbreak of COVID-19 has affected travel,

commerce and financial markets globally and is having numerous education, medical, economic, and social impacts. A substantial portion of the United States' population has been subject to voluntary or involuntary quarantine, leading to general and substantial reduction in economic activity.

The continued spread of COVID-19 and the continued social interaction, travel, economies and financial markets may adversely impact the University's finances and operations. The continued spread of COVID-19 and its related impacts may (a) adversely affect the ability of the University to conduct its normal operations and/or may adversely affect the cost of, or revenue derived from, operations, or both (b) adversely affect financial markets generally and consequently adversely affect the returns on, and value of, the University's investments and liquidity and (c) adversely affect the secondary market for, and value of, the Series 2021 Bonds. In addition such factors may limit the sources of liquidity available in ordinary markets, and adversely impact the University's ability to access capital markets generally.

Other adverse consequences of COVID-19 may include, but are not limited to, decline in net tuition revenue and auxiliary services revenue including residential housing because of potentially lower student enrollment due to increased freshman deferments and difficulty for international students to return to the United States and to the University, decline in demand for University programs that involve travel or what have international connections and changes in the delivery of health care. While the University has defined and initiated a series of financial mitigation strategies to address many of the known costs of COVID-19, including, but not limited to: (i) a voluntary early retirement incentive program, (ii) an involuntary reduction in workforce, (iii) a staff hiring freeze, (iv) elimination of merit-based salary increases for non-union employees during fiscal year 2021, (v) a voluntary six-month reduction to senior leadership salaries, (vi) a suspension of non-essential travel, (vii) strict control over discretionary spending, and (viii) a reduction in certain capital project spending, the continued risk could adversely impact available financial reserves. Fall 2020 headcount enrollment of approximately 7,600 students was 5% less than Fall 2019 which was in line with Adelphi University's budget expectations for fiscal year 2021. See "APPENDIX A — Information Pertaining to Adelphi University" for further detail.

In December 2020, two different COVID-19 vaccines were approved for use in the United States, with initial distribution having occurred. Each state is establishing priority of residents for inoculation. The effectiveness of the COVID-19 vaccines appears to be dependent upon widespread inoculation and there can be no assurance of either the effectiveness of the vaccines or the percentage of people receiving either of the vaccines, or any other vaccines that may be approved for use with respect to COVID-19.

The University is monitoring developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need be to be implemented by the University in connection with the spread of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on University finances and operations cannot be fully determined at this time.

Other Risk Factors

In the future, the following factors, among others, may adversely affect the revenues or operations of the University to an extent that cannot be determined at this time.

- (a) Lack of demand for on-campus housing at the University.
- (b) Changes in the demand for higher education in general or for programs offered by the University in particular.
- (c) Competition from other educational institutions.

(d) Student loan funds or other aid that permits many students the opportunity to pursue higher education are decreased, the interest rate on such funding is increased or such funding is subjected to increased regulation. Similarly, economic factors could result in increased defaults on student loans held by the University.

(e) Higher interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures.

(f) Increasing costs of compliance with governmental regulations, including accommodations for handicapped or special needs students, and costs of compliance with the changes in such regulations.

(g) A decline in the market value of the University's investments or a reduction in the University's ability to generate revenue without donor restrictions from its investments.

(h) Increased costs and decreased availability of public liability insurance.

(i) Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

(j) Cost and availability of energy.

(k) An increase in the costs of health care benefits, retirement plans, or other benefit packages offered by the University to its employees.

(l) The occurrence of natural disasters, including floods and hurricanes and pandemics and similar events, which might damage the facilities of the University, interrupt service to such facilities or otherwise impair the operation and ability of such facilities to produce revenue.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the Issuer and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the University have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Regulatory Agreement. Bond Counsel will also rely on the opinion of Farrel Fritz, P.C., as to certain matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or that opinion.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenants, and the accuracy of certain representations and certifications made by the Issuer and the University described above, interest on the Series 2021 Bonds is

excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

State Taxes

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York, including The City of New York, assuming compliance with the tax covenants and accuracy of the representations and certifications described above under “Federal Income Taxes.” Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Series 2021 Bonds nor as to the taxability of the Series 2021 Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Premium

The Series 2021 Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period of the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2021 Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2021 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits and individuals seeking to claim the earned income credit. Ownership of the Series 2021 Bonds may also result in other federal tax consequences to taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2021 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021 Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as APPENDIX D. Prospective investors, particularly those who may be

subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Federal Tax Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income on the Series 2021 Bonds for federal or state income tax purposes and thus on the value or marketability of the Series 2021 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2021 Bonds may occur. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2021 Bonds may affect the tax status of interest on the Series 2021 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2021 Bonds will be passed upon by Nixon Peabody LLP, New York, New York, Bond Counsel for the Issuer, which opinion will be substantially in the form attached hereto as APPENDIX D. Certain legal matters will be passed upon for the University by its counsel, Farrell Fritz, P.C., Uniondale, New York, for the Issuer by its counsel, Ryan, Brennan & Donnelly LLP, Floral Park, New York and for the Underwriter by its counsel, Hawkins Delafield & Wood LLP, New York, New York.

ABSENCE OF LITIGATION

There is no litigation of any nature pending or threatened against the Issuer at the date of this Official Statement restraining or enjoining the issuance, sale, execution or delivery of the Series 2021 Bonds, or in any way contesting or affecting the validity of the Series 2021 Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or the security provided for the payment of the Series 2021 Bonds, or the existence or powers of the Issuer, or the use and operation of the Series 2021 Project.

There is no action, suit, investigation or proceeding pending or, to the knowledge of the University, threatened against the University or any properties or rights of the University before any court, arbitrator or administrative or governmental body which in the opinion of management of the University might result in any material adverse change in the business, condition or operations of the University or which involves the possibility of materially adversely affecting the ability of the University to comply with the Loan Agreement. Notwithstanding the foregoing, there have been a wave of class action suits commenced against numerous higher education institutions across the nation, including the University, as a result of the on-going COVID-19 pandemic. Several of the defendants in such actions have filed motions to dismiss. The University believes, based upon the opinions of counsel, that such lawsuits will not materially affect the ability of the University to pay the principal and interest due in

connection with the Series 2021 Bonds when due or fulfill the University's obligations under the Loan Agreement. The University believes there are good defenses to these cases, and intends to aggressively defend itself, through counsel.

RATING

S&P Global Ratings ("S&P") has assigned a rating on the Series 2021 Bonds of "A-" with a stable outlook. Any desired explanation of the significance of such rating should be obtained from S&P. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of any such rating could have an adverse effect on the market price of the Series 2021 Bonds. Neither the Underwriter, the Issuer, nor the University has undertaken any responsibility either to bring to the attention of the Owners of the Series 2021 Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

UNDERWRITING

TD Securities (USA) LLC (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2021 Bonds at an aggregate underwriter's discount of \$60,758.00 from the initial public offering prices set forth on the inside front cover of this Official Statement. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The Series 2021 Bonds may be offered and sold to certain dealers (including depositing the Series 2021 Bonds into investment trusts, which may be investment trusts sponsored by the Underwriter or such dealers) at prices lower than such public offering prices, and such public offering prices may be changed by the Underwriter from time to time following the initial offering without any requirement of public notice.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its respective affiliates, in the ordinary course of business, may engage in such activities with the Issuer and the University or any other party that may be involved in this transaction, and receive its customary fees and expenses. Furthermore, in the ordinary course of business, the Underwriter and its respective affiliates may, for its own account or the account of third-parties, have investment, trading, commercial banking and other relationships that may relate to the securities and/or other instruments of the Issuer and the University or any other party that may be involved in this transaction. The Underwriter and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Underwriter has entered into a negotiated dealer agreement (the "TD Dealer Agreement") with TD Ameritrade for the retail distribution of certain securities offerings, including the Series 2021 Bonds at the original issue price. Pursuant to the TD Dealer Agreement, TD Ameritrade may purchase Series 2021 Bonds from the Underwriter at the original issue prices less a negotiated portion of the selling concession applicable to any of the Series 2021 Bonds TD Ameritrade sells.

CERTAIN RELATIONSHIPS

TD Securities (USA) LLC, the Underwriter for the Series 2021 Bonds, and TD Bank, N.A., are both wholly-owned subsidiaries of The Toronto-Dominion Bank and part of TD Bank Group. TD Securities (USA) LLC is not a bank and is a distinct legal entity from TD Bank, N.A. TD Bank, N.A. may

have other banking and financial relationships with the Issuer and the University, or any other party that may be involved in this transaction.

INDEPENDENT AUDITOR

The consolidated financial statements as of August 31, 2020 and 2019 and for the years then ended, included in this Official Statement, have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report attached hereto as APPENDIX B.

VERIFICATION OF MATHEMATICAL ACCURACY

Precision Analytics, Inc. will deliver a report, dated the date of issuance of the Series 2021 Bonds verifying the accuracy of the mathematical computations of the adequacy of the maturing principal amounts of Government Securities purchased by the Series 2011 Trustee and the interest income to be realized thereon, together with an initial cash deposit, to pay the principal of, redemption premium and interest due on the Series 2011 Bonds on June 1, 2021.

LEGALITY FOR INVESTMENT

The Series 2021 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations and all other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on banking business, may properly and legally invest funds, including capital in their control or belonging to them.

CERTIFICATE WITH RESPECT TO OFFICIAL STATEMENT

At the time of the original delivery and payment for the Series 2021 Bonds, the University will deliver a certificate of its President to the effect that she has examined this Official Statement (including the Appendices) and the financial and other data concerning the University contained herein and that (i) the Official Statement, both as of its date and as of the date of delivery of the Series 2021 Bonds, does not, with respect to the University, contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and (ii) between the date of the Official Statement and the date of delivery of the Series 2021 Bonds, there has been no material change in the affairs (financial or other), financial condition or results of operations of the University except as set forth in or contemplated by the Official Statement.

SECONDARY MARKET DISCLOSURE

The University and the Trustee shall enter into an undertaking (the “Continuing Disclosure Agreement”), for the benefit of the holders of the Series 2021 Bonds, pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12. The proposed form of Continuing Disclosure Agreement is contained in APPENDIX E.

ADDITIONAL INFORMATION

The references herein to the Indenture, the Loan Agreement, and other documents and the Act, the Code and other statutes are brief summaries of certain provisions thereof. Such summaries do not

purport to be complete and reference is made to the full text of the originals for a full and complete statement of such provisions.

This Official Statement is not to be construed as a contract or an agreement between the University or the Issuer and the purchasers or holders of any of the Series 2021 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no material change in the affairs of the University since the date hereof.

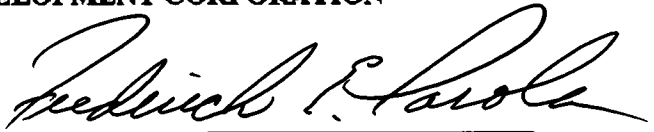
The information contained in this Official Statement relating to the Series 2021 Project, the Estimated Uses of Funds and the University has been supplied by the University, and neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness of such information.

The distribution of this Official Statement to prospective purchasers of the Series 2021 Bonds by the Underwriter has been duly authorized by the Issuer and the University. This Official Statement is made available only in connection with the sale of the Series 2021 Bonds and may not be used in whole or in part for any other purpose.

Additional copies of this Official Statement may be obtained upon request from the Underwriter.

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**TOWN OF HEMPSTEAD LOCAL
DEVELOPMENT CORPORATION**

By: 
Name: Frederick E. Parola
Title: Executive Director and Chief Executive Officer

ADELPHI UNIVERSITY

By: _____
Name: Christine M. Riordan
Title: President

By: _____
Name: James J. Perrino
Title: Executive Vice President of Finance and
Administration

[signature page to Official Statement]

**TOWN OF HEMPSTEAD LOCAL
DEVELOPMENT CORPORATION**

By: _____
Name: Frederick E. Parola
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ADELPHI UNIVERSITY

By: 
Name: Christine M. Riordan
Title: President

By: 
Name: James J. Perrino
Title: Executive Vice President of Finance and
Administration

[signature page to Official Statement]

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APPENDIX A
Information Pertaining to Adelphi University

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INFORMATION PERTAINING TO ADELPHI UNIVERSITY

History of Adelphi University

Adelphi University (“Adelphi” or the “University”), an independent, comprehensive institution chartered by the University of the State of New York, offers the personalized focus of a liberal arts education combined with the academic rigors of nationally recognized undergraduate and graduate professional programs. Founded in Brooklyn, New York in 1896, Adelphi has been creating opportunities for students through higher education in the liberal arts and sciences, as well as the professions, for nearly 125 years.

Founded with an enrollment of 57, Adelphi currently enrolls approximately 7,600 students from across the region, the country, and the world to pursue undergraduate and graduate degrees in its schools and programs: the College of Arts & Sciences; the Gordon F. Derner School of Psychology (the “Derner School”); the Honors College; the College of Education and Health Sciences (“CEHS”); the Robert B. Willumstad School of Business (the “School of Business”); the College of Nursing and Public Health; the School of Social Work; and the College of Professional and Continuing Studies. To accommodate regional needs, the University has expanded beyond its 70-acre Garden City campus, opening centers in Manhattan, Hauppauge, New York, and Poughkeepsie, New York.

Adelphi was one of the first coeducational colleges in New York State and became the first liberal arts college on Long Island when it moved to Garden City, New York, in 1929. In July, 2015, Dr. Christine M. Riordan was appointed as the tenth president of Adelphi, ushering in a new era of growth and sound fiscal leadership. Dr. Riordan is the first woman to serve as the University’s president.

Over the past several years, the University has invested in a number of capital projects to enhance the Garden City campus. In Fall 2016, it opened a new, state-of-the-art building for the College of Nursing and Public Health. The \$76 million, 100,000-square foot Nexus Building also serves as a central location for student services, admissions and alumni outreach. Recognized by the American Institute of Architects for its innovative design, the building earned LEED Silver Certification in December 2018. In Fall 2020, the University completed the transformation of the Ruth S. Harley University Center (the “University Center”), expanding it to become a modern center for academic and student life. The building now offers twice the dining space, flexible meeting and conference spaces, improved accessibility, and many other new features.

Adelphi’s approximately 116,000 alumni include leaders in their professions, their communities and the world. The University is notably acknowledged for preparing distinguished graduates in the arts, business, education, healthcare, social work and psychology. Based on the University’s Career Outcomes Survey for the Class of 2019, 92% of Adelphi’s 2019 baccalaureate and master’s graduates were employed or continuing their education within six months of graduation. In addition, Adelphi faculty members have garnered numerous honors, including the Pulitzer Prize, Grammy nominations, Fulbright and Carnegie Foundation fellowships, and National Institutes of Health and National Science Foundation grants for their scholarship and artistic contributions. The University is ranked as a “Best College” by *U.S. News & World Report*, a “Top College” by *Forbes*, and a “Best Northeastern College” by the *Princeton Review*. Adelphi University also received the 2020 *INSIGHT Into Diversity*, one of the top 2% of universities nationwide to receive this recognition for initiatives in the field of diversity. Adelphi also received a 2020 Exemplary Models Award from the American Association of University Administrators for its successful method of personalizing the enrollment process. Adelphi has been recognized by Colleges of Distinction for career development and equity and inclusion. The University has also been named a top U.S. College in 2021 by the Wall Street Journal/Times Higher Education, which places Adelphi in the top 21% in the country.

Adelphi maintains a notable sports history. The Adelphi Panthers compete in the NCAA’s Division II Northeast-10 conference in 22 of its 23 sports. In 2004, 2006, 2009, 2010, 2011, 2014, 2015, 2017 and

2019 the women's lacrosse team won national championships, bringing its total to nine, which is the most in NCAA Division II history. Men's lacrosse has been similarly successful, having won seven NCAA Division II championships, with men's soccer having won one national title.

Adelphi continuously strives to unite liberal arts and sciences with professional programs to prepare students to succeed personally and professionally. The University is accredited by the following major accrediting entities:

Middle States Association of Colleges and Schools
New York State Education Department
Association to Advance Collegiate Schools of Business
Commission on Collegiate Nursing Education
Accreditation Council for Psychoanalytic Education (ACPE)
American Psychological Association
American Speech-Language-Hearing Association
Council for the Accreditation of Educator Preparation (CAEP)
Council on Social Work Education

Individual schools and programs within the University hold professional memberships specific to their respective areas of expertise. Programs in all five of the University's professional schools hold accreditation with national or international professional accreditation associations. The Derner School's Doctoral program in Clinical Psychology and Postgraduate Program in Psychoanalysis, as well as the School of Social Work and College of Nursing and Public Health, are accredited for the maximum allowable time.

In the past five years, faculty members have received Fulbright scholarships, and government funded research has steadily increased.

Facilities

The main campus, which consists of 29 buildings on approximately 74 acres of land, is situated in the Village of Garden City, a primarily residential community, approximately 25 miles east of New York City. Adelphi draws on its proximity to New York City as a vast academic resource from which the city's artists, scholars and professionals frequently visit the campus to share their expertise with students.

The University currently rents space in three satellite center buildings within New York State: New York City, Hauppauge (approximately 50 miles from New York City) and Poughkeepsie (approximately 80 miles from New York City).

Governance

The University's board of trustees (the "Board" or "Board of Trustees" with each board member referred to individually as a "Trustee")) consists of not less than eighteen (18), nor more than thirty-five (35) persons. Trustees are normally elected to a three-year term, unless elected to fill an unexpired term, and are eligible for re-election to a maximum of twelve (12) years. Young Alumni Trustees ("Young Alumni Trustees") serve a maximum of four (4) years. Young Alumni Trustees shall have graduated within the past ten (10) years and shall have the same voting rights, be eligible to serve on any Committee of the Board and be subject to all of the same rights and responsibilities as all other Trustees. Notwithstanding the previous sentence, any individual who has previously served on the Board as a Young Alumni Trustee may be elected as a Trustee of the University following the completion of his or her term as a Young Alumni Trustee and once more than ten (10) years have passed since such person's graduation from the University, for a maximum of twelve (12) years of service. There is a required break of five (5) years after completion

of the term as a Young Alumni Trustee and before election as a Trustee of the University. During this time, the individual may serve on other University councils or advisory boards.

The Board meets at least four times each year, including an annual meeting. The Executive Committee has the power of the Board (with certain exceptions) when the Board is not in session. The Executive Committee consists of the Chair of the Board, the Vice Chair of the Board, the Secretary, the Immediate Past Chair if such person is a current Trustee, and the Chairs of at least two committees of the Board as selected by the Board Chair. The standing Board of Trustees committees meet at least quarterly, and consist of the Executive Committee, Academic Affairs/Student Life Committee, Advancement and External Relations Committee, Audit Committee, Enrollment and University Marketing Committee, Facilities and Logistics Committee, Finance and Investment Committee, and the Work/Life Committee.

The current Board of Trustees of the University and certain of their professional affiliations are listed below. Alumni are indicated by an *.

OFFICERS

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Chair, Board of Trustees
Founder and Chairman Emeritus
Lee, Nolan and Koroghlian, LLC

Susan Murphy, Ph.D.
Vice-Chair, Board of Trustees
Vice President Emerita
Cornell University

Lois C. Schlissel, J.D.
Secretary, Board of Trustees
Secretary of Board of Trustees
Of Counsel
Meyer, Suozzi, English & Klein, P.C.

Marc S. Strachan*
Vice-Chair, Board of Trustees
Chairman
ADCOLOR

Christine M. Riordan, Ph.D.
President, Adelphi University
Ex-Officio

CHAIR EMERTI

Michael J. Campbell*
Chair Emeritus, Board of Trustees
Managing Director, Client Advisor
Dominick & Dominick | Division of Wunderlich
Wealth Management

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Chair Emeritus, Board of Trustees
Former Chairman and Chief Executive Officer
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Chair Emeritus, Board of Trustees
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New York *Newsday*

Thomas F. Motamed*
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*Chief Innovation Officer and Senior Vice
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Development
Hospital for Special Surgery*

Loretta Cangialosi*

*Retired, Senior Vice President and Controller
Pfizer, Inc.*

Charles Fuschillo*

*President and CEO
Alzheimer's Foundation of America*

Dottie Herman

*Chief Executive Officer
Douglas Elliman Real Estate LLC*

Laurence Kessler*

*Founder and Co-owner
Kessler Restaurants*

Emily Ladau*

*Founder
Words I Wheel By Disability Communications*

Curtis O. Minnis*

*Retired Managing Director of Global Sales
FedEx*

Sylvia Moss*

*Retired Senior Managing Director and Chief
Operating Officer
The Park Hill Group, The Blackstone Group*

Hilda Perez*

*COO and Vice President
Salud by Dr. Rigo*

Paul Salerno*

*Retired Managing Partner, Melville Office
PricewaterhouseCoopers LLP*

Michael A. L. Balboni*

*President and Managing Director
Redland Strategies, Inc.*

William Fuessler*

*Vice President and Partner, Global Leader,
Finance, Risk and Fraud
IBM Global Business Services*

Suhit Gupta*

*Senior Vice President, Chief Information Officer
General Atlantic*

Stephen B. Jones*

*President and Chief Operating Officer
Skyview Networks*

Tomislav Kostadinov*

*Vice President
Goldman Sachs*

Dennis McDonagh*

*Retired Senior Managing Director and Chief
Financial Officer, Real Estate
The Blackstone Group*

Monika Mohacsi*

*Senior Project Engineer
Jaros Baum & Bolles*

Carmen M. Ortiz*

*Partner
Anderson & Kreiger LLP*

Humera Qazi*

*Managing Director
Morgan Stanley*

Michael J. Tiedemann*

*Managing Director
Wells Fargo Securities*

Joseph Westphal*

Ambassador (R)

Chang Sun Professor

Joseph H. Lauder Institute of Management and
International Studies

Senior Fellow

The Leadership Center

The Wharton School, University of Pennsylvania

Administration

The University is administered on a day-to-day basis by the President and other officers of the University. The President directs the general affairs of the University and is responsible to the Board as the executive leader of the University. The President is elected by the Board; other administrative officers are appointed by the President and serve at the pleasure of the President with the concurrence of the Board.

The principal administrative officers of the University are listed below:

Christine M. Riordan, Ph.D., *President*

Christine M. Riordan, Ph.D., is a recognized expert in leadership development, diversity and inclusion, and team performance. She was appointed the 10th President of Adelphi University in 2015 and, under her leadership, the University is advancing the goals set forth in *Momentum: The Strategic Plan for Adelphi University, 2015–2021*. Since 2015 Adelphi has enrolled its four largest and most diverse first-year classes, launched 20 new academic degree programs and established a highly regarded Office of Diversity, Equity and Inclusion.

Dr. Riordan serves on the boards of RE/MAX Holdings, Inc., (NYSE:RMAX), is the current chair of the Commission on Independent Colleges and Universities (CICU) in New York, and treasurer of the Long Island Regional Advisory Council on Higher Education (LIRACHE). She serves on the board of the Long Island Association (LIA) and is past chair of the President's Council for the Northeast-10 Conference, now serving on the conference's executive committee for 2020-2021. She is a member of the President's Advisory Council at the Georgia Institute of Technology.

She has published more than 60 academic and business press articles and is authoring, *Shift Happens*, a book about succeeding in a changing workplace. She is a frequent speaker on leadership, strategy and career success. Dr. Riordan has been named to the *Long Island Press* Power List every year since 2016 and in 2018 she was selected by *Diverse: Issues in Higher Education* magazine as one of 25 Top Women in Higher Education Who Are Making a Difference. In 2019, Dr. Riordan was named one of Georgia State University's Distinguished Alumni.

Steve Everett, D.M.A., *Executive Vice President and Provost*

Dr. Everett was appointed Provost of Adelphi commencing July 1, 2018. Prior to joining Adelphi, he was dean of the College of Architecture, Design, and the Arts and professor of music at the University of Illinois at Chicago ("UIC"). In that role, he oversaw four schools with numerous programs as well as the Gallery 400 art gallery, the Jane Addams Hull-House Museum and the University's UIC Innovation Center—an interdisciplinary research center and incubation hub bridging education with industry. Before assuming his role at UIC, he had spent the previous 23 years at Emory University, where he served as assistant vice provost for academic affairs, among other leadership positions. In 1998, Dr. Everett received the Mayor's Fellowship in the Arts, awarded by the City of Atlanta, the city's highest recognition of artistic achievement.

Dr. Everett will be leaving his position with the University as Executive Vice President and Provost as of June 30, 2021, to pursue other opportunities. The University's search for his successor is underway.

James J. Perrino, *Executive Vice President of Finance and Administration*

James J. Perrino became Adelphi's first Executive Vice President of Finance and Administration in September 2017. In this critical role, which was created following the realignment of several departments, Mr. Perrino oversees financial and capital matters as well as operations, including facilities, human resources, employee relations, information technology and public safety. He also leads two new groups, the Operational Excellence Council and the Risk Management Council. A Certified Public Accountant, Mr. Perrino came to Adelphi from the accounting and advisory firm CohnReznick LLP, where he was a partner and led the firm's not-for-profit advisory practice. Earlier in his career, he was Senior Vice President for Finance and Administration at St. John's University and was a partner at KPMG LLP for more than 10 years.

R. Sentwali Bakari, Ph.D., *Vice President for Student Affairs and Dean of Students*

Dr. Bakari, among his many other responsibilities, serves as an ambassador and advocate for Adelphi students. Dr. Bakari is responsible for an array of student services at Adelphi University that includes, but not limited to, Counseling and Health Services, Student Involvement and Co-Curricular Leadership, Student Conduct, Residence Life, and Housing, Multicultural Student Organizations and various diverse student clubs and organizations, Orientation, Student Access, and more. Before coming to Adelphi, Dr. Bakari was vice chancellor for student success at the University of Colorado, Colorado Springs.

Kristen Capezza, *Vice President for Enrollment Management and University Communications*

Kristen Capezza was appointed vice president for enrollment management in October 2018 after having served in a number of leadership roles in Adelphi University Admissions. In her current position, she is responsible for leadership and development of University Admissions, high school and pre-college programs, student financial services, and data analytics. In 2019, Ms. Capezza was asked to oversee University Communications and leads the communications and marketing team of writers, editors, designers, content producers, project managers and other communications professionals who support institutional goals including enrollment, academic, and advancement priorities. Ms. Capezza is a past president of the New York State Association for College Admission Counseling.

Maggie Yoon Grafer, *Associate Vice President of External Affairs*

Maggie Yoon Grafer directs the activities of the advancement and external relations team with responsibility for advancement, alumni relations and special events. She had previously served as Adelphi's senior director of strategic engagement, director of community relations, and in other leadership roles at the University, including chief of staff to the office of the President.

Jacqueline Jones LaMon, *Vice President for Diversity, Equity and Inclusion*

A member of the Adelphi community for more than a decade, Ms. LaMon served as an English professor, department chair, director of the Masters in Fine Arts in creative writing program and associate dean prior to her vice president appointment. She also served as president of Cave Canem Foundation, Inc., an organization committed to cultivating the artistic and professional growth of African American poets.

Strategic Planning and Investments

In 2015, the Board of Trustees approved *Momentum: The Strategic Plan for Adelphi University, 2015-2021* to serve as the guide by which tactical decisions are made, progress is measured and new initiatives are introduced. The plan, organized around the University's core values, lays out strategic goals in six areas: academics, student success, diversity and inclusion, community engagement, financial and operational strength, and national reputation. The development of the strategic plan for the five-year period beginning January 2022 is currently underway.

Adelphi believes that it is well on its way to reaching its *Momentum* goals. Between 2015 and 2018, Adelphi launched nine new graduate-degree programs designed to prepare students for successful careers in industries that are deemed critical to Long Island and New York's future. The programs include: a Global M.B.A. to prepare students for careers in international business; master's degrees in Computer Science, Applied Mathematics and Statistics, Psychiatric Mental Health Nursing, Infant Mental Health and Development Practice, Supply Chain Management, and Mental Health Counseling; and doctoral degrees in Nursing Practice (D.N.P.) and School Psychology (Psy.D.). The University has also created accelerated dual degree programs in Environmental Studies and Business of Science, two advanced certificate programs and a new B.S. in Neuroscience. In 2019 and 2020, Adelphi launched seven new undergraduate degree programs and three new graduate degree programs. The recently created undergraduate programs include: B.S. Anthropology; B.A. Ethics and Public Policy; B.S. Environmental Science; B.S. Statistics; B.A. International Relations; B.S. Health Sciences; B.A. Music, Instrumental Performance, Jazz Studies and Piano concentrations. The recent, new graduate programs include: M.S. Professional Accounting; M.A. Health Education; and M.S. Business Analytics. Adelphi also launched a B.A./M.A. or B.S./M.S. Scholar Teaching Education Program (TESOL) degree program. Finally, Adelphi introduced several new advanced certificate programs for Nursing Administration and Psychoanalysis, and a revised 12-credit, online Advanced Certificate in Healthcare Informatics.

In 2019 and 2020, Adelphi greatly increased the number of internships offered to students and introduced co-curricular programs designed to make students career-ready; won prestigious national awards for its commitment to diversity and inclusion; increased its presence in Manhattan; turned an operating deficit of approximately \$8.8 million into an operating surplus every year for the past five years; created an Operational Excellence Council; and has risen in numerous well-known national rankings of colleges and universities.

Prior to President Riordan's appointment as President, the University had experienced enrollment declines in fiscal years 2014-15 and 2015-16. The recruitment of new students was highly centralized in the local region and engagement began in the spring of their junior year and the fall of their senior year of high school. In 2015, the University implemented several new strategies for engaging students early, beginning in their sophomore year of high school and included a multichannel marketing strategy. Recruitment also grew to encompass a much more regional and national strategy gaining exposure for the University across the country. As a result, the pool of interested students has grown. Additionally, prior to 2015, the process for awarding scholarships and aid did not maximize the use of institutional funds. An optimization model was implemented that allocated funds in a more efficient way maximizing not only enrollments but also net tuition revenue. As a result of these initiatives, Adelphi experienced a significant increase in enrollment between Fall 2016 and Fall 2019, and enrolled its three largest classes in history.

Academic Structure of the University

The University's academic departments are organized into seven degree-granting units.

The College of Arts & Sciences offers the Bachelor of Arts, the Bachelor of Science, the Bachelor of Fine Arts, Post-Baccalaureate certificate programs, the Master of Arts, Master of Fine Arts and the Master of Science degrees. The College of Arts & Sciences also hosts the General Studies program, a one-year program which offers an intensive liberal arts curriculum and academic support service for students who do not meet Adelphi's admission requirements but who show academic promise. Students who successfully complete the one-year program continue their second year in a traditional undergraduate degree program.

The Honors College offers a highly challenging and enriched program for Adelphi's best-prepared and most motivated undergraduates. Degrees for the Honors College are granted through the College of Arts & Sciences. In Fall 2020, the 288 Honors College students had average Scholastic Achievement Test ("SAT") scores of approximately 1,380, and most were in the top 10% of their high school class. Rigorous honors courses are distributed throughout the four years of study and fulfill the students' general education requirements. Additional requirements include regular attendance at cultural events and a year-long senior thesis project. The Honors College offers a wide array of extracurricular and co-curricular activities, including many events at the Dean of Students' home and at the cultural institutions of New York City.

The Honors College prepares students to compete advantageously in their chosen paths after graduation, whether they begin work immediately or, more commonly, continue with professional or graduate education. Honors College students have recently been accepted to attend law school at Columbia University, University of Pennsylvania, Cornell University, Emory University, Fordham University, Georgetown University and Harvard University; to attend medical schools at New York University, Columbia University, University of Rochester, Syracuse University, and State University of New York Stony Brook; to attend dental school at the University of Pennsylvania, Yale University, Columbia University, Tufts University, New York University, and State University of New York Stony Brook; to attend veterinary school at the University of Pennsylvania and Tufts University; and for Ph.D programs (often with full tuition and stipends) at Yale University, M.I.T., New York University, Boston University, Fordham University, City University of New York, University of Virginia, University of Texas at Austin, Northwestern University, University of North Carolina at Chapel Hill and many others.

The School of Business grants the Bachelor of Business Administration, the Bachelor of Science, the Master of Business Administration and the Master of Science degrees, as well as various Post-graduate Certificates. The School of Business offers a variety of courses within eight disciplines, including Economics. In addition, the School of Business offers, in conjunction with the College of Nursing and Public Health, a joint M.B.A. and a Master of Science in Nursing; in conjunction with the School of Social Work, a Post-Master's Certificate in Human Resource Management; and in conjunction with the College of Arts & Sciences, an accelerated B.S. / M.B.A. in the Business of Science.

The Derner School offers the Bachelor of Arts in Psychology, a Bachelor of Science in Neuroscience, and a five (5) Year B.A./M.A. in Psychology; Master of Arts degrees in Psychology, Mental Health Counseling and School Psychology; and a Doctor of Philosophy degree in Clinical Psychology and Psy.D. in School Psychology. It also offers Postdoctoral Certificates in six areas: psychoanalysis and psychotherapy; child, adolescent and family psychotherapy; group psychotherapy; couple therapy; psychodynamic school psychology; and human resource management.

CEHS consists of one school and two departments: the Ruth S. Ammon School of Education, Health and Sport Sciences, and Communication Science and Disorders. The College grants the following degrees: Bachelor of Arts, the Bachelor of Fine Arts, the Bachelor of Science, the Master of Arts, the Master of Science, and the Doctor of Audiology. It also offers various post-graduate certificate programs. In 1995, Adelphi established the Scholar Teacher Education Program ("STEP"), a five-year combined baccalaureate/master's program to prepare students to teach at the childhood (grades pre-K to 6) or

adolescent (grades 7 to 12) levels. CEHS houses the Literacy Clinic, the Early Learning Center, and the Hy Weinberg Center for Communication Disorders.

The College of Nursing and Public Health offers the following degrees: Bachelor of Science, an R.N. to Bachelor of Science, the Master of Science, the Master of Public Health, the Doctor of Philosophy (Ph.D.), and the Doctorate in Nursing Practice (D.N.P.). It also offers various post-graduate certificate programs. The Master of Science is designed to prepare students for careers in adult health nursing, adult gerontology primary care nurse practitioner, nursing education, nursing administration, and psychiatric-mental health nurse practitioner.

The School of Social Work offers the Bachelor of Social Work (B.S.W.), the Master of Social Work (M.S.W.), a low-residency M.S.W.; and the Doctor of Philosophy (Ph.D.) degrees. The School of Social Work also offers an evening program that leads to a B.S.W, and a variety of non-degree professional education programs.

The College of Professional and Continuing Studies (“CPCS”) accepts adult students aged 21 or older. Course scheduling as well as support services are available evenings and weekends. Students can earn an Associate of Arts, a Bachelor of Arts, or a Bachelor of Science degree through the programs offered. CPCS also offers a cooperative program with the Department of Art and Art History to earn a Bachelor of Fine Arts degree, and a Master of Science in Emergency Management from CPCS. CPCS also offers a Post-Baccalaureate Certificate in Basic Science for Health Professions, a Graduate Certificate in Emergency Management, and an Advanced Certificate in Health Informatics.

Degrees Conferred

The following table sets forth the number of academic degrees conferred by the University over the past five academic years:

<u>Academic Year</u>	<u>Undergraduate</u>	<u>Graduate/ Post Baccalaureate</u>	<u>Doctoral/ Postdoctoral</u>	<u>Total Degrees</u>
2015-16	1,407	1,044	24	2,475
2016-17	1,282	1,018	34	2,334
2017-18	1,259	1,096	36	2,391
2018-19	1,271	1,137	36	2,444
2019-20	1,378	1,216	34	2,628

Investment in Faculty

The number of full-time Adelphi faculty positions has increased over the past decade from 312 in 2009 to 345 in 2020, while the part-time full-time equivalents increased from 317 to 388 during the same period. The percentages of course sections taught by full-time faculty has been relatively stable since 2014, rising from 53% in 2014 to 54% in 2019.

Resources available to support faculty development have continued to expand over the past decade, reflecting the increasing focus and interest surrounding student-centered, high-impact learning. The University’s Faculty Center for Professional Excellence (“FCPE”) supports faculty with resources to excel in teaching, scholarship, and course and professional development. The FCPE works closely with the Office of Information Technology and is available to full- and part-time faculty. The FCPE focuses on creating a culture of innovation and creativity related to new technologies and pedagogies and promoting faculty collaboration. The FCPE also provides support for instructional development of online and blended courses.

Adelphi also introduced a new Faculty Leadership Fellows Program in Spring 2017, offering hands-on experience to faculty members who want to take on leadership roles as department chairs, deans, provosts or administrators. Faculty promotions to positions of increased responsibility subsequent to participation in this program include: (1) the current associate dean for student success in the College of Arts & Sciences, (2) the current vice president for diversity, equity and inclusion, (3) the current associate provost for student success, (4) the current associate dean of CEHS, (5) the current associate dean for student success in the School of Business, (6) the current chair of the faculty senate's academic affairs committee, and (7) the current associate dean with oversight of general education in the College of Arts & Sciences.

Examples of projects associated with recent or upcoming investment in faculty include: (1) the creation of a new, interdisciplinary degree in health sciences; (2) the Spring 2021 launch of the Office of Undergraduate Research and creative Works to support undergraduate research; (3) adoption of peer evaluation protocols for adjunct faculty; and (4) the launch of the Innovation Center which has already led to initiatives such as gap year programming, virtual internships, and integration of experiential learning and project based learning into traditional classrooms.

During the University's Fall 2020 semester, the University had 345 full-time faculty, approximately 64% of whom were tenured. In excess of 89% of the full-time faculty members hold the highest degree awarded in their respective fields of study. The full-time faculty is augmented by a part-time faculty of approximately 700 adjuncts. The student/faculty ratio for the academic year 2020-21 is approximately 12:1 with 21 students in average undergraduate classes and 14 students in average graduate classes.

Composition and average compensation for full-time faculty is as follows:

**Full-Time Faculty
Average Compensation
For Academic Year 2020-21**

	<u>Number</u>	<u>Average Base</u>	<u>Average Fringe Benefits</u>	<u>Average Total</u>
Professors	93	\$146,411	\$42,166	\$188,577
Associate Professors	129	\$113,347	\$32,644	\$145,991
Assistant Professors	63	\$91,577	\$26,374	\$117,951
Clinical	33	\$107,993	\$31,102	\$139,095
Visiting	8	\$81,684	\$23,535	\$105,201
Lecturers	<u>19</u>	<u>\$79,330</u>	<u>\$22,847</u>	<u>\$102,177</u>
Total/Average	<u>345</u>	<u>\$115,165</u>	<u>\$33,167</u>	<u>\$148,332</u>

Other Staff Members

In addition to the full-time and part-time faculty noted above, as of November 2020, the University had approximately 730 full-time/permanent and part-time employees, and approximately 190 hourly employees. The University maintains favorable relationships with the unions and does not foresee any labor difficulties that would materially adversely affect its operations.

By comparison, as of September 2019, the University had 811 full-time/permanent and part-time employees, and approximately 285 hourly employees. The reduction in employees was part of a cost reduction initiative undertaken in response to the COVID-19 pandemic which reduced enrollment by approximately 5% in Fall 2020, relative to Fall 2019. The employee reductions were achieved primarily through several voluntary incentive retirement programs augmented by involuntary separation of employment for certain non-faculty employees in September 2020.

Labor Relations

The University has five collective bargaining agreements covering the faculty, office and professional employees, maintenance, custodian and security employees, as detailed in the following table:

<u>Unions</u>	<u>Represented By</u>	<u>Contract Expiration Date</u>
Office and Professional Employees	Office and Professional Employees International Union (Local 153) AFL-CIO	August 31, 2022
Custodians	RWDSU/UFCW (Local 1102)	June 30, 2024
Security Employees	Benevolent Association	June 30, 2021
Faculty	American Association of University Professors	August 31, 2023
Maintenance Employees	Adelphi Physical Plant Workers Labor Union	December 31, 2021

Retirement Plans

The University has a contributory defined contribution retirement plan, which covers substantially all full-time employees. It is the University's policy to fund pension costs accrued. The University's contributions are determined in accordance with the related provisions of the union contracts and at the discretion of management for all non-union employees. Total pension costs under the plans for the fiscal years ended August 31, 2020 and August 31, 2019 amounted to \$8,251,641 and \$7,967,787, respectively.

Enrollment Growth

Adelphi has experienced a 4% increase in overall enrollment for the four-year period ending August 31, 2019. The University welcomed its three largest and most ethnically diverse classes in history during this period. As noted earlier, overall enrollment declined between Fall 2019 and Fall 2020 by 5% due to COVID-19 including a 22% decline in international students.

The following table presents student enrollment figures representing students enrolled in degree programs for the past five years, as of the 21st day of the fall term:

<u>Term</u>	<u>Undergraduate</u>	<u>Graduate / Post-Baccalaureate</u>	<u>Total</u>
Fall 2016	5,205	2,482	7,687
Fall 2017	5,266	2,712	7,978
Fall 2018	5,391	2,755	8,146
Fall 2019	5,360	2,631	7,991
Fall 2020	5,124	2,460	7,584

As of Fall 2020, total FTE enrollment was 6,844 and total student enrollment in degree programs was 7,584. In addition to the enrollments indicated above, the University has two Summer sessions. Approximately 2,800 students enrolled for the Summer 2020 session. As part of Adelphi's enrollment strategy, the University has invested in business and healthcare programming initiatives (i.e. public health and nursing) and is focused on increasing its geographic reach for prospective students (see Freshman Geographic Profile). Several recruitment-related initiatives Adelphi has undertaken include: (i) collaborating with community colleges; (ii) building undergraduate-to-graduate pipelines; (iii) hiring an admissions firm; and (iv) minimizing tuition increases.

Applications and Admissions

Freshmen applications for Fall 2020 were 15,346, up 29% since Fall 2016. The University's acceptance rate (number of acceptances/applications) is approximately 75% and its Fall 2020 yield rate (number of enrollments/acceptances) was approximately 10%.

The following table sets forth applications, acceptances and enrollments for first-time freshmen and graduate/post-baccalaureate students for the Fall semesters of each of the respective years as shown in the table:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
First-time Freshmen					
Applications	11,863	11,851	13,006	13,938	15,346
Acceptances	<u>8,339</u>	<u>8,666</u>	<u>9,648</u>	<u>10,363</u>	<u>11,445</u>
Enrollments (headcounts)	1,226	1,131	1,245	1,132	1,010
Acceptance Rate	70%	73%	74%	74%	75%
Yield Rate	15%	13%	13%	11%	10%
Mean Freshman SAT	1,183	1,155	1,175	1,184	1,176
Graduate/Post-Baccalaureate					
Applications	3,183	3,316	3,836	3,403	3,174
Acceptances	1,714	1,782	2,007	1,742	1,701
Enrollments (headcounts)	858	994	1,017	901	801
Acceptance Rate	54%	54%	52%	51%	54%
Yield Rate	50%	56%	51%	52%	47%

Freshman Geographic Profile

The following table sets forth the geographic origin of the University's entering freshman class, expressed as a percentage of total freshman enrollments, for the past five academic years. Freshmen retention for Fall 2020 was 82%, an improvement from 79% in Fall 2019. The "Northeast Region" category indicated below includes freshman students from states from Maine to Virginia (but excluding New York).

<u>Entering Fall Semester</u>	<u>New York State</u>	<u>Northeast Region</u>	<u>Other U.S. and Foreign</u>
2016	89%	5%	6%
2017	88%	5%	7%
2018	89%	4%	7%
2019	87%	4%	9%
2020	87%	5%	8%

In Fall 2020, approximately 700 students resided in University housing on the Garden City Campus, compared to approximately 1,190 students in Fall 2019. The decrease in residence hall occupancy for Fall 2020 is attributable to the COVID-19 pandemic.

Student Fees and Competition

Tuition and fees charged to full-time undergraduate students were as follows for the past five years:

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Tuition and Fees	\$35,740	\$37,170	\$38,660	\$40,210	\$41,435

The University competes for qualified students with many other colleges and universities, including various State University of New York ("SUNY") and City University of New York ("CUNY") institutions across Long Island and New York State. These state and city institutions often have lower tuition and fee rates than private universities such as Adelphi. On the basis of enrollment and applicant information, the University believes that, among private colleges and universities, its most significant competitors are the institutions included in the following table:

<u>Institution</u>	<u>Annual Tuition and Fee Rates for the 2020-21 Academic Year</u>
Fordham University	\$56,176
Hofstra University	\$49,410
St. John's University	\$44,760
Adelphi University	\$41,435
Long Island University-C.W. Post	\$39,136
Molloy College	\$32,550

Source: Integrated Postsecondary Education Data System.

Student Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. During the 2019-20 academic year, approximately 94% of the University's full-time traditional undergraduate students received some form of financial assistance. The sources of assistance include University grants and scholarships, state and federal grants, loans and work-study and funding from private organizations. In addition to scholarships provided by the University, students secure grant and loan support from a variety of other sources, including the federal and state governments. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the University. The following table shows the principal sources and amounts of grants, federal guaranteed loans (excluding PLUS loans) and work-study assistance received by all undergraduate and graduate students for the past five academic years indicated:

	<u>(IN THOUSANDS)</u>				
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Grants:					
University					
<i>Unrestricted Operations</i>	\$51,901	\$61,926	\$66,353	\$76,025	\$79,537
<i>Endowment/Restricted</i>	<u>\$650</u>	<u>\$1,245</u>	<u>\$1,336</u>	<u>\$1,551</u>	<u>\$1,661</u>
Total	\$52,551	\$63,171	\$67,689	\$77,576	\$81,198
Federal	\$6,649	\$7,707	\$7,585	\$8,096	\$7,590
State and other	<u>\$8,052</u>	<u>\$8,032</u>	<u>\$9,059</u>	<u>\$9,320</u>	<u>\$8,884</u>
Total Grants	<u>\$67,252</u>	<u>\$78,910</u>	<u>\$84,333</u>	<u>\$94,992</u>	<u>\$97,672</u>
Total Loans	\$42,932	\$42,942	\$46,440	\$43,586	\$41,302
Total Work-Study	<u>\$650</u>	<u>\$650</u>	<u>\$750</u>	<u>\$750</u>	<u>\$750</u>
Total	<u>\$110,834</u>	<u>\$122,502</u>	<u>\$131,523</u>	<u>\$139,328</u>	<u>\$139,724</u>

In addition to the financial aid noted above, the University annually distributes approximately \$7.2 million of graduate assistantships and tuition remission awards. The University's overall financial aid discount rate was 29% for the fiscal year ended August 31, 2020.

Revenues and Expenses of the University

The following table summarizes the revenues and expenses of the University for the past five fiscal years ended August 31:

	(IN THOUSANDS)				
<u>Revenues</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Student Related Revenue*	\$174,654	\$183,905	\$199,242	\$208,217	\$204,230
Contributions	\$3,724	\$3,176	\$3,229	\$6,113	\$6,763
Government Grants and Contracts	\$4,645	\$7,500	\$5,585	\$5,845	\$11,807
Investment Income (Loss)	\$9,411	\$21,480	\$16,304	\$4,463	\$19,749
Sales & Services of Educational Departments	\$1,579	\$2,532	\$2,893	\$3,056	\$1,801
Other Sources	<u>\$5,006</u>	<u>\$5,998</u>	<u>\$5,525</u>	<u>\$5,912</u>	<u>\$3,163</u>
Total Revenues	<u>\$199,019</u>	<u>\$224,591</u>	<u>\$232,778</u>	<u>\$233,606</u>	<u>\$247,513</u>
<u>Expenses</u>					
Instruction	\$91,428	\$95,357	\$100,189	\$105,179	\$108,879
Research and Public Service	\$8,310	\$9,064	\$9,007	\$8,561	\$8,137
Academic Support	\$21,459	\$22,854	\$23,012	\$23,863	\$24,726
Student Services	\$30,778	\$34,186	\$34,431	\$36,149	\$36,046
Institutional Support	\$30,228	\$31,467	\$34,876	\$35,799	\$38,145
Auxiliary Enterprises	<u>\$14,316</u>	<u>\$15,964</u>	<u>\$15,003</u>	<u>\$15,282</u>	<u>\$15,270</u>
Total Expenses	<u>\$196,520</u>	<u>\$208,892</u>	<u>\$216,518</u>	<u>\$224,883</u>	<u>\$231,203</u>
Change in Net Assets before Change in Fair Value of Interest Rate Swap Obligation	<u>\$2,500</u>	<u>\$15,699</u>	<u>\$16,260</u>	<u>\$8,773</u>	<u>\$16,310</u>
Change in Fair Value of Interest Rate Swap Obligation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$861)</u>
Postretirement Changes Other than Net Periodic Benefit Costs	<u>\$99</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Change in Net Assets	<u>\$2,599</u>	<u>\$15,699</u>	<u>\$16,260</u>	<u>\$8,773</u>	<u>\$15,449</u>

* The University adopted the Financial Standards Accounting Board ("FASB") Accounting Standards Codification "(ASC)" Topic 606, Revenue from Contracts with Customers ("ASC 606") as of and for the year ended August 31, 2019. One of the key provisions requires an entity to combine two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if certain criteria are met. The University evaluated such criteria and determined that the contracts it has with students for tuition and fees and housing should be combined into a single contract. Accordingly, such revenues were reported as Student Related Revenue, net for the fiscal years ended August 31, 2020 and 2019. For comparative purposes, the University has recasted such revenue streams for fiscal years 2018, 2017 and 2016 in the chart above.

Endowment

The University's endowment is invested to support the University's future operations and capital needs, and is detailed in the following table, for the past five fiscal years ended August 31:

	(IN THOUSANDS)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Endowment</i>					
True Endowment	\$43,067	\$49,047	\$52,782	\$53,645	\$61,543
Quasi-Endowment	\$123,125	\$130,715	\$135,797	\$132,391	\$140,905
<i>Total Endowment</i>	<u>\$166,192</u>	<u>\$179,762</u>	<u>\$188,579</u>	<u>\$186,036</u>	<u>\$202,448</u>

The endowment is managed by the Board of Trustees Finance and Investment Committee that meets at least four (4) times each year, with guidance from an Outsourced Chief Investment Officer – Goldman Sachs & Co., LLC effective Fall 2020. Prior to Fall 2020, the Committee relied upon guidance from an outside consultant – Aon. The endowment contains funds which are designated as quasi-endowed by the Board of Trustees Finance and Investment Committee. The quasi-endowment funds are treated like donor restricted endowment funds from which the income is available for general operations (i.e., a “rainy day fund”) or Board-designated purposes. The endowment is believed to be well diversified, and currently has allocations to 13 money managers. The allocations include investments in U.S. and foreign equities, fixed income and alternative assets. There is a Board of Trustees-approved Investment Policy, which includes target ranges for each asset class. Management reviews the allocations on a monthly basis and rebalancing of the portfolio will now occur during the year under the management of Goldman Sachs & Co., LLC. The University's spending policy authorizes annual distributions from the endowment not to exceed 4.5% of a five-year moving average value to supplement current operations.

Cash and Investments

The following table summarizes the University's cash and investments for the past five fiscal years ended August 31:

	(IN MILLIONS)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cash & Short-term Investments	\$ 27.6	\$ 29.0	\$ 43.2	\$ 46.2	\$ 22.6
Long-term Investments	<u>\$164.9</u>	<u>\$178.3</u>	<u>\$187.5</u>	<u>\$199.8</u>	<u>\$217.4</u>
TOTAL	<u>\$192.5</u>	<u>\$207.3</u>	<u>\$230.7</u>	<u>\$246.0</u>	<u>\$240.0</u>

Investments are presented at fair value. Assets are invested in accordance with a policy established by the Board of Trustees. Liquidity has remained very high, with more than 88.1% of assets available daily and 95.9% monthly. The decrease in cash and short-term investments in 2020 was due to the decision to fund a portion of the \$48.6 million University Center renovation project with cash generated from prior year operating surpluses rather than debt.

State Aid

As an independent institution of higher education, the University has benefited from the New York State Direct Institutional Aid program, known as Bundy Aid, which pays aid, without restrictions, based on the number and kinds of academic degrees conferred each year. The following table summarizes the amount of Bundy Aid received for the past five fiscal years ended August 31:

<u>Fiscal Year</u>	<u>Bundy Aid</u>
2015-16	\$675,000
2016-17	\$702,000
2017-18	\$676,000
2018-19	\$682,000
2019-20	\$662,000

Private Gifts*

The following table summarizes gifts to the University for the past five fiscal years ended August 31:

<i>With Donor Restrictions</i>				
<u>Fiscal Year</u>	<u>Without Donor Restrictions</u>	<u>Restricted</u>	<u>Endowment</u>	<u>Total</u>
2015-16	\$1,144,000	\$2,072,000	\$508,000	\$3,724,000
2016-17	\$939,000	\$811,000	\$1,426,000	\$3,176,000
2017-18	\$558,000	\$845,000	\$1,826,000	\$3,229,000
2018-19	\$600,000	\$3,289,000	\$2,224,000	\$6,113,000
2019-20	\$372,000	\$873,000	\$5,518,000	\$6,763,000

* The University adopted issued Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities ("ASU 2016-14") as of and for the year ended August 31, 2019. One of the significant changes includes the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions." In general, ASU 2016-14 requires amounts previously reported as unrestricted net assets to be classified as net assets without donor restrictions, and amounts previously reported as temporarily restricted net assets and permanently restricted net assets to be classified as net assets with donor restrictions. For comparative purposes, the University recasted such net assets for the fiscal years ended August 31, 2018, 2017, and 2016 in the chart above.

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Plant Values

The following table details the original cost of the land, buildings and equipment and accumulated depreciation as of August 31 in each of the past five fiscal years:

	(IN THOUSANDS)				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Land and Improvements	\$2,159	\$2,159	\$2,159	\$2,159	\$2,159
Buildings	\$272,562	\$354,446	\$356,036	\$358,611	\$360,721
Construction in Progress	\$78,372	0	\$1,289	\$5,685	\$42,033
Equipment, Library Books and Software	<u>\$37,650</u>	<u>\$38,731</u>	<u>\$39,241</u>	<u>\$39,199</u>	<u>\$39,950</u>
	\$390,743	\$395,336	\$398,725	\$405,654	\$444,863
Accumulated Depreciation	<u>(\$134,614)</u>	<u>(\$143,032)</u>	<u>(\$151,011)</u>	<u>(\$158,003)</u>	<u>(\$165,569)</u>
TOTAL	<u>\$256,129</u>	<u>\$252,304</u>	<u>\$247,714</u>	<u>\$247,651</u>	<u>\$279,294</u>

The University presently carries a blanket insurance policy on its buildings and their contents in an amount exceeding \$620 million.

Management Discussion and Analysis

The University's Statement of Financial Position reflects a strong asset base and liquidity position. Total assets increased to approximately \$548 million at the end of August 31, 2020 compared to approximately \$469 million at the end of August 31, 2019, an increase of approximately \$79 million. This significant increase in total assets is largely attributable to the increase in the investments of approximately \$39 million, as well as an increase in Land, Building and Equipment of approximately \$38 million, the result of construction of the new University Center.

Despite the COVID-19 pandemic, the University produced an increase in net assets of approximately \$15 million for the fiscal year ended August 31, 2020, primarily reflecting investment gains on the endowment fund. Net assets without donor restrictions at August 31, 2020 were approximately \$270 million, which was an increase of 2.9% from the prior fiscal year.

Student related revenue for fiscal year 2020 decreased by \$4.0 million, or 1.9%, from the prior fiscal year. The University's institutional financial aid discount rate was 29% for fiscal year 2020, an increase from the 27.5% in fiscal year 2019.

For fiscal year ended August 31, 2021, the Board of Trustees approved an operating budget that includes \$212.0 million of total revenue; \$213.6 million of total expenditures and transfers; and an operating deficit of \$1.6 million. The University also budgeted net expenditures for activities associated with COVID-19 of \$1.5 million which will be classified as non-operating activities. These expenditures increase the budgeted deficit to \$3.1 million.

Revenues of \$212.0 million represent a decline of 4.2% or \$9.3 million from the prior year. The decline in revenue is largely due to a projected decline of 5% in enrollment based on headcount (Fall 2020 from Fall 2019) caused by the economic and other impacts of COVID-19 on students and their families and negatively impacting tuition and fees and residential housing revenue. In anticipation of the budgeted decline in enrollment revenue, the University made a concerted effort to reduce operating expenses while maintaining academic quality and a safe environment for students, faculty, and staff to return to campus in Fall 2020.

As a result, total budgeted operating expenditures/transfers for fiscal year 2021 of \$213.6 million, excluding net COVID-19-related expenditures, are 2% or \$3.8 million lower than the prior year. The budgeted COVID-19-related revenue of \$500,000 and non-operating expenditures of \$2.0 million, which nets to \$1.5 million, when added to the operating deficit of \$1.6 million results in an overall budgeted deficit of \$3.1 million.

The Board of Trustees also approved a capital budget of \$1.5 million which provides \$0.5 million in contingency funding for repairs, maintenance, and improvements to fixed assets; and \$1.0 million for various enhancements to information technology. These amounts represent a reduction of \$3.0 million from the prior year. It should be noted that the amount excludes the capital budget for the University Center renovation – as that project was approved in a prior year’s capital budget.

Year to date through the five months ended January 31, 2021, revenue is 1.0% or \$1.8 million below budget. Offsetting this worse than budget variance is a better than budget variance for total expenditures and transfers of 5.8% or \$5.4 million. The net of these two variances in conjunction with the net COVID-19 related expense variance being in-line with the year to date budget, the operating fund surplus/(deficit) is \$3.7 million better than budget through the five months ended January 31, 2021.

A. Growth of the University’s Endowment

For the five-year period ending August 31, 2020, the University’s endowment increased by approximately \$36 million, from approximately \$166 million to approximately \$202 million. This was achieved through prudent fiscal management, generation of operating surpluses, receipt of new endowment gifts and recognizing significant investment appreciation.

In fiscal year 2020, the University achieved a total net investment return of \$18.8 million.

B. Increase in Net Assets

During the past five fiscal years, the total net assets increased from approximately \$284 million to approximately \$343 million. The total increase was approximately \$59 million with an increase every year.

C. Investment in Capital Facilities and Equipment

Since 2014, the University has invested more than \$142 million in its campus and infrastructure. Significant facilities improvements include:

- Nexus Building and Welcome Center – completed and opened the 100,000 square foot building, home of the College of Nursing and Public Health and a thriving center for student services, admissions and alumni outreach;
- Alumnae Hall – full interior renovation, created new Archaeology Lab;
- Baseball Field – new locker room addition on existing home dugout;
- Blodgett Hall – replaced roof and skylights, modernized 3 classrooms;
- Center for Recreation and Sports – renovated Men’s lacrosse locker room;
- Chapman Hall – full interior renovation of lounges, lobby, and corridors;
- Earle Hall – modernized 3 classrooms in the Honors College and created new office suite for the Bridges to Adelphi Program;
- Eddy Hall – replaced carpeting in lounges and corridors, created living/learning community lounge and instructional space;
- Hagedorn Hall – modernized 4 classrooms, and renovated suite for School of Business, creation of a new veteran’s center, renovated and updated the entire second floor of

- Hagedorn Hall – upgrading 14 classrooms with new technology, carpet, paint, window shades, new furniture, etc.; renovated 4 public bathrooms on the 1st and 2nd floors;
- Harvey Hall – full interior renovation;
- Levermore Hall – renovated 1st floor offices for Public Safety and Provost, modernized 3 classrooms;
- Linen Hall – full interior renovation of lounges, lobby, and corridors, created new lab space for Communication Sciences and Disorders Program with new audiology booth and shared lab space for CEHS and the Derner School;
- Manhattan Center – full interior renovation;
- Motamed Field – replaced the turf field and repaired the garage roof, installed 3 new drywells to alleviate flooding the garage, installed 8 electric vehicle charging stations;
- Performing Arts Center – replaced structural stage floor in Olmstead Theater;
- Post Hall – created new office suite for Student Access Services, renovated 2nd floor for Adelphi International Program and International Student Services, replaced curbs and sidewalks to correct safety and ADA access issues in the fire lane;
- University Center – renovated existing 74,000 square foot building and added a 21,000 square foot extension;
- Science Building – replaced HVAC system for animal research facility, modernized HVAC system and fume hood exhaust system building-wide, created new labs for biology, and chemistry instruction and research, developed new office suite for Environmental Studies department, created a new 4,400 square foot addition for the Math and Computer Science department;
- Swirbul Library – renovated all restrooms in the building, creation of a new innovation center, redesigned and updated service point reception area for the library, and the creation of a new lounge on the second floor that can host up to 160 people; and
- Woodruff Hall – modernized Central Boiler/ Power plant to include 4 new boilers, installed a two megawatt cogeneration system, interior and exterior stabilization and pointing of north chimney, created new offices for intercollegiate athletics.

D. Fundraising

Following the conclusion of the University's first comprehensive campaign in 2012, fundraising experienced a typical post-campaign reset, returning to giving levels prior to the campaign. The period of fiscal years 2013-2017 saw an average giving level of \$6,020,494 with fiscal year 2017 finishing at \$5,104,244. In fiscal year 2018, significant internal infrastructure initiatives were implemented, including but not limited to, a comprehensive planning process, best practice fund governance, a comprehensive policies and procedures manual, industry leading metrics, and a modernized organizational structure. The University secured \$10,336,486 in private philanthropy for fiscal year 2018, a 203% increase over fiscal year 2017. Fiscal year 2018 was the fifth best fundraising year in the history of the University and included three \$1,000,000 or more gifts, which were the first \$1,000,000 donations received since 2012.

In fiscal year 2020, despite the health and instructional challenges faced due to the COVID-19 pandemic, funds raised were consistent with average giving levels from prior years, at \$5,789,585.

Outstanding Indebtedness of the University

The following table sets forth the outstanding long-term indebtedness of the University as of August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$25,000,000 with maturities through 2032, with interest at an average annual Rate of 4.51%, plus unamortized premiums of \$178,934 in 2020 and \$194,108 in 2019	(a) \$17,013,934	\$18,064,108
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$45,080,000 with maturities through 2043, with interest at an average annual Rate of 4.70%, plus unamortized premiums of \$715,555 in 2020 and \$746,004 in 2019	(b) 43,090,555	44,066,004
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$35,535,000 with maturities through 2035, with interest at an average annual Rate of 3.60%, plus unamortized premiums of \$2,071,447 in 2020 and \$2,208,780 in 2019	(c) 32,281,447	33,728,780
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$24,985,000 with maturities through 2039, with interest at an average annual Rate of 3.05%, plus unamortized premiums of \$3,083,455 in 2020 and \$3,248,640 in 2019	(d) <u>27,263,455</u>	<u>28,233,640</u>
	\$119,649,391	\$124,092,532
Less: Unamortized bond issuance costs	<u>(1,768,297)</u>	<u>(1,871,472)</u>
Total Long-term Debt	<u>\$117,881,094</u>	<u>\$122,221,060</u>

Interest expense for the fiscal years ended August 31, 2020 and 2019 amounted to \$4,559,875 and \$5,512,765, respectively.

Bond issuance costs are amortized over the life of the bonds. Amortization expense for the bond issuance costs, calculated using the effective interest method, totaled \$103,175 and \$105,739 for the fiscal years ended August 31, 2020 and 2019, respectively.

A. Town of Hempstead Local Development Corporation

In June 2011, the LDC issued \$25,000,000 of Civic Facility Revenue Bonds ("2011 Bonds"), with maturities through 2032, at an average interest rate of 4.51%, plus a premium of \$318,662. The proceeds from the 2011 Bonds were used to refund the outstanding 2002 Bonds and to finance the construction of the 171-bed residence hall, softball field facility and various other renovations and electrical upgrades.

In accordance with the terms of the bond agreement, the 2011 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty-one annual principal payments, which commenced on June 1, 2012 and forty-two semi-annual interest payments, which commenced December 1, 2011.

The 2011 Bonds are being refunded with proceeds of the Series 2021 Bonds.

B. Town of Hempstead Local Development Corporation

In November 2013, the LDC issued \$45,080,000 of Revenue Bonds, Series 2013 ("2013 Bonds"), with maturities through 2043, at an average interest rate of 4.70%, plus a premium of \$923,624. The proceeds from the 2013 Bonds were used to finance: (i) construction of a new Nexus and Welcome Center building; (ii) underground parking; and (iii) other capital improvements and maintenance projects.

In accordance with the terms of the bond agreement, the 2013 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty-seven annual principal payments, which commenced September 1, 2017 and sixty semi-annual interest payments, which commenced March 1, 2014.

C. Town of Hempstead Local Development Corporation

In September 2014, the LDC issued \$33,535,000 of Revenue Bonds, Series 2014 ("2014 Bonds"), with maturities through 2035, at an average interest rate of 3.6% plus a premium of \$2,884,001. The proceeds of the 2014 Bonds were used for the purpose of advance refunding all remaining outstanding bonds issued in 2005 by the Town of Hempstead Industrial Development Agency.

In accordance with the terms of the bond agreement, the 2014 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require nineteen annual principal payments, which commenced October 1, 2017 and forty-two semi-annual interest payments, which commenced April 1, 2015.

D. Town of Hempstead Local Development Corporation

In May 2019, the LDC Issued \$24,985,000 of Revenue Bonds, Series 2019 ("2019 Bonds"), with maturities through 2039, at an average interest rate of 3.05% plus a premium of \$3,303,702. The proceeds of the 2019 Bonds were used for the purpose of advance refunding all remaining outstanding bonds issued in 2009 by the Town of Hempstead Industrial Development Agency.

In accordance with the terms of the bond agreement, the 2019 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty annual principal payments, which commenced February 1, 2020.

Other Note and Swap Liability

In order to mitigate interest rate exposure on variable rate debt obligations, the University entered into a promissory note and simultaneously entered into an interest rate swap agreement with TD Bank, N.A. and The Toronto-Dominion Bank (the "Counterparty"), respectively. The promissory note and notional principal amount of the swap was \$10,000,000 at August 31, 2020. The promissory note and swap agreement mature on February 20, 2030. Under the terms of the swap agreement, the Counterparty will pay the University a variable interest rate at 1.15% of LIBOR (.15% at August 31, 2020) while the University is obligated to pay the Counterparty a fixed rate of 2.48%.

Under the terms of the agreement, up to \$10,000,000 of cash serves as collateral. The cash is restricted as to withdrawal or use and is held in custody by the Counterparty. The University received an additional \$5,000,000 under the interest rate swap agreement on February 1, 2021, bringing the total notional principal amount of the promissory note and the swap to \$15,000,000.

Adelphi University Response to COVID-19 Pandemic

In March 2020, the Governor of the State of New York, the Mayor of the City of New York, and the County Executives of both Suffolk and Nassau Counties, have all declared states of emergency in their respective jurisdictions as a result of the outbreak of the COVID-19 pandemic. The administration was mandated by the State of New York to close the campus and shelter in place and within the span of a few weeks, Adelphi swiftly mobilized around campus to adapt. A listing of measures undertaken by the University in response to the outbreak of the COVID-19 pandemic include:

- Faculty and staff worked tirelessly to shift more than 1,000 courses to an online modality in order to complete the semester;
- Residence halls were emptied and millions of dollars' worth of dorm and meal plan revenues were partially refunded to students;
- All personnel were asked to work remotely and business continuity plans were activated for all units;
- Events, conferences and functions were canceled; and
- Construction on the University Center was suspended, resulting in a delay in completing the project and additional construction costs.

Additionally, the University was restricted to 1,000 beds for Fall 2020, of which it had occupancy of 69%, down from Fall 2019's 1,290 beds, of which it had occupancy of 92%. In-person classes were also reduced to 20%, with classrooms equipped with plexiglass and safety protocols. Non-instruction personnel have been authorized to work remotely (if possible).

From a financial perspective, Adelphi quickly assessed the financial impact on its fiscal year 2019-20 budget and implemented actions to control expenses and mitigate the loss of revenue for fiscal year 2019-20, including, but not limited to: (i) a voluntary early retirement incentive program, (ii) an involuntary reduction in workforce, (iii) a staff hiring freeze, (iv) elimination of merit-based salary increases for non-

union employees during fiscal year 2021, (v) a voluntary six-month reduction to senior leadership salaries, (vi) a suspension of non-essential travel, (vii) strict control over discretionary spending, and (viii) an elimination or deferral of certain capital project spending. Adelphi also aggressively pursued opportunities to recover revenue losses and expense increases through business continuity insurance, Coronavirus Aid, Relief and Economic Security Act ("CARES Act") Higher Education Emergency Relief Fund ("HEERF") and FEMA grant(s). These actions, while difficult to implement, resulted in essentially a break-even operating result for the University for fiscal year 2019-20.

Under the CARES Act HEERF, the University was awarded \$2,131,895, which was recognized as government grants and contracts revenue on the accompanying consolidated statement of activities, of which \$2,131,895 was disbursed to qualifying students for emergency aid and recognized as other student aid expense on the consolidated statement of activities. An additional \$2,153,269 was awarded to the University to support institutional expenses related to COVID-19 and was utilized to reimburse the University for a portion of the room and board refunds and credits issued to students. These funds are subject to audit and compliance with federal regulations. The University believes it has met the conditions to retain these funds, and no amounts are reserved for repayment at August 31, 2020 in the consolidated statements of financial position.

As part of the CARES Act extension, under the Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act, the University is eligible for \$2,623,483 of funding for students and up to \$5,656,003 on the institutional side, assuming the University meets the eligibility requirements. These funds have not yet been received.

The COVID-19 environment has impacted students' college decisions nationwide, which has caused Adelphi to reduce its enrollment projections for fiscal year 2020-21. The projected decrease in enrollment would have resulted in inadequate revenue to support the University's current cost structure absent action to address the situation. In an effort to achieve Adelphi's goal of developing a balanced budget, significant reductions in costs were implemented during fiscal year 2020-21.

The University is continually monitoring legislative developments applicable to it and shall consider availing itself of any relevant programs that become available. At this time, the University is not aware of any such additional programs.

Litigation

There is no litigation pending or threatened against the University which the University believes would have any material adverse consequences on the financial condition of the University. Notwithstanding the foregoing, there have been a wave of class action suits commenced against numerous higher education institutions across the nation, including the University, as a result of the on-going COVID-19 pandemic. Several of the defendants in such actions have filed motions to dismiss. The University believes, based upon the opinions of counsel, that such lawsuits will not materially affect the ability of the University to pay the principal and interest due in connection with the Series 2021 Bonds when due or fulfill the University's obligations under the Loan Agreement. The University believes there are good defenses to these cases, and intends to aggressively defend itself, through counsel.

Insurance

The University maintains a comprehensive risk management program of both property and casualty insurance through several different carriers. Such coverage includes (1) comprehensive all-risk for buildings and their contents at a total replacement value of over \$621 million, (2) comprehensive general liability insurance against personal injury and property damage with limits of \$1 million per occurrence and

\$3 million aggregate, (3) umbrella liability policies with limits of \$40 million, (4) workers' compensation insurance as required by statute, (5) a crime policy with limits of \$2 million, (6) automobile liability insurance, (7) fiduciary liability and educators legal liability insurance, (8) cyber insurance with limits of \$10 million, and (9) various specialized insurance limits covering items such as business interruption, boilers and machinery and fine arts. The University conducts an annual review of its insurance and risk management program with an independent insurance consultant in an effort to maintain insurance coverage at reasonable costs.

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APPENDIX B
Audited Consolidated Financial Statements of the University as of and for the
Years Ended August 31, 2020 and 2019

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**Consolidated Financial Statements
Together with Report of Independent
Certified Public Accountants**

Adelphi University

For the years ended August 31, 2020 and 2019

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GRANT THORNTON LLP

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Adelphi University

We have audited the accompanying consolidated financial statements of Adelphi University and affiliate (collectively, the "University"), which comprise the consolidated statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and cash flows for the years 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on 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 University'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 University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Adelphi University and affiliate as of August 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Melville, New York
December 14, 2020

Adelphi University
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 19,018,911	\$ 24,700,906
Short-Term Investments, at fair value	3,561,256	21,539,682
Accounts Receivable, net	4,593,623	2,316,880
Grants Receivable, net	2,281,099	988,519
Prepaid Expenses and Other Assets	9,419,804	8,991,724
Contributions Receivable, net	3,286,598	4,005,116
Notes Receivable, net	6,012,179	6,594,071
Investments, at fair value	217,380,062	199,836,347
Amounts Held in Trust	3,514,845	8,896,574
Land, Buildings, and Equipment, net	<u>279,294,467</u>	<u>247,650,871</u>
TOTAL ASSETS	\$ 548,362,844	\$ 525,520,690
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 30,624,579	\$ 21,007,981
Deferred Revenues	40,419,249	48,554,507
U.S. Government Grants Refundable	5,859,242	6,468,475
Other Note and Swap Liability	10,861,070	-
Long-Term Debt	<u>117,881,094</u>	<u>122,221,060</u>
Total Liabilities	205,645,234	198,252,023
<u>COMMITMENTS AND CONTINGENCIES</u>		
<u>NET ASSETS</u>		
Without Donor Restrictions	270,849,066	263,207,349
With Donor Restrictions	<u>71,868,544</u>	<u>64,061,318</u>
Total Net Assets	<u>342,717,610</u>	<u>327,268,667</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 548,362,844</u>	<u>\$ 525,520,690</u>

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

Adelphi University

CONSOLIDATED STATEMENT OF ACTIVITIES

**For the year ended August 31, 2020 (with summarized comparative financial information
for year ended August 31, 2019)**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
			2019 Total
<u>REVENUES</u>			
Student Related Revenue	\$ 204,230,374	\$ -	\$ 204,230,374
Contributions	372,446	6,390,676	6,763,122
Government Grants and Contracts	11,806,466	-	11,806,466
Investment Return, net	15,097,466	4,651,726	19,749,192
Sales and Services of Educational Departments	1,800,734	-	1,800,734
Other Sources	2,414,743	748,628	3,163,371
	235,722,229	11,791,030	247,513,259
Net Assets Released from Restrictions	3,983,804	(3,983,804)	-
TOTAL REVENUES	239,706,033	7,807,226	247,513,259
<u>EXPENSES</u>			
Instruction	108,878,796	-	108,878,796
Research and Public Service	8,137,198	-	8,137,198
Academic Support	24,725,783	-	24,725,783
Student Services	36,046,639	-	36,046,639
Institutional Support	38,144,877	-	38,144,877
Auxiliary Enterprises	15,269,953	-	15,269,953
TOTAL EXPENSES	231,203,246	-	231,203,246
CHANGE IN NET ASSETS, before Change in Fair Value of Interest Rate Swap Obligation	8,502,787	7,807,226	16,310,013
Change in Fair Value of Interest Rate Swap Obligation	(861,070)	-	(861,070)
CHANGE IN NET ASSETS	7,641,717	7,807,226	15,448,943
NET ASSETS, BEGINNING OF YEAR	263,207,349	64,061,318	327,268,667
NET ASSETS, END OF YEAR	\$ 270,849,066	\$ 71,868,544	\$ 342,717,610

The accompanying notes are an integral part of this consolidated financial statement.

Adelphi University
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended August 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES</u>			
Student Related Revenue	\$ 208,217,231	\$ -	\$ 208,217,231
Contributions	600,050	5,513,093	6,113,143
Government Grants and Contracts	5,845,293	-	5,845,293
Investment Return, net	3,738,743	724,580	4,463,323
Sales and Services of Educational Departments	3,055,765	-	3,055,765
Other Sources	4,974,587	937,082	5,911,669
	226,431,669	7,174,755	233,606,424
Net Assets Released from Restrictions	3,290,919	(3,290,919)	-
TOTAL REVENUES	229,722,588	3,883,836	233,606,424
<u>EXPENSES</u>			
Instruction	105,179,765	-	105,179,765
Research and Public Service	8,560,980	-	8,560,980
Academic Support	23,862,745	-	23,862,745
Student Services	36,148,814	-	36,148,814
Institutional Support	35,798,899	-	35,798,899
Auxiliary Enterprises	15,282,206	-	15,282,206
TOTAL EXPENSES	224,833,409	-	224,833,409
CHANGE IN NET ASSETS	4,889,179	3,883,836	8,773,015
NET ASSETS, BEGINNING OF YEAR	258,318,170	60,177,482	318,495,652
NET ASSETS, END OF YEAR	\$ 263,207,349	\$ 64,061,318	\$ 327,268,667

The accompanying notes are an integral part of this consolidated financial statement.

Adelphi University
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 15,448,943	\$ 8,773,015
Adjustments to Reconcile Change in Net Assets to Net Cash		
Nonoperating Items:		
Realized Gain on Investments	(20,157,273)	(10,223,393)
Contributions and Investment Income Restricted for Long-Term Investment	(6,127,101)	(4,820,349)
Noncash Items:		
Depreciation, Accretion, and Amortization	7,975,621	7,937,702
Change in value of interest rate swap obligation	861,070	-
Amortization of Bond Premium	(348,141)	(247,250)
Net Unrealized Loss on Investments	1,016,764	6,831,255
Loss on Disposals of Equipment	-	3,039
Cancellations of Notes Receivable	236,659	188,685
Increase in Allowance for Doubtful Accounts	1,528,385	93,010
Change in Operating Assets and Liabilities:		
Decrease in Short-Term Investments	17,978,426	1,031,090
Increase in Accounts Receivable	(3,805,128)	(104,513)
Increase in Grants Receivable	(1,292,580)	(275,027)
Increase in Prepaid Expenses and Other Assets	(428,080)	(520,885)
Decrease in Contributions Receivable	822,483	256,119
Decrease (increase) in Amounts Held in Trust	5,381,729	(200,733)
Increase (decrease) in Accounts Payable and Accrued Expenses	9,532,232	(910,161)
(Decrease) increase in Deferred Revenues	(8,135,258)	9,797,584
(Decrease) increase in U.S. Government Grants Refundable	(609,233)	275,763
Net Cash Flows Provided by Operating Activities	<u>19,879,518</u>	<u>17,884,951</u>
<u>Cash Flows from Investing Activities</u>		
Proceeds from Sale of Investments	190,434,066	57,208,910
Purchase of Investments	(188,941,237)	(66,145,959)
<u>Student Notes Receivable:</u>		
New Loans Made	(543,340)	(501,992)
Principal Collected	888,573	839,207
Expenditures for Plant Facilities	(39,431,676)	(7,668,138)
Net Cash Flows Used in Investing Activities	<u>(37,593,614)</u>	<u>(16,267,972)</u>
<u>Cash Flows from Financing Activities</u>		
From Borrowings:		
Proceeds from Other Note Payable	10,000,000	-
Proceeds from Issuance of Bonds, Net of Bond Issuance Costs	-	27,829,372
Unspent Proceeds on Bonds	-	(6,037,605)
Retirement of Debt	(4,095,000)	(24,151,439)
Proceeds from Contributions and Investment Earnings Restricted for:		
Investment in Endowment	5,953,198	2,174,736
Plant Improvements	172,378	2,644,098
Student Loan Funds	1,525	1,515
Net Cash Flows Provided by Financing Activities	<u>12,032,101</u>	<u>2,460,677</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(5,681,995)</u>	<u>4,077,656</u>
Cash and Cash Equivalents:		
Beginning of Year	24,700,906	20,623,250
End of Year	<u>\$ 19,018,911</u>	<u>\$ 24,700,906</u>
<u>Supplemental Disclosures:</u>		
Interest Paid	<u>\$ 5,353,982</u>	<u>\$ 6,358,279</u>

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

Adelphi University
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2020 and 2019

1. Summary of Significant Accounting Policies

a. Nature of Operations

Adelphi University (the "University") is an independent not-for-profit institution of higher education with programs at the undergraduate and graduate levels. The University's main campus is located in Garden City, New York. The University is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Code").

Black Cat Advertising, a wholly-owned subsidiary of the University, began operations in 2004 and is consolidated in the accompanying financial statements.

b. Basis of Presentation

The consolidated financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") using the accrual basis of accounting. All intercompany transactions have been eliminated in consolidation.

The University's resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions - net assets that are not subject to donor imposed restrictions and, therefore, are available to meet the University's objectives. Net assets without donor restrictions may also be designated by the University's Board of Trustees (Note 8).

With Donor Restrictions - net assets that are subject to donor-imposed restrictions that either expire with the passage of time, can be fulfilled and removed by the actions of the University pursuant to those restrictions, or which may be perpetual (Note 8).

c. Cash and Cash Equivalents

Cash and cash equivalents include assets with an original maturity of three months or less at the time of purchase.

Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the University maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits, and in a diversified investment portfolio. At August 31, 2020 and 2019, the University's cash and investments were placed with high credit quality financial institutions and, accordingly, the University does not expect nonperformance.

d. Short-Term Investments

Short-term investments include assets with original maturities greater than three months at the time of purchase.

e. Revenue

In accordance with FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the University recognizes revenue when control of the promised goods or services is transferred to the University's students or outside parties in an amount that reflects the consideration the University expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

ASC 606 requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The University has identified student related revenue, sales and services of educational departments, and other sources as revenue categories subject to the adoption of ASC 606. The University recognizes contracts with customers, as goods or services transferred or provided in accordance with ASC 606.

The University derives its revenue principally from student tuition and fees, government grants and aid, contributions and investment returns. The carrying value of student receivables has been reduced by an estimated allowance for uncollectible accounts, based on historical collection experience and, therefore, approximates net realizable value. Receivables are written off in the period in which they are deemed to be uncollectible. Amounts received in advance are reported as deferred revenues.

f. Land, Buildings and Equipment, Net

Land, buildings and equipment are recorded at cost or, if donated, at fair value at the date of the donation.

The University follows the guidance of ASC 360, *Accounting for the Impairment or Disposal of Long-lived Assets*. The University reviews long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Some factors the University considers important, which could trigger an impairment review, include: (i) significant underperformance compared to expected historical or projected future operating results; (ii) significant changes in the University's use of the acquired assets or the strategy for its overall business; and (iii) significant negative industry or economic trends.

Depreciation on land, buildings and equipment has been computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings and additions	75 years
Building improvements and renovations	15 years
Furniture and equipment	5-10 years
Software	5 years
Library books	20 years

Depreciation, accretion and amortization expense on buildings and equipment for the years ended August 31, 2020 and 2019 amounted to \$7,975,621 and \$7,937,702, respectively. Upon retirement or disposal, the asset cost and related accumulated depreciation and amortization are eliminated from the respective accounts and the resulting gain or loss, if any, is included in the accompanying consolidated statements of activities. During the years ended August 31, 2020 and 2019, the University disposed of fully depreciated assets totaling approximately \$225,000 and \$750,000, respectively.

g. Investments

Investments consist primarily of equities, publicly traded fixed income funds and alternative investments.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the consolidated statements of activities in the period in which the securities are sold. Dividends are accrued based on the ex-dividend date. Interest is recognized as earned.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

h. Fair Value Measurements

The fair values of all financial instruments, other than contributions receivable, investments, long-term debt and loans receivable from students under government loan programs, approximate carrying values because of the short maturity of these instruments.

A reasonable estimate of the fair value of loans receivable from students under government loan programs cannot be made because the notes are not saleable and can only be assigned to the U.S. Government or its designees.

The University follows *Fair Value Measurements* guidance establishes a framework for measuring fair value, expands disclosures about fair value measurements and provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date. Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. The type of investments in Level 1 include listed equities held in the name of the University, and exclude listed equities and other securities held indirectly through commingled funds.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that instrument. As permitted by Accounting Standards Update ("ASU") 2015-07, the University has excluded investments that are measured at fair value using the net asset value ("NAV") per share as a practical expedient from the fair value hierarchy.

i. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for receivable's, valuation of alternative investments, actuarial assumptions related to the postretirement plan, useful lives of plant assets and certain accrued liabilities. Actual results could differ from those estimates.

j. Deferred Revenue

The University derives its revenue primarily from student related revenue. Revenue is recorded on the accrual basis of accounting. Deferred revenues primarily represent payments received from students relating to registrations for the following fall semester. Such amounts are recognized as revenue during the subsequent fiscal year.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

k. Sales and Services of Educational Departments

Sales and service of educational departments include program revenue from activities other than auxiliary activities, athletic and theatre tickets and various student activities.

l. Contributions and Government Grants and Contracts

The University recognizes revenue from contributions, grants and contracts in accordance with ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the University evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the University applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the University evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the University is entitled to the assets transferred and promised, and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions received, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged at fair value. Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Fundraising costs of \$1,506,698 and \$2,631,850 have been included in institutional support expenses within the accompanying consolidated statements of activities for the years ended August 31, 2020 and 2019, respectively.

Revenues from government grants and contracts for specific programs are recognized in the period when expenditures have been incurred in compliance with the respective contract. Amounts received in advance are recorded as deferred revenue. Contracts awarded for the acquisition of long-lived assets are reported as revenue without donor restrictions during the fiscal year in which the assets are acquired. Contract and grants receivables are written off when deemed uncollectible. Governmental grants and contracts are subject to audit and potential disallowance. It is management's opinion that any potential disallowances will not have a material effect on the accompanying consolidated financial statements.

m. Net Assets

Net Assets consisted of the following at August 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Designated for:			
Operations	\$ 171,372	\$ 6,159,560	\$ 6,330,932
Strategic Planning Initiatives	11,755,992	-	11,755,992
Endowment Funds:			
Funds Functioning as Endowment	140,904,529	-	140,904,529
Corpus	-	44,257,734	44,257,734
Cumulative Gain on Donor Restricted Endowments	-	17,285,737	17,285,737
Student Loan Funds	1,301,772	113,615	1,415,387
Property, Plant and Equipment	116,715,401	4,051,897	120,767,298
	<u>\$ 270,849,066</u>	<u>\$ 71,868,544</u>	<u>\$ 342,717,610</u>

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

Net Assets consisted of the following at August 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Designated for			
Operations	\$ 309,475	\$ 6,004,106	\$ 6,313,581
Strategic Planning Initiatives	11,992,953	-	11,992,953
Endowment Funds			
Funds Functioning as Endowment	132,390,968	-	132,390,968
Corpus	-	38,637,909	38,637,909
Cumulative Gain on Donor Restricted Endowments	-	15,007,208	15,007,208
Student Loan Funds	1,408,107	112,090	1,520,197
Property, Plant and Equipment	117,105,846	4,300,005	121,405,851
	<u>\$ 263,207,349</u>	<u>\$ 64,061,318</u>	<u>\$ 327,268,667</u>

n. Conditional Asset Retirement Obligations

The University recognizes the cost associated with the eventual remediation and abatement of asbestos located within its facilities. The cost of the abatement was estimated using historical construction and renovation documents.

The University recognized accretion expense relating to these obligations of \$84,366 and \$104,159 for the years ended August 31, 2020 and 2019, respectively. These obligations were reduced by remediation costs of \$81,360 and \$428,640 for the years ended August 31, 2020 and 2019, respectively. The obligation amounted to \$1,386,055 and \$1,383,049 at August 31, 2020 and 2019, respectively, and is included within accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

o. Income Taxes

The University follows ASC 740-10, which clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The University is exempt from federal income taxation by virtue of being an organization described in Section 501(c)(3) of the Code. Nevertheless, the University may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Management has determined that there are no material uncertain tax positions within its consolidated financial statements.

p. New Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2020-05 delayed the implementation of the standard and is now effective for annual periods beginning on or after December 15, 2019 (i.e., the University's fiscal year 2021). The University is in the process of evaluating the impact this standard will have on the consolidated financial statements.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

In March 2020, the FASB issued ASU No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). ASU 2020-04 provides optional expedients and exceptions for applying US GAAP to contracts and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued as a result of reference rate reform. The provisions of ASU No. 2020-04 are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of applying ASU 2020-04.

2. Revenue Recognition

The University has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing, and various fees associated with enrollment in the University. Generally, enrollment and instructional services are billed when a course or term begins, and paid within thirty days of the billing date.

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various vending machines across campuses. Generally, this other fees revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

In the following table, revenue is disaggregated by type of service provided:

For the year ended August 31, 2020			
	Tuition and Fees	Housing	Total
Student related revenue	\$ 276,383,394	\$ 10,497,583	\$ 286,880,977
Less: Student aid	(82,402,074)	(248,529)	(82,650,603)
Net	<u>\$ 193,981,320</u>	<u>\$ 10,249,054</u>	<u>\$ 204,230,374</u>
For the year ended August 31, 2019			
	Tuition and Fees	Housing	Total
Student related revenue	\$ 272,996,742	\$ 14,088,621	\$ 287,085,363
Less: Student aid	(78,550,911)	(317,221)	(78,868,132)
Net	<u>\$ 194,445,831</u>	<u>\$ 13,771,400</u>	<u>\$ 208,217,231</u>

Deferred revenue at August 31, 2020 and 2019 totaled \$40,419,249 and \$48,554,507, respectively, and primarily represents the University's performance obligation to transfer future enrollment and instructional services to students. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The University has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

3. Financial Assets and Liquidity Resources

The University's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity, the University can use a portion of the quasi-endowment fund for general expenditure with the approval from the University's Board of Trustees, subject to investment liquidity provisions.

The following reflects the University's financial assets as of August 31, 2020 and 2019, reduced by amounts not available for general use within one-year of the consolidated statements of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Trustees approves this action.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 19,018,911	\$ 24,700,906
Short-term investments, at fair value	3,561,256	21,539,682
Accounts receivable, net	4,593,623	2,316,880
Grants receivable, net	2,281,099	988,519
Contributions receivable, net	3,286,598	4,005,116
Investments	<u>217,380,062</u>	<u>199,836,347</u>
Financial assets, at year end	250,121,549	253,387,450
Less those unavailable for general expenditures within one year, due to		
Contractual or donor-imposed restrictions:		
Donor restricted endowment funds	(60,556,733)	(52,644,033)
Donor restricted grants and scholarships	(6,159,560)	(6,004,106)
Donor restricted for building renovations	(4,051,897)	(4,300,005)
Contributions receivable greater than one year	(445,751)	(799,511)
Student loans funds	(113,615)	(112,090)
Swap liability collateral	(10,000,000)	-
Board designations:		
Quasi-endowment fund, primarily for long-term investing	(140,904,529)	(132,390,968)
Endowment spending distribution	<u>8,306,000</u>	<u>7,980,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 36,195,464</u>	<u>\$ 65,116,737</u>

4. Accounts Receivable, Net

Accounts receivable primarily consist of amounts due from students and are recorded net of an allowance for doubtful accounts of \$2,727,582 and \$1,200,000 at August 31, 2020 and 2019, respectively. The carrying value of receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience and, therefore, approximates net realizable value. Receivables are written off in the period in which they are deemed to be uncollectible. Accounts receivable are expected to be collected within one year.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

5. Contributions Receivable, Net

Contributions receivable consisted of the following:

	<u>2020</u>	<u>2019</u>
Amounts expected to be collected:		
Within 1 year	\$ 504,623	\$ 1,025,013
1 to 5 years	<u>445,751</u>	<u>799,511</u>
	950,374	1,824,524
Less: discount to present value (rates ranging from 0.20% - 3.00%)	<u>(26,229)</u>	<u>(53,817)</u>
	924,145	1,770,707
Bequests	184,637	-
Split-Interest Agreements	<u>2,177,816</u>	<u>2,234,409</u>
	<u>\$ 3,286,598</u>	<u>\$ 4,005,116</u>

The University is the trustee of certain irrevocable split-interest agreements. At the dates these split-interest agreements are either established or the University becomes aware of their existence, contribution revenue and receivables are recognized at the present value of the estimated future benefits to be received when the assets are distributed, at discount rates ranging from approximately 1.2% to 6.2%. The receivable is adjusted during the term for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. The University's interest in the split-interest agreements is considered to be Level 3 under the fair value hierarchy.

Assets and liabilities under split-interest agreements are as follows for the year ended August 31:

	<u>2020</u>	
	<u>Assets</u>	<u>Liabilities</u>
Split-Interest Agreements, beginning of year	\$ 2,234,409	\$ 1,267,368
Terminated split-interest agreements	(103,679)	(46,644)
Investment return	175,528	71,563
Disbursements to annuitants	<u>(128,442)</u>	<u>(128,442)</u>
Split-Interest Agreements end of year	<u>\$ 2,177,816</u>	<u>\$ 1,163,845</u>

	<u>2019</u>	
	<u>Assets</u>	<u>Liabilities</u>
Split-Interest Agreements, beginning of year	\$ 2,238,455	\$ 1,280,491
Contributions	55,000	35,014
Investment return	69,671	80,580
Disbursements to annuitants	<u>(128,717)</u>	<u>(128,717)</u>
Split-Interest Agreements end of year	<u>\$ 2,234,409</u>	<u>\$ 1,267,368</u>

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

6. Student Loans Receivable, Net and U.S. Government Grants Refundable

The University makes uncollateralized loans to students based on financial need under the Perkins Federal Loan program, Nursing Student Loan program and the Nurse Faculty Student Loan program. Student loans are funded through Federal government loan programs or institutional resources. Student loans represented approximately 1.1% and 1.3% of total assets for the years ended August 31, 2020 and 2019, respectively. At August 31, 2020 and 2019, gross student loans receivable for Federal government programs totaled \$6,184,979 and \$6,760,871, respectively. Of these amounts, as of August 31, 2020 and 2019, \$3,787,991 and \$2,535,977, respectively, were not in repayment status.

Amounts due under the Federal loan programs are guaranteed by the government and, therefore, no reserves are placed on any past due balances under the program. The University does have an allowance for doubtful accounts of approximately \$172,800 relating to the institutional share of these loan programs for each of the years ended August 31, 2020 and 2019, respectively.

At August 31, 2020 and 2019, the following amounts were past due under the student loan programs.

<u>August 31,</u>	<u>In default < 240 days (monthly installments) or 270 days (other installments)</u>	<u>In default > 240 days (monthly installments) or 270 days (other installments) and < 2 years</u>	<u>In default > 2 years, up to 5 years</u>	<u>In default > 5 years</u>	<u>Total past due</u>
2020	\$ 264,359	\$ 117,305	\$ 47,293	\$ 70,457	\$ 499,414
2019	264,250	90,000	76,125	15,000	445,375

Funds advanced by the Federal government of \$5,859,242 and \$6,468,475 at August 31, 2020 and 2019, respectively, are ultimately refundable to the government and are classified as liabilities in the accompanying consolidated statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

On September 30, 2015, the Perkins Federal Loan Program expired. It was then extended on December 18, 2015 under The Perkins Loan Extension Act of 2015 to permit institutions to issue new loans, under amended guidelines, until September 30, 2017. No new Perkins loans can be issued under this Act subsequent to September 30, 2017. In addition, as part of this Act, prior to October 1, 2017, the University is required to annually return the federal share of excess liquid capital, as defined, to the federal government. Beginning on October 1, 2017, the federal share of all Perkins funds, including future collections of principal and interest, must be returned to the federal government.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

7. Investments

Investments are recorded at fair value. At August 31, 2020 and 2019, the composition of investments was as follows:

	<u>2020</u>	<u>2019</u>
Money Market Funds	\$ 5,410,675	\$ 303,128
Equity Investments	26,266	41,817,309
Distressed Debt	7,580,530	6,173,632
Fixed Income Investments	79,890,433	58,943,025
Equity Funds	124,450,718	92,594,202
Commodity Funds	21,440	5,051
	<u>\$ 217,380,062</u>	<u>\$ 199,836,347</u>

The following tables summarize the University's fair value hierarchy for its investments, measured at fair value, as of August 31, 2020 and 2019:

<u>2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Equity Investments	\$ 26,266	\$ -	\$ 26,266
Fixed Income Investments	37,355,563	42,458,696	79,814,259
Equity Funds	104,369,555	-	104,369,555
Commodity Funds	21,440	-	21,440
Subtotal	<u>\$ 141,772,824</u>	<u>\$ 42,458,696</u>	184,231,520

Money Market Funds	5,410,675
Alternative Investments at NAV	27,737,867
	<u>\$ 217,380,062</u>

<u>2019</u>	<u>Level 1</u>	<u>Total</u>
Equity Investments	\$ 41,817,309	\$ 41,817,309
Fixed Income Investments	58,438,153	58,438,153
Equity Funds	75,700,480	75,700,480
Commodity Funds	5,051	5,051
Subtotal	<u>\$ 175,960,993</u>	175,960,993

Money Market Funds	303,128
Alternative Investments at NAV	23,572,226
	<u>\$ 199,836,347</u>

The University uses NAV to determine the fair value of all the underlying investments which (1) do not have a readily determinable fair value and (2) prepare their financial statements consistent with the measurement principles of an investment company.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

The following summarizes the strategy of the alternative investments:

Distressed Debt - uses a multi-manager approach that seeks to pursue an investment program comprised of restructured debt, stressed debt, mezzanine debt, special situations and distressed debt.

Fixed Income Funds - investment funds are pooled with other large investors in domestic and foreign fixed income strategies allowing for greater diversification.

Equity Funds - investment funds are pooled with other large investors in domestic and foreign equity strategies allowing for greater diversification.

Investments valued at NAV or its equivalent as of August 31, 2020, consisted of the following:

	<u># of Funds</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Distressed Debt	4	\$ 7,580,530	\$ 6,257,475	As underlying assets are sold	Over the life of the funds
Fixed Income Funds (in liquidation)	1	76,174	-	As underlying assets are sold	Over the life of the fund
Equity Funds	3	<u>20,081,163</u>	<u>4,127,710</u>	Monthly/As underlying assets are sold	10 Days/Over the life of the funds
		<u>\$ 27,737,867</u>	<u>\$ 10,385,185</u>		

Investments valued at NAV or its equivalent as of August 31, 2019, consisted of the following:

	<u># of Funds</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Distressed Debt	4	\$ 6,173,632	\$ 7,895,200	As underlying assets are sold	Over the life of the funds
Fixed Income Funds (in liquidation)	1	504,872	-	As underlying assets are sold	Over the life of the fund
Equity Funds	3	<u>16,893,722</u>	<u>5,126,644</u>	Monthly/As underlying assets are sold	10 Days/Over the life of the funds
		<u>\$ 23,572,226</u>	<u>\$ 13,021,844</u>		

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

8. Endowment Funds

On September 17, 2010, New York State passed the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law. The University classifies donor-restricted endowment funds as net assets with donor restrictions to be held in perpetuity, unless otherwise stipulated by the donor: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the University may spend below the historical dollar value of its endowment funds unless specific donors have stipulated to the contrary. Deficiencies of this nature are reported in net assets with donor restrictions. The University has received instruction from donors, who have contributed \$6,983,106 and \$5,977,970 in contributions to be maintained in perpetuity, with a fair value of \$8,993,734 and \$7,578,887 as of August 31, 2020 and 2019, respectively, for which the University must maintain the historical dollar value of these funds and not adopt NYPMIFA as it relates to these particular endowment contributions.

The investment objectives for the University's endowment are to preserve the principal value of those funds, in both absolute as well as real terms, and to maximize over the long-term the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board of Trustees has adopted a spending policy. The amount available for spending is determined annually by applying a rate of 4.5% to the average fair value of the endowment for the preceding five fiscal years, for the years ended August 31, 2020 and 2019.

The remaining portion of the donor-restricted endowment fund remains within net assets with donor restrictions until those amounts are appropriated for expenditure by the University's Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University, and
- Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects of the University.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

At August 31, 2020, the endowment net asset composition by type of fund consisted of the following:

	<u>Net Assets Without Donor Restriction</u>	<u>Net Assets With Donor Restriction</u>			<u>Total</u>
		<u>Original Gift</u>	<u>Accumulated Gains</u>	<u>Total</u>	
Board-designated endowment funds	\$ 140,904,529	\$ -	\$ -	\$ -	\$ 140,904,529
Donor restricted endowment funds:					
Other endowment funds	-	44,257,734	17,285,737	61,543,471	61,543,471
	-	44,257,734	17,285,737	61,543,471	61,543,471
Total endowment funds	\$ 140,904,529	\$ 44,257,734	\$ 17,285,737	\$ 61,543,471	\$ 202,448,000

There were no underwater endowments at August 31, 2020.

Changes in endowment net assets for the fiscal year ended August 31, 2020 consisted of the following:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, Beginning of the Year	\$ 132,390,968	\$ 53,645,117	\$ 186,036,085
Investment Return:			
Investment Income, net	2,681,878	824,864	3,506,742
Net Appreciation	11,544,642	3,741,097	15,285,739
Total Investment Return	14,226,520	4,565,961	18,792,481
Contributions	-	5,517,520	5,517,520
Distribution for Spending	(5,810,000)	(2,170,000)	(7,980,000)
Other Changes	97,041	(15,127)	81,914
Endowment Net Assets, End of Year	\$ 140,904,529	\$ 61,543,471	\$ 202,448,000

At August 31, 2019, the endowment net asset composition by type of fund consisted of the following:

	<u>Net Assets Without Donor Restriction</u>	<u>Net Assets With Donor Restriction</u>			<u>Total Funds as of 8/31/2019</u>
		<u>Original Gift</u>	<u>Accumulated Gains (Losses)</u>	<u>Total</u>	
Board-designated endowment funds	\$ 132,390,968	\$ -	\$ -	\$ -	\$ 132,390,968
Donor restricted endowment funds					
Underwater endowment funds	-	2,660,346	(34,696)	2,625,650	2,625,650
Other endowment funds	-	35,977,563	15,041,904	51,019,467	51,019,467
	-	38,637,909	15,007,208	53,645,117	53,645,117
Total endowment funds	\$ 132,390,968	\$ 38,637,909	\$ 15,007,208	\$ 53,645,117	\$ 186,036,085

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

Changes in endowment net assets for the fiscal year ended August 31, 2019 consisted of the following:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment Net Assets, Beginning of the Year	\$ 135,796,781	\$ 52,781,796	\$ 188,578,577
Investment Return:			
Investment Income, net	2,973,818	892,446	3,866,264
Net Depreciation	(663,674)	(208,201)	(871,875)
Total Investment Return	<u>2,310,144</u>	<u>684,245</u>	<u>2,994,389</u>
Contributions	-	2,243,953	2,243,953
Distribution for Spending	(5,813,000)	(2,060,000)	(7,873,000)
Other Changes	97,043	(4,877)	92,166
Endowment Net Assets, End of Year	<u>\$ 132,390,968</u>	<u>\$ 53,645,117</u>	<u>\$ 186,036,085</u>

9. Amounts Held in Trust

Amounts held in trust consisted of the following:

	2020	2019
Amounts held by Trustee for 457(b) Plan	\$ 1,684,057	\$ 1,423,588
Amounts held for Agency Funds	1,830,477	1,415,374
Cash held by Trustee for Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds (Note 11)	<u>311</u>	<u>6,057,612</u>
	<u>\$ 3,514,845</u>	<u>\$ 8,896,574</u>

The assets are invested in money market funds that are highly liquid investments and are classified as Level 1 within the fair value hierarchy.

10. Land, Buildings and Equipment, Net

Investment in land, buildings and equipment, net, consisted of the following:

	2020	2019
Land and improvements	\$ 2,158,865	\$ 2,158,865
Buildings and improvements	360,720,780	358,611,367
Construction in progress	42,033,705	5,685,055
Equipment, library books, and software	<u>39,949,885</u>	<u>39,198,752</u>
	444,863,235	405,654,039
Accumulated depreciation	<u>(165,568,768)</u>	<u>(158,003,168)</u>
	<u>\$ 279,294,467</u>	<u>\$ 247,650,871</u>

Investment in land, buildings and equipment includes capitalized interest totaling approximately \$930,000 and \$146,000, for the years ended August 31, 2020 and 2019, respectively.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

11. Long-Term Debt

Long-term debt, as of August 31, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$25,000,000 with maturities through 2032, with interest at an average annual rate of 4.51%, plus unamortized premiums of \$178,934 in 2020 and \$194,108 in 2019.	(a) \$ 17,013,934	\$ 18,064,108
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$45,080,000 with maturities through 2043, with interest at an average annual rate of 4.70%, plus unamortized premiums of \$715,555 in 2020 and \$746,004 in 2019.	(b) 43,090,555	44,066,004
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$33,535,000 with maturities through 2035, with interest at an average annual rate of 3.60%, plus unamortized premiums of \$2,071,447 in 2020 and \$2,208,780 in 2019.	(c) 32,281,447	33,728,780
Town of Hempstead Local Development Corporation, Civic Facility Revenue Bonds, original amount \$24,985,000 with maturities through 2039, with interest at an average annual rate of 3.05%, plus unamortized premiums of \$3,083,455 in 2020 and \$3,248,640 in 2019.	(d) <u>27,263,455</u> 119,649,391	<u>28,233,640</u> 124,092,532
Less. Unamortized bond issuance costs	<u>(1,768,297)</u>	<u>(1,871,472)</u>
	<u>\$ 117,881,094</u>	<u>\$ 122,221,060</u>

Interest expense for the years ended August 31, 2020 and 2019 amounted to \$4,559,875 and \$5,512,765, respectively.

Bond issuance costs are amortized over the life of the bonds. Amortization expense for the bond issuance costs, calculated using the effective interest method, totaled \$103,175 and \$105,739 for the years ended August 31, 2020 and 2019, respectively.

a. Town of Hempstead Local Development Corporation

In June 2011, the LDC issued \$25,000,000 of Civic Facility Revenue Bonds ("2011 Bonds"), with maturities through 2032, at an average interest rate of 4.51%, plus a premium of \$318,662. The proceeds from the 2011 Bonds were used to refund the outstanding 2002 Bonds and to finance the construction of a 171-bed residence hall, softball field facility and various other renovations and electrical upgrades.

In accordance with the terms of the bond agreement, the 2011 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty-one annual principal payments, which commenced on June 1, 2012 and forty-two semi-annual interest payments, which commenced December 1, 2011.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

b. Town of Hempstead Local Development Corporation

In November 2013, the LDC issued \$45,080,000 of Revenue Bonds, Series 2013 ("2013 Bonds"), with maturities through 2043, at an average interest rate of 4.70%, plus a premium of \$923,624. The proceeds from the 2013 Bonds are being used to finance: (i) construction of the Nexus and Welcome Center building; (ii) underground parking; and (iii) other capital improvements and maintenance projects.

In accordance with the terms of the bond agreement, the 2013 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty-seven annual principal payments, which commenced on September 1, 2017 and sixty semi-annual interest payments, which commenced March 1, 2014.

c. Town of Hempstead Local Development Corporation

In September 2014, the LDC issued \$33,535,000 of Revenue Bonds, Series 2014 ("2014 Bonds"), with maturities through 2035, at an average interest rate of 3.60% plus a premium of \$2,884,001. The proceeds of the 2014 Bonds were used for the purpose of advance refunding all remaining outstanding bonds issued in 2005 by the Town of Hempstead Industrial Development Agency.

In accordance with the terms of the bond agreement, the 2014 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make semi-annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require nineteen annual principal payments, which commenced on October 1, 2017 and forty-two semi-annual interest payments, which commenced April 1, 2015.

d. Town of Hempstead Local Development Corporation

In May 2019, the LDC issued \$24,985,000 of Revenue Bonds, Series 2019 ("2019 Bonds"), with maturities through 2039, at an average interest rate of 3.05% plus a premium of \$3,303,702. The proceeds of the 2019 Bonds were used for the purpose of advance refunding all remaining outstanding bonds issued in 2009 by the Town of Hempstead Industrial Development Agency, and to finance the renovation, construction, equipping and furnishing of the Ruth S. Harley University Center.

In accordance with the terms of the bond agreement, the 2019 Bonds are not collateralized by any mortgage or lien on or security interest in the facilities being renovated or in any other real or personal property of the University.

The University is required to make annual payments to the LDC, equal in amount to the LDC's debt service payments. The LDC's debt service payments require twenty annual principal payments, which commenced February 1, 2020.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

Future debt service payments on bonds payable are comprised of the following:

<u>Year Ending August 31,</u>	<u>Bonds Payable</u>
2021	\$ 9,369,681
2022	9,358,631
2023	9,363,656
2024	9,355,756
2025	9,359,631
Thereafter	<u>124,717,007</u>
	171,524,362
Less: Interest portion	(57,924,362)
Less: Unamortized bond issuance costs	(1,768,297)
Add: Unamortized premium	<u>6,049,391</u>
	<u>\$ 117,881,094</u>

12. Other Note and Swap Liability

In order to mitigate the University's interest rate exposure on variable rate debt obligations, the University entered into a promissory note and simultaneously entered into an interest rate swap agreement with TD Bank (the "Counterparty"). The promissory note and notional principal amount of the swap was \$10,000,000 at August 31, 2020. The swap agreement matures on February 20, 2030. Under the terms of the agreement, the Counterparty will pay the University a variable interest rate at 1.15% of LIBOR (.15% at August 31, 2020) while the University is obligated to pay the Counterparty a fixed rate of 2.48%.

The fair value of this obligation as of August 31, 2020 was \$861,070 and is categorized as Level 2 within the fair value hierarchy. The change in the fair value of this obligation during the year ended August 31, 2020 was \$861,070 and is included in the accompanying consolidated statements of activities as a non-operating item.

Additional interest paid by the University related to the swap agreement amounted to approximately \$43,520 for the year ended August 31, 2020.

Under the terms of the agreement, up to \$10,000,000 of cash serves as collateral. The cash is restricted as to withdrawal or use and is held in custody by the Counterparty. The University is committed to receive an additional \$5,000,000 under the interest rate swap agreement on February 1, 2021, bringing the total notional principal amount of the swap to \$15,000,000.

The swap agreement contains provisions that require the University to meet certain financial covenants. The University was in compliance with these covenants at August 31, 2020. Had the University not been in compliance, an additional termination event could occur and the Counterparty would have the right to early terminate the agreement and the University could be responsible for a settlement amount based on market quotation.

Adelphi University
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
August 31, 2020 and 2019

Future debt service payments on the promissory note are comprised of the following:

<u>Year Ending August 31,</u>	
2021	\$ 1,056,530
2022	1,864,659
2023	1,864,659
2024	1,864,659
2025	1,864,659
Thereafter	<u>8,390,966</u>
	16,906,132
Less: Interest portion	<u>(1,906,132)</u>
	<u>\$ 15,000,000</u>

13. Retirement Plans

The University has a contributory defined contribution retirement plan, which cover substantially all full-time employees. The University's contributions are determined in accordance with the related provisions of the union contracts and at the discretion of management for all non-union employees. Total pension costs under the plans for the years ended August 31, 2020 and 2019 amounted to \$8,251,641 and \$7,967,787, respectively.

14. New York State Aid

The University received institutional support for the years ended August 31, 2020 and 2019 in the amount of \$662,331 and \$681,795, respectively, under Article 129 of the New York State Education Law.

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

15. Natural Classification of Expenses

The University allocates operation and maintenance of plant, depreciation and amortization, and interest expense based on proportional expenditures using estimates of building square footage and the functional use of each facility financed by debt. The University's primary program service is academic instruction. Expenses reported as research and public service, academic support, student services, and institutional support are incurred in support of this primary program activity. Expenses by their natural classification and function are presented as follows for the fiscal years ended August 31, 2020 and 2019:

	2020						Total
	Instruction	Research & Public Service	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	
Salaries and wages	\$ 68,006,598	\$ 5,146,315	\$13,675,872	\$ 16,022,675	\$16,979,475	\$ 4,820,253	\$ 124,651,188
Fringe benefits	20,306,864	1,079,886	5,078,532	6,103,281	7,422,405	1,898,994	41,889,962
Supplies and services	11,499,801	1,016,232	4,118,889	8,939,869	11,975,865	1,519,380	39,070,036
Occupancy	5,275,773	349,839	873,180	1,635,828	755,993	4,514,092	13,404,705
Depreciation	2,356,147	357,413	823,743	1,970,704	643,547	1,475,925	7,627,479
Interest	1,433,613	187,513	155,567	1,374,282	367,592	1,041,309	4,559,876
	<u>\$ 108,878,796</u>	<u>\$ 8,137,198</u>	<u>\$24,725,783</u>	<u>\$ 36,046,639</u>	<u>\$38,144,877</u>	<u>\$15,269,953</u>	<u>\$ 231,203,246</u>

	2019						Total
	Instruction	Research & Public Service	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	
Salaries and wages	\$ 65,744,228	\$ 5,277,603	\$ 13,382,366	\$ 16,211,208	\$ 16,677,883	\$ 5,000,215	\$ 122,293,503
Fringe benefits	17,901,170	955,672	4,318,346	5,771,242	6,523,223	1,736,467	37,206,120
Supplies and services	11,512,753	1,344,252	4,357,348	9,139,876	10,597,722	1,834,770	38,786,721
Occupancy	5,734,116	363,323	813,931	1,454,611	956,864	4,017,964	13,340,809
Depreciation	2,411,810	361,780	800,100	1,987,096	626,102	1,506,603	7,693,491
Interest	1,875,688	258,350	190,654	1,584,781	417,105	1,186,187	5,512,765
	<u>\$ 105,179,765</u>	<u>\$ 8,560,980</u>	<u>\$ 23,862,745</u>	<u>\$ 36,148,814</u>	<u>\$ 35,798,899</u>	<u>\$ 15,282,206</u>	<u>\$ 224,833,409</u>

16. Commitments and Contingencies

a. Noncancelable Lease Agreements and Other Contracts

The University is obligated under noncancelable operating lease agreements for the rental of off-campus facilities, some of which contain escalation clauses; equipment rentals; and other contracts. Minimum annual commitments under the operating leases and other contracts are as follows at August 31, 2020:

<u>Year Ending August 31,</u>	<u>Total</u>
2021	\$ 4,727,718
2022	4,764,786
2023	2,491,963
2024	2,371,794
2025	2,324,685
Thereafter	4,028,696
	<u>\$ 20,709,642</u>

Adelphi University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 31, 2020 and 2019

Rental expense for operating leases amounted to \$5,576,421 and \$5,073,223 for the years ended August 31, 2020 and 2019, respectively.

b. Litigation

The University is presently a defendant in several lawsuits arising from the normal conduct of its affairs. Management of the University is of the opinion that settlements, if any, of the aforementioned litigation not covered by insurance will not have a material adverse impact on the accompanying consolidated financial statements of the University.

c. COVID-19 Pandemic

In December 2019, an outbreak of a novel strain of Coronavirus ("COVID-19") emerged globally, and in March 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic. As a result, the University's campus was closed in March 2020 and moved the remainder of the spring 2020 semester to virtual learning. Due to the COVID-19 pandemic, the University incurred additional incremental operating expenses totaling \$1,170,808 for the fiscal year ending August 31, 2020. In addition, students received refunds and future statement credits for their unused housing, and other mandatory fees through the end of the semester, resulting in lost revenue of \$3,594,927, which would have been included in student related revenue on the consolidated statement of activities for the fiscal year ending August 31, 2020. The impact of the revenue loss was reduced by expense reductions, which included cancelled travel and events, lower utilities, and other operating expense constraints.

The COVID-19 pandemic continues to have significant effects on higher education, global markets, supply chains, businesses, and communities. Specific to the University, COVID-19 has impacted various parts of its 2020 operations and financial results and may impact parts of its 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology and safety protocols, or potential shortages of personnel. Management believes that the University is taking appropriate actions to mitigate the negative impact.

Under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act Higher Education Emergency Relief Fund ("HEERF"), the University was awarded \$2,131,895, which was recognized as government grants and contracts revenue on the accompanying consolidated statement of activities, of which \$2,131,895 was disbursed to qualifying students for emergency aid and recognized as other student aid expense on the consolidated statement of activities. An additional \$2,153,269 awarded to the University was to support institutional expenses related to COVID-19 and was utilized to reimburse the University for a portion of the room and board refunds and credits issued to students. These funds are subject to audit and compliance with federal regulations. The University believes it has met the conditions to retain these funds, and no amounts are reserved for repayment at August 31, 2020 in the consolidated statements of financial position.

17. Subsequent Events

The University evaluated its August 31, 2020 consolidated financial statements for subsequent events through December 14, 2020, the date the consolidated financial statements were issued. The University is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

APPENDIX C
Schedule of Definitions and Summary of Documents

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APPENDIX C
SCHEDULE OF DEFINITIONS AND SUMMARY OF DOCUMENTS
SUMMARY OF SCHEDULE OF DEFINITIONS

The following have the meanings stated herein when used in this Official Statement and the documents summarized below.

“Act” means, collectively, the New York Membership Corporation Law as in effect in 1966, as amended and supplemented by Section 1411 of the New York Not-For-Profit Corporation Law.

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

“Affiliate” shall mean a corporation, partnership, association, limited liability company, joint venture, business trust or similar entity organized under the laws of any state that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common contract with, the University.

“Annual Compliance Fee” means the \$1,500 Annual Compliance Fee to be paid by the University to the Issuer on or before January 1 of each year pursuant to the Loan Agreement.

“Applicable Elected Representative” means any Person constituting an “applicable elected representative” within the meaning given to the term in Section 147(f)(2)(E) of the Code.

“Authorized Investments” means:

- A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):
 - 1. U.S. Export-Import Bank (Eximbank)
Direct obligations are fully guaranteed certificates of beneficial ownership
 - 2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
 - 3. Federal Financing Bank
 - 4. Federal Housing Administration Debentures (FHA)
 - 5. General Services Administration
Participation Certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA – guaranteed mortgage-backed bonds
GNMA – guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues)
 7. U.S. Maritime Administration
Guaranteed Title XI financing
 8. 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
- C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
1. Federal Home Loan Bank System
Senior debt obligations
 2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations
 3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations
 4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
 5. Resolution Funding Corp. (REFCORP) obligations
 6. Farm Credit System
Consolidated systemwide bonds and notes
- D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933.
- E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral.
- F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.
- G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements provided by banks and other institutions rated AAA by S&P and Aaa by Moody's or secured by collateral and structured as described in (A), (B) and (E) above.

- H. Commercial paper rated, at the time of purchase, Prime – 1 by Moody’s and A-1 or better by S&P.
- I. Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.
- J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of Prime – 1 or A3 or better by Moody’s and A-1 or A or better by S&P.
- K. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.
 - 1. Repurchase agreements must be between the Issuer and a dealer bank or securities firm.
 - a. Primary dealers on a Federal Reserve reporting dealer list which are rated A or better by S&P and Moody’s or
 - b. Banks rated A or above by S&P, Fitch and Moody’s.
 - 2. The written repurchase agreements contract must include the following:
 - a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA and FHLMC)
 - b. The term of the repurchase agreements may be up to 30 days.
 - c. The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of collateral:
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.
 - (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase agreements plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as

collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Issuer:

- a. Repurchase agreements meet guidelines under state law for legal investment of public funds.

“Authorized Representative” means, in the case of the Issuer, the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer; in the case of the University, the President or the Treasurer of the University; and, in the case of either of the Issuer and the University, such additional persons as, at the time, are designated to act on behalf of the Issuer or the University, as the case may be, by written certificate furnished to the Trustee, the Issuer or the University, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, the Vice Chairman, the Executive Director and Chief Executive Officer, the Deputy Executive Director and Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer, or (ii) the University by the President or the Treasurer of the University.

“Bankruptcy Code” means the United States Bankruptcy Code, as amended from time to time.

“Bond Counsel” means the law firm of Nixon Peabody LLP or an attorney or other firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” means the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Note, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement.

“Bond Fund” means the fund so designated which is established by the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated March 16, 2021, among the Issuer, the University and the Underwriter, as the same may be amended from time to time.

“Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Series 2021 Bonds.

“Bond Rate” means the tax-exempt rate of interest from time to time payable on any of the Series 2021 Bonds as defined therein.

“Bond Registrar” means the Trustee as bond registrar with respect to the Series 2021 Bonds and its successors and assigns in such capacity.

“Bond Year” means “Bond Year” as defined in the Tax Regulatory Agreement.

“Bondholder” means Owner.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

“Certificate of Authentication of the Trustee” and “Trustee’s Certificate of Authentication” means the certificate executed by an authorized signatory of the Trustee certifying the due authentication of each of the Series 2021 Bonds issued under the Indenture.

“Closing Date” means the date of sale and delivery of the Series 2021 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed rules, regulations, rulings and interpretations of the Department of the Treasury promulgated thereunder.

“Computation Period” means “Computation Period” as defined in the Tax Regulatory Agreement.

“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 the date of delivery of the Series 2021 Bonds, between the University and the Trustee.

“Cost of the 2021 Project” or “Costs of the 2021 Project” means all those costs and items of expense listed in the Loan Agreement.

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Series 2021 Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Series 2021 Bonds.

“Debt Service Payment Date” means any date on which each Debt Service Payment shall be payable on any of the Series 2021 Bonds so long as the Series 2021 Bonds shall be outstanding.

“Default Rate” shall have the meaning assigned thereto in the Series 2021 Bonds.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Letter of Representation” means the Letter of Representation from the Issuer to DTC.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Series 2021 Project and financed with Bond Proceeds.

“Event of Default” (i) when used with respect to the Indenture means any of those events defined as an Event of Default by the Indenture, and (ii) when used with respect to the Loan Agreement, means any of the events defined as Events of Default by the Loan Agreement.

“Event of Taxability” means:

(i) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the University shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code; or

(ii) the delivery to the University and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the University) to the effect that interest on the Series 2021 Bonds is includible in the gross income of the owner thereof under Section 61 of the Code.

“Exempt Organization” means an organization described in Section 501(c)(3) of the Code and which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“Facility” means the portions of the approximately 70 acre Garden City campus of the University at South Avenue, located in the Village of Garden City, Town of Hempstead, Nassau County, New York, whose address is One South Avenue, Garden City, New York 11530, bordered on the north by South Avenue, on the east by Rockaway Avenue and Cherry Valley Club, on the west by Brompton Road, and on the south by Cambridge Avenue, all in the Village of Garden City, Town of Hempstead, Nassau County, New York (the “Garden City Campus”) financed and refinanced by the Series 2011 Bonds consisting of (a) the approximately 60,000 square foot three-story residence facility on approximately 1.5 acres of the Garden City Campus; and (b) a residence facility on the Garden City Campus known as Earle Hall; (c) the approximately 54,800 square foot building known as Woodruff Hall, which houses a health and physical education facility, (d) the approximately 24,000 square foot building known as Post Hall, (e) a Nuclear Magnetic Resonance machine for chemistry laboratory use, (f) a softball field, (g) an approximately 55,000 square foot four-story facility with approximately 171 dormitory beds for students of the University, and (h) other capital improvement projects at the Garden City Campus.

“Fiscal Year” means the twelve (12) month period beginning on September 1 in any year or such other fiscal year as the University may select from time to time.

“Fitch” means Fitch Ratings and its successors and assigns.

“Government Obligations” means:

1. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”).
2. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

3. Resolution Funding Corp. (REFCORP). 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 are acceptable.

4. Pre-refunded municipal bonds rated Aaa by Moody's and AAA by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations or AAA rated pre-refunded municipals to satisfy this condition.

5. 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 are fully guaranteed certificates of beneficial ownership
- b. Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- c. Federal Financing Bank
- d. General Services Administration
Participation Certificates
- e. U.S. Maritime Administration
Guaranteed Title XI financing
- 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

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Holder” means Owner.

“Improvements” means all those buildings, improvements, structures and other related facilities financed as part of the Facility and (i) financed with Bond Proceeds or of any payment by the University pursuant to the Loan Agreement, and (ii) not part of the Equipment, all as they may exist from time to time.

“Indebtedness” shall mean any obligation of the University for the payment of money, including without limitation (i) indebtedness for money borrowed, (ii) purchase money obligations, (iii) leases evidencing the acquisition of capital assets, (iv) reimbursement obligations, and (v) guarantees of any such obligation of a third party.

“Indenture” means the Indenture of Trust, dated as of March 1, 2021, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 2021 Bonds and the security therefor as the same may be amended or supplemented from time to time.

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

“Independent Engineer” means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of the State selected by the University and not a full time employee of the Issuer, the University or the Trustee.

“Information Report” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required to monitor the State volume limitations.

“Initial Bondholder” means Cede & Co., as nominee for DTC, as the initial owner of the Series 2021 Bonds.

“Initial Compliance Fee” means the Initial Compliance Fee in the amount of \$3,000 paid by the University to the Issuer on the Closing Date pursuant to Section 5.3(a) of the Loan Agreement.

“Issuer” means (i) the Town of Hempstead Local Development Corporation, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Series 2021 Bonds, the Loan Agreement, the Indenture, the Note, the Tax Regulatory Agreement, the Information Report, the Preliminary Official Statement and the Official Statement.

“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 the 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 title exceptions and encumbrances, including but not limited to mechanics', materialmen's, warehousemen's, carriers' and other similar encumbrances affecting real property. For the purposes of this definition, 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, 2021, by and between the Issuer and the University with respect to the Series 2021 Project, as the same may be amended from time to time.

"Loan Term" means the duration of the loan term created in the Loan Agreement.

"Long-Term Indebtedness" means indebtedness with a term greater than one (1) year.

"Moody's" means Moody's Investor Service.

"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) incurred in obtaining such gross proceeds.

"Note" or "Promissory Note" means the Promissory Note dated the Closing Date, from the University to the Issuer, substantially in the form of Exhibit D to the Loan Agreement, evidencing the University's obligations to make Loan Payments to the Issuer.

"Office of the Trustee" means the principal corporate trust office of the Trustee, as specified in the Indenture, or such other address as the Trustee shall designate.

"Official Statement" means the Official Statement, dated March 16, 2021, distributed by the Underwriter and the University in connection with the sale of the Series 2021 Bonds.

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

"Outstanding" or "Series 2021 Bonds Outstanding" or "Series 2021 Bonds Outstanding Bonds" means all bonds which have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any supplement thereto, except: (i) any Series 2021 Bond cancelled by the Trustee because of payment or redemption prior to maturity; (ii) any bond deemed paid in accordance with the provisions of the Indenture, except that any such Series 2021 Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; and (iii) any Series 2021 Bond in lieu of or in substitution for which another Series 2021 Bond shall have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any Series 2021 Series 2021 Bond, for which a Series 2021 Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State,

as amended, in which case both the Series 2021 Bond so substituted and replaced and the Series 2021 Bond or Series 2021 Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“Owner” means the registered owner of any Series 2021 Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

“Paying Agent” means the Trustee, acting as such, and any additional paying agent for the Series 2021 Bonds appointed pursuant to the Indenture, 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 Loan Agreement, (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (iii) mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar Liens which are approved in writing by the Issuer, (iv) Liens for taxes not yet delinquent, (v) equipment leases of less than one (1) year, (vi) equipment leases in excess of one (1) year and/or purchase money security interests, in each case not in excess of the amounts set forth in the Loan Agreement and with respect to additional long term debt such greater amount as shall be approved by fifty percent (50%) or more of the Holders of the Series 2021 Bonds, (vii) indebtedness in connection with the acquisition of real property secured solely by non-recourse purchase money mortgages on such real property, which indebtedness is not a general obligation of the University, and (viii) Liens which are in existence as of the Closing Date or described in the audited consolidated financial statements of the University.

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

“Plans and Specifications” means those plans and specifications, if any, for the Improvements, as may be from time to time prepared for the University, as revised from time to time in accordance with the Loan Agreement.

“Preliminary Official Statement” means the Preliminary Official Statement, dated March 2, 2021, distributed by the Underwriter and the University in connection with the sale of the Series 2021 Bonds.

“Project Fund” means the fund so designated which is created by the Indenture.

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

“Public Purposes” shall mean the Issuer’s objective to relieve and reduce unemployment, promote and provide for additional and maximum employment, bettering and maintaining job opportunities, instruct or train individuals to improve or develop the capabilities for such jobs, carrying on scientific research for the purpose of aiding the territory in which its operations are

principally to be conducted by attracting new industry to such territory or by encouraging the development of, or retaining of an industry in said territory, and lessening the burdens of government and acting in the public interest.

“Rating Agency” means Moody’s, Fitch, S&P or such other nationally recognized rating agency which shall have issued and is maintaining a rating on the Series 2021 Bonds.

“Rating Agency Letter” means the rating letter from each Rating Agency assigning a rating on the Series 2021 Bonds.

“Rebate Amount” means, with respect to the Series 2021 Bonds, the amount computed as described in the Tax Regulatory Agreement.

“Rebate Fund” means the fund so designated pursuant to the Indenture.

“Record Date” means, with respect to any Debt Service Payment Date, the fifteenth (15th) day of the month next preceding such Debt Service Payment Date (whether or not a Business Day).

“Redemption Date” means, when used with respect to a Series 2021 Bond, the date of redemption thereof established pursuant to the Indenture.

“Redemption Price” means, when used with respect to a Series 2021 Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the Indenture.

“Renewal Fund” means the fund so designated and created pursuant to the Indenture.

“Resolution” means, collectively (i) the Inducement Resolution duly adopted by the Issuer on January 21, 2021, inducing the Series 2021 Project, and (ii) the Authorizing Resolution duly adopted by the Issuer on February 25, 2021, authorizing the issuance, execution, sale and delivery of the Series 2021 Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

“Responsible Officer”, when used with respect to the Trustee, means any officer of the Trustee with responsibility for the administration of the Indenture and, when used with respect to a particular corporate trust matter, also means any other officer to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Schedule of Definitions” means the words and terms set forth in this Schedule of Definitions attached to the Indenture as the same may be amended from time to time.

“Series 2011 Bonds” means the Issuer’s Revenue Bonds, Series 2011 (Adelphi University Project) issued on June 15, 2011 in the original aggregate principal amount of \$25,000,000.

“Series 2011 Trustee” means The Bank of New York Mellon, as trustee for the Series 2011 Bonds, a New York banking corporation duly organized and validly existing and authorized to accept and

execute trusts of the character herein set out under the laws of the State of New York, having its corporate trust office at 500 Ross Street, 12th Floor, Pittsburgh, Pennsylvania 15262.

“Series 2011 Bonds Redemption Account” means the account within the Project Fund which is established in the Indenture.

“Series 2021 Bonds” means the Issuer’s Revenue Bonds, Series 2021 (Adelphi University Project) issued pursuant to the terms of the Indenture and delivered on March 31, 2021, in the aggregate principal amount of \$13,520,000 and substantially in the form of Exhibit A of the Indenture.

“Series 2021 Project” or “Project” means the financing and refinancing of the Facility from the proceeds of the Series 2021 Bonds loaned by the Issuer to the University under the Loan Agreement.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“Short-Term Indebtedness” means indebtedness with a term of one (1) year or less, but not including accounts payable by the University in the ordinary course of its operations.

“S&P” or “Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc.

“State” means the State of New York.

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

“Tax Incidence Date” means the date from which the interest on the Series 2021 Bonds is deemed to be includible in the gross income of the owner of a Bond by virtue of an Event of Taxability.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated the Closing Date, between the Issuer and the University, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and with the terms of the Indenture.

“Trust Estate” means the rights assigned pursuant to the Indenture and all Property which may from time to time be subject to the Lien of the Indenture.

“Trustee” means (i) The Bank of New York Mellon, as trustee for the Series 2021 Bonds, a New York banking corporation duly organized and validly existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of New York, having its corporate trust office at 240 Greenwich Street, Floor 7W, New York, New York 10286, (ii) its successors 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 successor trustee under the Indenture.

“Unassigned Rights” means the rights of the Issuer and moneys payable pursuant to and under the Loan Agreement.

“Underwriter” means (i) TD Securities (USA) LLC, having an office at One Vanderbilt Avenue, New York, New York 10017, or (ii) its successors and assigns.

“University” means Adelphi University, an education corporation duly organized and validly existing under the laws of the State of New York, and its successors and assigns.

“University Documents” means the Bond Purchase Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Note, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement.

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. Certain provisions of the Indenture are also described in the Official Statement. This summary does not purport to be complete and reference is made to the Indenture for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Indenture and are included for ease of reference only.

Authentication

No Series 2021 Bond shall be valid for any purpose or shall be entitled to any right or benefit under the Indenture unless there shall be endorsed on such Series 2021 Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Series 2021 Bonds included as Exhibit A to the Indenture. Such executed Certificate of Authentication by the Trustee upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under the Indenture. The Trustee's Certificate of Authentication on any Series 2021 Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Series 2021 Bonds issued under the Indenture. (Section 2.05)

Mutilated, Lost, Stolen or Destroyed Series 2021 Bonds

(a) In the event any Series 2021 Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Series 2021 Bond of like maturity, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Series 2021 Bond, in exchange for the mutilated Series 2021 Bond, or in substitution for the Series 2021 Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Series 2021 Bond and of the ownership thereof. Upon the issuance of any Series 2021 Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including fees and expenses and counsel fees, of the Issuer or the Trustee. In case any Series 2021 Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Series 2021 Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Series 2021 Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Series 2021 Bond and of the ownership thereof.

(b) Every new Series 2021 Bond issued pursuant to the provisions of the Indenture shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Series 2021 Bond shall be found at any time after the issuance of such new Series 2021 Bonds, in which case the destroyed, lost or stolen Series 2021 Bond shall be void and unenforceable) and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Series 2021 Bonds duly issued under the Indenture.

(c) All Series 2021 Bonds shall be held and owned upon the express condition that the provisions of the Indenture are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Series 2021 Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary. *(Section 2.09)*

Establishment of Funds

The following trust funds are hereby established with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with the Indenture:

(a) Town of Hempstead Local Development Corporation Bond Fund – Adelphi University (the “Bond Fund”), and within such Bond Fund, an “Interest Account” and a “Principal Account”.

(b) Town of Hempstead Local Development Corporation Project Fund – Adelphi University (the “Project Fund”), and within such Project Fund, a “Series 2011 Bonds Redemption Account” and “Series 2021 Bonds Cost of Issuance Account”.

(c) Town of Hempstead Local Development Corporation Rebate Fund – Adelphi University (the “Rebate Fund”).

(d) Town of Hempstead Local Development Corporation Renewal Fund – Adelphi University (the “Renewal Fund”). *(Section 4.01)*

Moneys to Be Held in Trust

All moneys deposited with, paid to or received by the Trustee for the accounts of the Issuer (other than amounts deposited in the Rebate Fund) shall be held by the Trustee in trust, and shall be subject to the lien of the Indenture and held for the security of the Owners of the Series 2021 Bonds until paid in full; provided, however, that moneys which have been deposited with, paid to or received by the Trustee (i) for the redemption of a portion of the Series 2021 Bonds, notice of the redemption of which has been given, or (ii) for the payment of Series 2021 Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and subject to a Lien in favor of only the Owners of such Series 2021 Bonds so called for redemption or so due and payable. *(Section 4.03)*

Use of the Moneys in Project Fund

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of the Indenture and the Loan Agreement. The Trustee is directed,

on the date of Closing, to transfer amounts on deposit in the Series 2011 Bonds Redemption Account of the Project Fund to the Series 2011 Trustee to be used to redeem the Series 2011 Bonds.

(b) Except as otherwise provided in summarized section (a) under this heading, the Trustee is hereby directed to issue its checks or send its wires for each disbursement from the Series 2011 Bonds Cost of Issuance Account of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Representative of the University and substantially in the form of Exhibit B annexed to the Indenture to pay the Costs of the Series 2011 Project. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(c) On May 1, 2021, any balance remaining in the Project Fund, except amounts the University shall have directed the Trustee, in writing, to retain for any Costs of the Series 2011 Project not then due and payable, and after the making of any transfer to the Rebate Fund that the University shall have directed the Trustee, in writing, to make as required by the Tax Regulatory Agreement and the Indenture, shall without further authorization be transferred to the Bond Fund and thereafter applied to pay the principal of the Series 2011 Bonds as they become due and payable.

(d) Within sixty (60) days after transfer of the balance in the Project Fund to the Bond Fund, the Trustee shall file an accounting thereof with the Issuer and the University and the Trustee shall apply such transferred amounts as provided in subparagraph (d) under the heading "Use of Moneys in Bond Fund."

(e) All earnings on amounts, if any, held in the Project Fund shall be retained in the respective account of the Project Fund until the date set forth in subparagraph (c) above. Any transfers by the Trustee of amounts to the Rebate Fund (only at the direction of the University) shall be drawn by the Trustee from the Project Fund.

(f) If an Event of Default under the Indenture shall have occurred and the outstanding principal amount of the Series 2011 Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the University pursuant to the Tax Regulatory Agreement and the Indenture, shall be transferred to the Bond Fund for the redemption of the Series 2011 Bonds. *(Section 4.04)*

Payments into Bond Fund

There shall be deposited in the Bond Fund, as and when received (a) all payments received by the Trustee under the Loan Agreement; (b) the balance in the Project Fund and the Renewal Fund to the extent specified in the Indenture after the Completion Date; (c) the amount of net income or gain received from the investments of moneys in the Bond Fund and all Funds and Accounts (other than the Rebate Fund) held under the Indenture; (d) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or the Indenture and designated for deposit in the Bond Fund; (e) amounts transferred pursuant to the Loan Agreement, and (f) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or the Indenture and designated for deposit in the Bond Fund. *(Section 4.05)*

Use of Moneys in Bond Fund

(a) Except as otherwise expressly provided in the Indenture, moneys in the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the Series 2021 Bonds or for the purchase or redemption of Series 2021 Bonds as provided in the Indenture. Moneys deposited in the Bond Fund in accordance with the provisions of the Indenture, however, may not be used for the payment of interest on the Series 2021 Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date of the Series 2021 Bonds, pay out of the monies then held for the credit of the Interest Account the amounts required for the payment of interest becoming due on the Series 2021 Bonds on such Debt Service Payment Date, and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of interest.

(c) The Trustee shall, on or before each Debt Service Payment Date, when principal of the Series 2021 Bonds are due, pay out of the monies then held for the credit of the Principal Account the amounts required for the payment of principal becoming due at maturity, or upon redemption of the Series 2021 Bonds on such Debt Service Payment Date and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of principal.

(d) Moneys transferred to the Bond Fund from the Project Fund pursuant to the Indenture or from the Renewal Fund pursuant to the Indenture shall be invested, at the written direction of the University, subject to limitations on earnings as set forth in the Tax Regulatory Agreement, and such moneys and earnings thereon shall be applied only to pay the principal for the Series 2021 Bonds as they become due and payable or the Redemption Price of Series 2021 Bonds subject to redemption pursuant to the Indenture.

(e) The Trustee shall call Series 2021 Bonds for redemption according to the Indenture, upon written direction of the Issuer or the University to the Trustee, on or after the date the Series 2021 Bonds are subject to optional redemption pursuant to the Indenture, whenever the assets of the Bond Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all Series 2021 Bonds then Outstanding or to redeem Series 2021 Bonds in part pursuant to the Indenture, including accrued interest thereon to the Redemption Date.

(f) Moneys in the Bond Fund shall be used by the Trustee, upon request of an Authorized Representative of the University, to purchase Series 2021 Bonds on the most advantageous terms obtainable with reasonable diligence, provided that no such purchase shall be made:

- (i) if an Event of Default under the Loan Agreement has occurred;
- (ii) within forty-five (45) days prior to any date on which Series 2021 Bonds are subject to redemption pursuant to the Indenture;
- (iii) if the amount remaining in the Bond Fund, after giving effect to such purchase, is less than the amount required for the payment of the principal or Redemption Price of Series 2021 Bonds theretofore matured or called for redemption, plus

interest to the date of maturity or the Redemption Date, as the case may be, in all cases where such Series 2021 Bonds have not been presented for payment; or

(iv) at a price in excess of that specified by the University in its request to the Trustee, plus accrued interest to the date of purchase.

The Trustee shall promptly notify the Issuer and the University of the principal amount and the maturity of each Series 2021 Bond so purchased and the balance held in the Bond Fund after such purchase. The Trustee shall not, however, be subject to any liability to any Owner, the Issuer, the University or any other person by reason of its failure to mail the notice required by the Indenture. The Series 2021 Bonds so purchased by the University or any affiliate shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the University shall deliver to the Trustee and the Issuer an opinion of Bond Counsel to the effect that the failure to surrender such Series 2021 Bonds by such date will not affect the exclusion of the interest on any Series 2021 Bonds then Outstanding from gross income for federal income tax purposes.

(g) In connection with the purchase of Series 2021 Bonds with moneys on deposit in the Bond Fund as provided in the Indenture, the Trustee shall negotiate or arrange for such purchases in such manner (through brokers or otherwise and with or without receiving tenders) as it shall be instructed in writing by the University.

(h) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Series 2021 Bonds, forty-five (45) days prior to any date on which Series 2021 Bonds are subject to redemption pursuant to the Indenture equals or exceeds \$50,000, the Trustee shall, upon request of an Authorized Representative of the University, apply as much of such balance as can be so applied to the redemption of Series 2021 Bonds on such next succeeding Redemption Date in the manner provided in the Indenture. The Trustee shall promptly notify the Issuer and the University of the principal amount and maturity of each Series 2021 Bond so redeemed and the balance held in the Bond Fund after such redemption.

(i) Whenever the amount in the Bond Fund is sufficient to redeem all of the Outstanding Series 2021 Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the University, take and cause to be taken the necessary steps to redeem all such Series 2021 Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified by the University. *(Section 4.06)*

Payments into Renewal Fund; Application of Renewal Fund

(a) The Net Proceeds resulting from any insurance award, condemnation award or recovery from any contractor or subcontractor with respect to the Facility 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.

(b) In the event the Series 2021 Bonds shall then be subject to redemption in whole (either by reason of such damage, destruction or condemnation or otherwise) pursuant to the terms thereof or of the Indenture, the Trustee shall, after making any transfer to the Rebate Fund, at the

written direction of the University, as required by the Tax Regulatory Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund. If, on the other hand, the University is permitted to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, the Trustee shall, at the written direction of the University, apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Regulatory Agreement and the Indenture, to such replacement, repair, rebuilding, restoration or relocation. Upon the completion of such replacement, repair, rebuilding, restoration or relocation, and after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Regulatory Agreement and the Indenture, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Bond Fund and thereafter applied as provided in subparagraph (d) under the heading "Use of Moneys in Bond Fund." If the University elects not to replace, repair, restore or relocate the Facility pursuant to the Loan Agreement, any balance remaining in the Renewal Fund shall without further authorization be transferred to the Bond Fund and applied as provided in subparagraph (d) under the heading "Use of Moneys in Bond Fund."

(c) If any Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund and be continuing, the Trustee, unless it exercises the remedy provided by the Loan Agreement, shall, after making any transfer to the Rebate Fund, at the written direction of the University, as required by the Tax Regulatory Agreement and the Indenture, transfer the amounts deposited in the Renewal Fund to the Bond Fund to be applied in accordance with the Indenture.

(d) If the University elects to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, the Trustee is hereby authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same shall have been paid by or on behalf of the University or the Issuer) of the costs required for the replacement, repair, rebuilding, restoration or relocation of the Facility. 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 and signed by an Authorized Representative of the University. Such requisition shall be in the same form and subject to the same conditions as requisitions from the Project Fund. *(Section 4.07)*

Investment Earnings on Funds; Application of Investment Earnings on Funds

(a) All investment income or earnings on amounts held in the Project Fund, if any, shall be retained in the Project Fund until such amounts have been fully transferred to the Bond Fund pursuant to the Indenture, and all investment income or earnings on amounts held in the Accounts of the Bond Funds, the Renewal Fund, or any other special fund held under any of the Bond Documents (other than the Rebate Fund) shall be deposited by the Trustee into the Interest Account of the Bond Fund and used to pay the interest component of the next upcoming Debt Service Payment. The Trustee shall keep separate accounts of all investment earnings from each fund and account under the Indenture to indicate the source of the income or earnings.

(b) Within thirty (30) days after the end of each Computation Period, the Trustee, at the written direction of an Authorized Representative of the University, shall transfer to the Rebate Fund instead of the Project Fund or the Interest Account of the Bond Fund an amount of the

investment earnings on the funds and accounts under the Indenture, such that the amount transferred to the Rebate Fund is equal to that amount as is set forth as the Rebate Amount in a written certificate delivered by the University to the Trustee pursuant to the Tax Regulatory Agreement and the Indenture. *(Section 4.08)*

Payments into Rebate Fund; Application of Rebate Fund

(a) 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 or any Owner of any Series 2021 Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the University, shall transfer, from moneys in the Project Fund or the Renewal Fund, or from any other moneys paid by the University under the Tax Regulatory Agreement, into the Rebate Fund, within thirty (30) days after the end of each Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the immediately preceding Bond Year. The amount deposited in the Rebate Fund pursuant to this paragraph shall be paid by the University pursuant to the Tax Regulatory Agreement.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the University, shall withdraw such excess amount and deposit it in the Bond Fund.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the University, 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 such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Series 2021 Bonds as of the date of such payment, and (ii) notwithstanding the provisions of the Indenture, not later than thirty (30) days after the date on which all Series 2021 Bonds have been paid in full, one hundred (100%) percent of the Rebate Amount as of the date of payment.

(e) The Trustee shall have no obligation under the Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from the University to make such transfer. *(Section 4.09)*

Investment of Moneys

(a) Moneys held in any fund established pursuant to the Indenture shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to written direction by an Authorized Representative of the University. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the owners thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of such fund or accounts. The Trustee may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in such fund or accounts is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed

at all times a part of the fund or the respective account within a fund or special trust account for which such moneys are invested, and the interest accruing thereon and any profit realized from such investment shall be credited to and held in and any loss shall be charged to the applicable fund.

(b) The Trustee may make any investment permitted by the Indenture through its own bond department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to the Indenture or for any loss arising from any such investment.

(c) Any investment herein authorized is subject to the condition that no use of the proceeds of any Series 2021 Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Series 2021 Bonds, would cause such Series 2021 Bonds to be “arbitrage bonds” within the meaning of such quoted term in Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Series 2021 Bonds to be “arbitrage bonds”, provided only that the Trustee shall have made such investment pursuant to the written direction or confirmation by an Authorized Representative of the University as provided in the Indenture.

(d) No brokerage confirmations will be provided by the Trustee for so long as the Trustee provides periodic statements to the Issuer and the University that include investment activity.

(e) The Trustee shall, at the written direction of the University, sell at the best price obtainable by the Trustee, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made. *(Section 4.10)*

Payment to University upon Payment of Series 2021 Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of the principal or Redemption Price of and interest on all Series 2021 Bonds (or after provision for the payment thereof has been made in accordance with the Indenture) and after payment in full of the fees, charges and expenses of the Trustee and any Paying Agent and all other amounts required to be paid under the Indenture, and the fees, charges and expenses of the Issuer and all other amounts required to be paid under the Loan Agreement, 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 University under the Indenture or under the Loan Agreement shall be paid to the University. *(Section 4.11)*

Failure to Present Series 2021 Bonds

Subject to the provisions of the Indenture, in the event any Series 2021 Bond shall not be presented for payment when the principal or Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Series 2021 Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Series 2021 Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Series 2021 Bonds, who shall

thereafter be restricted exclusively to such moneys for any claim under the Indenture or on, or with respect to, said Series 2021 Bond. If any Series 2021 Bond shall not be presented for payment within the period of two (2) years following the date when such Series 2021 Bond becomes due, whether by maturity or call for prior redemption or otherwise, the Trustee shall return to the Issuer the funds theretofore held by it for payment of such Series 2021 Bond, and such Series 2021 Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Issuer. The Trustee shall, at least sixty (60) days prior to the expiration of such two (2) year period, give notice to any Owner who has not presented any Series 2021 Bond for payment that any moneys held for the payment of any such Series 2021 Bond will be returned as provided in the Indenture at the expiration of such two (2) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to the Indenture. *(Section 5.11)*

Cancellation

All Series 2021 Bonds which have been paid, redeemed, purchased or surrendered shall be canceled and delivered by the Trustee to the Issuer. A copy of the canceled Series 2021 Bonds or other form of notice of such cancellation shall be delivered to the University upon its written request. *(Section 5.12)*

Agreement to Provide Information

The Trustee agrees, whenever requested in writing by the Issuer or the University, to provide such information that is known to the Trustee relating to the Series 2021 Bonds as the Issuer or the University, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the University to make any reports required by any Federal, state or local law or regulation. *(Section 5.14)*

Continuing Disclosure Agreement

Pursuant to the Loan Agreement, the University and the Trustee have undertaken responsibility for compliance with, and the Issuer shall have no liability to the holders of the Series 2021 Bonds or any other person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement authorized by the Loan Agreement. The Trustee covenants and agrees with the holders from time to time of the Series 2021 Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and the Loan Agreement. Notwithstanding any other provision of the Indenture, failure of the University or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. *(Section 5.15)*

Discharge of Lien

(a) If the Issuer shall pay or cause to be paid to the Owners of any series of Series 2021 Bonds or of all Outstanding Series 2021 Bonds the principal or Redemption Price thereof, and interest thereon, at the times and in the manner stipulated therein and in the Indenture, and if there

shall have been paid all fees, charges and expenses required to be paid under the Indenture, then the Lien on the Trust Estate hereby created for the benefit of the Owners of the Series 2021 Bonds so paid shall be released, discharged and satisfied. In such event, except as otherwise specifically provided in the Indenture, the Trustee and any additional Paying Agent shall pay or deliver to the University all moneys or securities held by it pursuant to the Indenture which are not required for the payment of such Series 2021 Bonds. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under the Indenture as security for the benefit of the Owners of Series 2021 Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Series 2021 Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Series 2021 Bonds shall have been made in accordance with the Indenture, the Trustee and the Issuer shall promptly execute and deliver to the University such written certificates, instruments and documents as the University shall provide to cause the Lien of the Indenture upon the Trust Estate to be discharged and canceled.

(c) Notwithstanding the fact that the Lien of the Indenture upon the Trust Estate may have been discharged and canceled in accordance with this summarized section, the Indenture and the rights granted and duties imposed, to the extent not inconsistent with the fact that the Lien upon the Trust Estate may have been discharged and canceled, shall nevertheless continue and subsist until the principal or Redemption Price of and interest on all of the Series 2021 Bonds shall have been fully paid or the Trustee shall have returned to the Issuer pursuant to the Indenture all funds theretofore held by the Trustee for payment of any Series 2021 Bonds not theretofore presented for payment. *(Section 7.01)*

Discharge of the Indenture

(a) Any Outstanding Series 2021 Bond or installments of interest with respect thereto 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 deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with the Indenture, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the Series 2021 Bond when due or to redeem the Series 2021 Bond on the earliest possible redemption date thereof at the Redemption Price specified in the Indenture, (ii) in the event such Series 2021 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 Series 2021 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 provision 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 Agent with respect to the Series 2021 Bonds, (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the Series 2021 Bonds, and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the Series 2021 Bonds shall have been made or provided for.

(b) For the purpose of the Indenture, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Series 2021 Bond not then due or to redeem an

Outstanding Series 2021 Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose an amount of cash and/or a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Series 2021 Bond, or (ii) the first date following the date of computation on which such Series 2021 Bond may be redeemed pursuant to the Indenture (whichever may first occur), which, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the principal or Redemption Price of, such Series 2021 Bond, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date and prior to any defeasance becoming effective as provided above, there shall have been delivered to the Issuer and to the Trustee a verification from a verification agent (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Government Obligations are sufficient, together with any income to be earned thereon, without reinvestment, to pay the principal or Redemption Price of and interest due on the Series 2021 Bonds to be defeased.

(c) Upon the defeasance of the Series 2021 Bonds in accordance with the Indenture, the Trustee shall hold in trust, for the benefit of the Owners of such Series 2021 Bonds, all such cash and/or Government Obligations, shall make no other or different investment of such cash and/or Government Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Series 2021 Bonds. *(Section 7.02)*

Lien Law Section 73 Covenant

The University, for itself and as the Agent of the Issuer, hereby covenants to the Issuer and to the Trustee, as a third-party beneficiary hereof, that the University will receive advances of monies under the Bond Documents and will hold the right to receive such advances as trust funds to be first applied to the payment of trust claims as defined in Section 71 of the Lien Law of the State, and that the University will apply the same to such payments only, before using any part of such advances for any other purpose. *(Section 7.03)*

Events of Default

The following shall be “Events of Default” under the Indenture:

(a) A default in the due and punctual payment of any interest or any principal of, or Redemption Price of any Series 2021 Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration, or any other amounts due under the Indenture or the other Bond Documents; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Indenture or in the Series 2021 Bonds and the continuance thereof for a period of thirty (30) days after written notice given by the Trustee or by the Owners of not less than fifty percent (50%) of the principal amount of the Series 2021 Bonds then Outstanding; or if such default cannot be cured within thirty (30) days, but the Issuer is proceeding diligently to cure such default, then the Issuer shall be permitted an additional ninety (90) days within which to remedy the default; or

(c) The occurrence of an Event of Default under the Loan Agreement. *(Section 8.01)*

Acceleration; Annulment of Acceleration; Default Rate

(a) Upon the occurrence of an Event of Default under Section 10.1(a)(v) of the Loan Agreement, all Series 2021 Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee shall, by notice in writing delivered to the Issuer and the University, declare all Series 2021 Bonds Outstanding immediately due and payable, and such Series 2021 Bonds shall become and be immediately due and payable, anything in the Series 2021 Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Series 2021 Bonds an amount equal to the total principal amount of all such Series 2021 Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series 2021 Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the University all unpaid installments payable by the University under the Loan Agreement to be immediately due and payable.

(b) At any time after the principal of the Series 2021 Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any Series 2021 Bonds not then due by their terms if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal of, or the Redemption Price (other than principal then due only because of such declaration) of all Outstanding Series 2021 Bonds; (ii) sufficient moneys shall be available to pay the amounts described in the Indenture; (iii) all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Series 2021 Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) Upon the occurrence and continuation of an Event of Default, the Series 2021 Bonds shall bear interest at the Default Rate from the date of the occurrence of such Event of Default until the Series 2021 Bonds have been paid pursuant to the Indenture or such Event of Default has been cured. (*Section 8.02*)

Enforcement of Remedies

(a) Upon the occurrence and continuance of any Event of Default, and upon being provided with security or indemnity reasonably satisfactory to the Trustee against any liability or expense which might thereby be incurred, the Trustee shall proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021 Bonds and the Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the University for principal, Redemption Price,

interest or otherwise under any of the provisions of the Series 2021 Bonds and the Bond Documents, without prejudice to any other right or remedy of the Trustee or of the Owners.

(c) Regardless of the happening of an Event of Default, the Trustee shall have the right to institute and maintain such suits and proceedings as it may be advised by such Owners shall be necessary or expedient (i) to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the Series 2021 Bonds, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of the Indenture and is not unduly prejudicial to the interests of the Owners not making such request. *(Section 8.03)*

Appointment of Receivers

Upon the occurrence of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or the Owners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer. *(Section 8.04)*

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall be, after paying the fees and expenses of the Trustee, deposited in the Bond Fund.

(b) All moneys in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all Series 2021 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; and

SECOND - To the payment of the unpaid principal or Redemption Price, if any, of any of the Series 2021 Bonds or principal installments which shall have become due (other than Series 2021 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 Series 2021 Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Series 2021 Bonds became due and, if the amount available shall not be sufficient to pay in full Series 2021 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; and

THIRD - To the payment of the principal or Redemption Price of and interest on the Series 2021 Bonds as the same become due and payable; and

(ii) If the principal of all Series 2021 Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the Series 2021 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 Series 2021 Bond over any other Series 2021 Bond, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(iii) If the principal of all Series 2021 Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to provisions of the Indenture, the moneys shall be applied in accordance with the provisions of subsection (i) of this summarized section.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this summarized section, such moneys shall be applied at such time or times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. On the date fixed by the Trustee for application of such moneys, interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date. *(Section 8.05)*

Remedies Vested in Trustee

Except as otherwise provided in the Indenture, all rights of action (including the right to file proof of claim) under the Indenture or under any of the Series 2021 Bonds may be enforced by the Trustee without possession of any of the Series 2021 Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Series 2021 Bonds. Subject to the provisions of the Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Series 2021 Bonds. *(Section 8.06)*

Remedies Not Exclusive

No remedy conferred upon or reserved to the Trustee or to the Owners by the Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute. *(Section 8.07)*

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. Certain provisions of the Loan Agreement are also described in the Official Statement. This summary does not purport to be complete and reference is made to the Loan Agreement for the detailed provisions thereof. This summary is qualified in its entirety by such reference. Headings are not part of the Loan Agreement and are included for ease of reference only.

Loan of Series 2021 Bond Proceeds

The Issuer agreed to loan the Bond Proceeds to the University in accordance with the provisions of the Loan Agreement. Such Bond Proceeds shall be disbursed to the University in accordance with the provisions of the Loan Agreement and the Indenture. *(Section 5.1)*

Financing of Series 2021 Project.

The University agrees that the Bond Proceeds of the Series 2021 Bonds, along with other available funds, will be used to pay the Costs of the Series 2021 Project. *(Section 4.1)*

Issuance of the Series 2021 Bonds; Disbursement of Bond Proceeds

In order to provide funds for payment of the Costs of the 2021 Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Series 2021 Bonds to be delivered on the terms set forth in the Indenture. Bond Proceeds shall be disbursed in accordance with the provisions of the Indenture and the Loan Agreement. *(Section 4.2)*

Application of Bond Proceeds

The Bond Proceeds shall be deposited in the Project Fund and used to pay the Costs of the Series 2021 Project. Except as provided in the Loan Agreement, the Bond Proceeds, upon the written direction of an Authorized Representative of the University, and on the conditions provided for in the Indenture, shall be applied to pay only the following costs and items of expense paid by or on behalf of the Issuer on or after November 22, 2020, except as may otherwise be provided under the Tax Regulatory Agreement or included in a resolution of the Board of Trustees of the University indicating an intent to reimburse the University for Costs of the Series 2021 Project incurred prior to that date:

- (i) the redemption price of the Series 2011 Bonds,
- (ii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any documents that the Issuer or the Trustee may deem desirable in order to protect or perfect any security interest contemplated by the Indenture,
- (iii) all costs necessary to refund the Series 2011 Bonds,
- (iv) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance,

execution, sale and distribution of the Series 2021 Bonds and the Bond Documents and all other documents in connection herewith or therewith, and with any other transaction contemplated by this Loan Agreement or the Indenture,

(v) any administrative fee and fee for services of the Issuer, and

(vi) reimbursement to the University for any of the above-enumerated costs and expenses. (*Section 4.3*)

Completion by University

(a) In the event that the Net Proceeds of the Series 2021 Bonds are not sufficient to pay in full the Costs of the Series 2021 Project, the University agrees to pay, for the benefit of the Issuer and the Trustee, all such sums as may be in excess of the Net Proceeds of the Series 2021 Bonds. The University shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's security interests contemplated by the Indenture.

(b) The University shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owner of the Series 2021 Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the University under the Loan Agreement. (*Section 4.5*)

Loan Payments and Other Amounts Payable

(a) The University shall pay to the Issuer on the Closing Date the Issuer's administrative fee in the amount of \$71,872.50 (which includes the Issuer's administrative fee of \$67,600 plus the initial compliance fee of \$3,000 and the public notice fees of \$1,272.50). The University shall pay to the Issuer an Annual Compliance Fee of \$1,500 on or before January 1 of each year commencing on January 1, 2022 and continuing through the term of the Loan Agreement. The University shall pay basic loan payments (i) five (5) Business Days before each Debt Service Payment Date directly to the Trustee, in an amount equal to the Debt Service Payment becoming due and payable on the Bonds on such Debt Service Payment Date, and (ii) on each Redemption Date, with respect to the Redemption Price, whether as an optional or mandatory redemption, an amount equal to the Redemption Price together with accrued interest on the Series 2021 Bonds being redeemed on such Redemption Date. The University's obligation to pay such basic loan payments shall be evidenced by the Promissory Note, substantially in the form attached to the Loan Agreement as Exhibit C.

(b) In addition to the Loan Payments pursuant to the Loan Agreement, throughout the Loan Term, the University shall pay to the Issuer as additional loan payments, within fifteen (15) days of the receipt of demand therefor, an amount equal to the sum of the expenses of the Issuer and the members thereof incurred (i) by reason of the Issuer's financing of the Series 2021 Project, or (ii) in connection with the carrying out of the Issuer's duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under the Loan Agreement. Other than the Annual Compliance Fee, the foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer.

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

(d) The University, under the provisions of this summarized section, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the University shall fail timely to make any payment required in summarized subsection (a) of this section, the University shall pay the same together with all late payment penalties specified in the Series 2021 Bonds. In the event the University shall fail timely to make any payment required in summarized subsection (b) of this section, the University shall pay the same together with interest on such payment at the per annum rate of ten percent (10%), but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made. *(Section 5.3)*

Obligations of University Under the Loan Agreement Unconditional

The obligations of the University to make the payments required in the Loan Agreement, and to perform and observe any and all of the other covenants and agreements on its part contained in the Loan Agreement, shall be a general obligation of the University, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Issuer. The University agrees it will not (i) suspend, discontinue or abate any payment required hereunder, (ii) fail to observe any of its other covenants or agreements in the Loan Agreement, or (iii) terminate the Loan Agreement for any cause whatsoever unless and until the Series 2021 Bonds, including premium, if any, and interest thereon, have been paid or provided for.

Subject to the foregoing provisions, nothing contained in this summarized subsection shall be construed to release the Issuer from the performance of any of the agreements on its part contained in the Loan Agreement or to affect the right of the University to seek reimbursement from, or institute any action against any party as the University may deem necessary to compel performance or recover damages for non-performance from such party. *(Section 5.4)*

Payment of Additional Moneys in Prepayment of Series 2021 Bonds

In addition to any other moneys required or permitted to be paid pursuant to the Loan Agreement, the University may, subject to the terms of the Indenture, pay moneys to the Trustee (i) to be applied as the prepayment of amounts to become due and payable by the University pursuant to the Loan Agreement and the Promissory Note, or (ii) to be used for the redemption or prepayment of any Series 2021 Bonds at such time or times and on such terms and conditions as is provided in such Series 2021 Bonds and in the Indenture. The University shall notify the Issuer and the Trustee in writing as to the purpose of any such payment. *(Section 5.5)*

Rights and Obligations of the University upon Prepayment of Series 2021 Bonds

In the event the Series 2021 Bonds shall have been paid in full prior to the termination of the Loan Agreement, or provision for such payment shall have been made in accordance with the Indenture, the Issuer, at the sole cost of the University, shall obtain and record or file appropriate

terminations, discharges or releases of any security interest relating to the Series 2021 Project or under the Indenture. *(Section 5.6)*

Maintenance and Modifications of the Facility by University

(a) The University shall not abandon the Facility or cause or permit any waste to the Facility. During the Loan Term, the University shall not remove any part of the Facility outside of the jurisdiction of the Issuer and shall (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Facility in a sound and economic manner.

(b) With the written consent of the Issuer, which shall not be unreasonably withheld, the University, from time to time, may make any material structural additions, modifications or improvements to the Facility or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Facility, and (ii) such actions do not materially impair the use of the Facility or materially decrease its value. All such additions, modifications or improvements made by the University shall become a part of the Facility. *(Section 6.1)*

Installation of Additional Equipment

Subject to the provisions of the Loan Agreement, the University or any permitted sublessee of the University from time to time may install additional machinery, equipment or other personal property in the Facility (which may be attached or affixed to the Facility), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Facility, provided that the acquisition and installation of such property is not financed from either the Project Fund or the Renewal Fund. The University from time to time may create or permit to be created any Lien on such machinery, equipment or other personal property. Further, the University from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Facility, provided that any such removal of such machinery, equipment or other personal property shall not occur (i) if any Event of Default has occurred; or (ii) if any such removal shall adversely affect the structural integrity of the Facility or impair the overall operating efficiency of the Facility for the purposes for which it is intended, and provided further that, if any damage is occasioned to the Facility by such removal, the University agrees promptly to repair such damage at its own expense. *(Section 6.2)*

Insurance Required

At all times throughout the Loan Term, the University shall, at its sole cost and expense, maintain or cause to be maintained insurance covering the Facility against such risks and for such amounts as are customarily insured against by facilities of like size and type and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Facility, exclusive of footings

and foundations, as determined by a recognized appraiser or insurer selected by the University, but in no event less than the principal amount of the Series 2021 Bonds.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the University is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the University who are located at or assigned to the Facility. This coverage shall be in effect from and after the Closing Date.

(c) Insurance protecting the Issuer, the Trustee and the University against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the University under the Loan Agreement) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Trustee and the University against any loss or liability or damage for personal injury, including bodily injury or death, or property damage.

(d) During any period of construction, the University shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations
Owners Protective
Contractors Protective
Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess "umbrella" liability providing liability insurance in excess of the coverages in (i), (ii) and (iii) above with a limit of not less than \$5,000,000. (*Section 6.4*)

Additional Provisions Respecting Insurance

(a) All insurance required by the Loan Agreement shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State. The company issuing the policies required by summarized subsection (a) above shall be rated “A” or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by summarized subsection (a) above shall provide for payment to the Trustee of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by the Loan Agreement shall provide for at least thirty (30) days’ prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Trustee. The policy evidencing the insurance required by summarized subsection (c) above shall name the Issuer and the Trustee as additional insureds. All policies evidencing the insurance required by summarized subsections (d)(ii) and (iv) above shall name the Issuer and the University as additional insureds. Upon request of the Trustee, the University will assign and deliver to the Trustee the policies of insurance required under summarized subsection (a) above, so and in such manner and form that the Trustee shall at all times, upon such request and until the payment in full of the Series 2021 Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2021 Bonds. The policies under summarized subsection (a) above shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by summarized subsection (a) above shall be deposited with the Trustee on or before the Closing Date. A copy of the policy (or certificate or binder) of insurance required by summarized subsection (c) above shall be delivered to the Issuer on or before the Closing Date. The University shall deliver to the Issuer and the Trustee before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by the Loan Agreement and complying with the additional requirements of subsection (a) of this summarized section. Prior to the expiration of each such policy or policies, the University shall furnish to the Issuer and the Trustee a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by the Loan Agreement. The University shall provide such further information with respect to the insurance coverage required by the Loan Agreement as the Issuer and the Trustee may from time to time reasonably require. *(Section 6.5)*

Application of Net Proceeds of Insurance

The Net Proceeds of the insurance carried pursuant to the provisions of the Loan Agreement shall be applied as follows: (i) the Net Proceeds of the insurance required by subsection (a) above shall be applied as provided in Section 7.1 of the Loan Agreement, and (ii) the Net Proceeds of the insurance required by summarized subsections (b), (c) and (d) above shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. *(Section 6.6)*

Damage or Destruction of the Facility

(a) If any portion of the Facility shall be damaged or destroyed (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or any portion of the Facility; and

(ii) there shall be no abatement or reduction in the Loan Payments or other amounts payable by the University under the Loan Agreement (whether or not the Facility or such portion of the Facility is replaced, repaired, rebuilt, restored or relocated); and

(iii) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Trustee and deposited in the Renewal Fund, and, except as otherwise provided in the Loan Agreement, the University shall at its option either (A) replace, repair, rebuild, restore or relocate the Facility or such portion of the Facility, or (B) direct the Trustee to apply such Net Proceeds to the payment of the principal of the Series 2021 Bonds or any Additional Bonds as they become due and payable or the Redemption Price of Bonds subject to Redemption pursuant to the Indenture.

(b) If the University replaces, repairs, rebuilds, restores or relocates the Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in the Indenture to pay or reimburse the University for the cost of such replacement, repair, rebuilding, restoration or relocation.

(c) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the Facility or such portion of the Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) the Facility or such portion of the Facility will be subject to no Liens, other than Permitted Encumbrances; and

(iv) any other conditions the Issuer may reasonably impose.

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

(e) If the University elects to replace, repair, rebuild, restore or relocate the Facility pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the University shall nonetheless complete the work and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this summarized section, whether or not requiring the expenditure of the University's own money, shall automatically become a part of the Facility as if the same were specifically described in the Loan Agreement.

(f) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, be applied in accordance with the provisions of the Indenture.

(g) If the University shall exercise its option to terminate the Loan Agreement pursuant to the terms of the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement. If an Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement.

(h) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the University.

(i) Except upon the occurrence and continuation of an Event of Default, the University with the consent of the Issuer, not to be withheld unreasonably, shall have the right to settle and adjust all claims under any policies of insurance required by the Loan Agreement on behalf of the Issuer and on its own behalf. *(Section 7.1)*

Condemnation

(a) If title to or use of the Facility or any portion thereof comprising a portion of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or such portion of the Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility (the "Substitute Facility"); and

(ii) there shall be no abatement or reduction in the amounts payable by the University under the Loan Agreement (whether or not the Facility or such portion of the Facility is replaced, repaired, rebuilt, restored or relocated or Substitute Facilities acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Trustee and deposited in the Renewal Fund, and,

except as otherwise provided in the Loan Agreement and summarized subsection (f) of this section, the University shall either:

(A) replace, repair, rebuild, restore or relocate the Facility or such portion of the Facility or acquire a Substitute Facility, or

(B) redeem an amount of Bonds equal to the Net Proceeds in accordance with the Indenture.

(b) If the University replaces, repairs, rebuilds, restores or relocates the Facility or such portion of the Facility or acquires a Substitute Facility, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in the Indenture to pay or reimburse the University for the cost of such replacement, repair, rebuilding, restoration, or relocation of the Facility or acquisition of a Substitute Facility.

(c) Any such replacements, repairs, rebuilding, restorations, or relocations of the Facility or acquisition of a Substitute Facility shall be subject to the following conditions:

(i) the Facility or the Substitute Facility shall be in substantially the same condition and value as an operating entity as existed prior to the condemnation;

(ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) the Facility or the Substitute Facility will be subject to no Liens, other than Permitted Encumbrances; and

(iv) comply with any other conditions the Issuer may reasonably impose.

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

(e) If the University elects to replace, repair, rebuild, restore or relocate pursuant to the Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration, or relocation of the Facility or acquisition of a Substitute Facility, the University shall nonetheless complete the work or the acquisition and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration, relocations and such acquisition of a Substitute Facility made pursuant to this summarized section, whether or not requiring the expenditure of the University's own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(f) Any balance of such Net Proceeds remaining in the Renewal Fund after payment of all costs of replacement, repair, rebuilding, restoration, relocation or acquisition of Substitute Facility shall, subject to any rebate required to be made to the Federal government pursuant to the

Indenture or the Tax Regulatory Agreement, be used to redeem the Series 2021 Bonds as provided in the Indenture.

(g) If the University shall exercise its option to terminate the Loan Agreement pursuant to the terms of the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement. If any Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under the Loan Agreement, such Net Proceeds shall be applied to the payment of the amounts required to be paid by the Loan Agreement.

(h) If the entire amount of the Series 2021 Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the University.

(i) Except upon the occurrence and continuation of an Event of Default, the University with the consent of the Issuer, not to be unreasonably withheld, shall have the right to settle and adjust all claims under any Condemnation proceedings on behalf of the Issuer and on its own behalf. (*Section 7.2*)

Hold Harmless Provisions

(a) The University agrees that the Issuer, the Trustee and each Paying Agent shall not be liable for and agrees to defend, indemnify, release and hold the Issuer, the Trustee and each Paying Agent harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility, or (ii) liability arising from or expense incurred in connection with the Issuer's financing, construction, renovation, and equipping of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the University of any of its covenants contained in the Loan Agreement, and all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Trustee or any Paying Agent are not incurred or do not result from the gross negligence or intentional or willful wrongdoing of the Issuer, the Trustee or any Paying Agent or any of their respective members, directors, trustees, officers, agents or employees. The foregoing indemnities shall apply notwithstanding the fault or gross negligence on the part of the Issuer, the Trustee or any Paying Agent, or any of their respective members, directors, trustees, officers, agents or employees, and irrespective of the breach of a statutory obligation (other than a breach caused by any of their respective gross negligence or intentional or willful wrongdoing) or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only to the extent of any prohibitions imposed by law.

(b) Notwithstanding any other provisions of the Loan Agreement, the obligations of the University pursuant to this summarized section shall remain in full force and effect after the termination of the Loan Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters described

in the Loan Agreement may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters described in the Loan Agreement and the payment of all expenses and charges incurred by the Issuer, the Trustee or their respective members, directors, officers, agents and employees, relating to the enforcement of the provisions specified in the Loan Agreement.

(c) In the event of any claim against the Issuer, the Trustee or any Paying Agent or their respective members, directors, officers, agents or employees by any employee or contractor of the University or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the University under the Loan Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(d) The Trustee and each Paying Agent shall be third party beneficiaries of the University's obligations under this summarized section. *(Section 8.2)*

Right to Inspect Facility

The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior notice to the University to inspect the Facility. *(Section 8.3)*

University to Maintain Its Existence

The University agrees that during the Loan Term (a) it will maintain its existence as a not-for-profit corporation constituting an Exempt Organization subject to service of process within the State and will not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it or acquire all or substantially all of the assets of one or more entities without the prior written consent of the Issuer; (b) it will preserve its status as an organization described in Section 501(c)(3) of the Code; (c) it will operate as an institution of higher learning and will establish tuition and fees for services provided by the University which, together with other available funds, will be sufficient in each fiscal year to provide funds for the following: (1) the payment by the University of all of its expenses for the operation, maintenance and repair of its facilities or Facility in such year; (2) the payment of all amounts due under the Loan Agreement in such year; and (3) the payment of all Indebtedness and all other obligations of the University due in such year; and (d) it will not perform any act, enter into any agreement, or use or permit the Facility to be used in any manner or for any unrelated trade or business as described in Section 513(a) of the Code, which could adversely affect the exemption of interest on the Series 2021 Bonds from Federal income taxes pursuant to Sections 103 and 145 of the Code. Prior to the University performing any act, entering into any agreement or using or permitting the Facility to be used in any manner that would constitute an unrelated trade or business within the meaning of Section 513(a) of the Code, the University shall provide written notice to the Issuer and the Trustee and the Issuer and the Trustee shall receive an opinion of counsel satisfactory to each of them to the effect that such contemplated act, agreement or use will not adversely affect the exemption of interest on the Series 2021 Bonds for Federal income tax purposes. *(Section 8.4)*

Qualification in State

The University throughout the Loan Term shall continue to be duly authorized to do business in the State as an entity of higher education. *(Section 8.5)*

Books of Record and Account; Financial Statements

The University at all times agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all transactions and events relating to the business and affairs of the University. *(Section 8.7)*

Compliance with Orders, Ordinances, Etc.

(a) The University, throughout the Loan Term, agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the renovation, construction and equipping thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the renovation, construction, equipping and furnishing thereof, or to any use, manner of use or condition of the Facility or any part thereof and of all companies or associations insuring the premises.

(b) The University shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the University shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws, regulations and permits, nor shall the University cause or permit, as a result of any intentional or unintentional act or omission on the part of the University or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The University shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The University shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facility (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Trustee and the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Trustee and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal,

release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of this summarized section shall be in addition to any and all other obligations and liabilities the University may have to the Trustee at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of summarized subsections (a) and (b) of this section, the University may in good faith contest the validity or the applicability of any requirement of the nature referred to in summarized subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the University may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the University that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to loss, penalty or forfeiture, in which event the University shall promptly take such action with respect thereto or provide such security as shall be satisfactory to the Trustee and to the Issuer. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the University shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Trustee.

(d) Notwithstanding the provisions of this summarized section, if, because of a breach or violation of the provisions of summarized subsections (a) or (b) of this section (without giving effect to subsection (c) of this section), either the Issuer, the Trustee, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Trustee, the University shall immediately provide legal protection and/or pay amounts necessary in the opinion of the Issuer or the Trustee, as the case may be, and their respective members, directors, officers, agents and employees deem sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this summarized section, the Trustee and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Trustee and the Issuer shall each select their own counsel, and any and all reasonable costs of such defense, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses, shall be paid by the University.
(Section 8.8)

Discharge of Liens and Encumbrances

(a) The University, throughout the Loan Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied.

(b) Notwithstanding the provisions of summarized subsection (a) of this section, the University may in good faith contest any such Lien. In such event, the University may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the University that by nonpayment of any such item or items, the Facility or any part thereof may be subject to loss or forfeiture, in which event the University shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Issuer to protect its interests. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the University's receipt of notice of the filing or perfection thereof. (*Section 8.9*)

Additional Indebtedness

(a) The University may issue additional long term debt provided that the maximum annual debt service on all Outstanding Debt (as defined below) (including the Series 2021 Bonds) shall not exceed 10% of the University's unrestricted revenues, gains and other support determined in accordance with generally accepted accounting principles in the last completed fiscal year of the University. Furthermore, the University may issue Long-Term Indebtedness subject to a lien on the Facility provided that the maximum annual debt service on all Outstanding Debt (as defined below) (including the Bonds) shall not exceed 10% of the University's unrestricted revenues, gains and other support determined in accordance with generally accepted accounting principles in the last completed fiscal year of the University. For purposes of this Section,

(i) "Outstanding Debt" shall include all outstanding indebtedness of the University, including parity, senior and subordinate debt, but shall not include non-recourse debt, and

(ii) in calculating the debt service requirements on balloon and demand debt, if such debt is backed by a commitment to provide liquidity from a commercial bank rated "A" without regard to (+/-) or better by S&P and/or Moody's, then debt service may be calculated based on the terms of the commitment's repayment provisions; and, further, if the University covenants to maintain Net Assets Less Net Fixed Assets (as defined below) equal to 100% of such balloon or demand debt, then debt service may be calculated assuming a 15-year amortization.

"Net Assets Less Net Fixed Assets" shall mean the unrestricted net assets of the University less the University's "Net Fixed Assets". "Net Fixed Assets" shall mean the asset value of the land, buildings and equipment, net of accumulated depreciation, of the University less the Long-Term Indebtedness of the University.

(b) Notwithstanding the above covenant, the University may incur Short-Term Indebtedness equal to 10% of the University's unrestricted revenues, gains and other support regardless of the test above; provided that such Short-Term Indebtedness is fully retired for at least 30 days in each fiscal year. *(Section 8.13)*

Certain Additional Covenants

(a) The University agrees to furnish to the Issuer and the Trustee, and, upon written request to the University, to any registered Bondholder of \$1,000,000 in aggregate principal amount of Series 2021 Bonds, as soon as available and in any event within one hundred twenty (120) days after the close of each fiscal year of the University, a copy of the annual audited financial statements of the University, including statements of financial position as of the end of such year, and the related statement of activities for such fiscal year, prepared in accordance with generally accepted accounting principles, audited by a firm of independent certified public accountants.

(b) The University shall deliver to the Issuer and the Trustee with each delivery of annual financial statements required by summarized subsection (a) of this section, a certificate of an Authorized Representative of the University as to whether or not, as of the close of such preceding fiscal year of the University, and at all times during such fiscal year, the University was in compliance with all the provisions which related to the University in the Bond Documents, and if such Authorized Representative of the University shall have obtained knowledge of any default in such compliance or notice of such default, such Authorized Representative of the University shall disclose in such certificate, such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default under the Loan Agreement, and any action proposed to be taken by the University with respect thereto. The Trustee shall not be considered to have notice of the content of the annual financial statements of the University delivered to it, nor shall it have knowledge of any default based on such content. The Trustee shall not have a duty to verify the accuracy of such statements

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

(d) The University will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, at the sole cost and expense of the University, as the Issuer or the Trustee deems necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of the Loan Agreement and any rights of the Issuer or the Trustee under the Loan Agreement or under the Indenture. *(Section 8.14)*

Continuing Disclosure Agreement

The University has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Series 2021 Bonds. The University hereby covenants and agrees with the holders from time to time of the Series 2021 Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time, applicable to it. Notwithstanding any other provision of the Loan Agreement, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered a default or an event of default under the Loan Agreement and the rights and remedies provided by the Loan Agreement upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. *(Section 8.15)*

Securities Law Status

The University affirmatively represents, warrants and covenants that, as of the date of the Loan Agreement, it is an organization organized and operated: (i) exclusively for civic or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The University agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this summarized section. *(Section 8.16)*

Rebate Covenant

The University covenants to make, or cause to be made, any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2021 Bonds pursuant to Section 148(f) of the Code and to comply with instructions received from Bond Counsel pursuant to the certification with respect to the making of any such payments. *(Section 8.17)*

Assignment, Leasing and Subleasing

(a) The Loan Agreement may not be assigned, in whole or in part, and except in the ordinary course of the operations of the University, including without limitation, leases of dorm rooms to students, the Facility may not be leased, in whole or in part, without the prior written consent of the Issuer in each instance. Any assignment or lease shall be on the following conditions:

- (i) no assignment or lease shall relieve the University from primary liability for any of its obligations under the Loan Agreement or under any other of the University Documents;
- (ii) the assignee or lessee shall assume the obligations of the University under the Loan Agreement to the extent of the interest assigned or leased, shall be jointly and severally liable with the University for the performance thereof and shall be subject to service of process in the State of New York;

- (iii) the University shall, within ten (10) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such assignment or lease and the instrument of assumption;
- (iv) neither the validity nor the enforceability of the Series 2021 Bonds or any Bond Document shall be adversely affected thereby;
- (v) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes will not be adversely affected;
- (vi) the assignee or lessee shall be an Exempt Organization and shall utilize the Facility substantially in the same manner as the University as facilities of higher education.

(b) If the Trustee or the Issuer shall so request, as of the purported effective date of any assignment or lease pursuant to summarized subsection (a) of this section, the University, at its sole cost, shall furnish the Trustee or the Issuer, as appropriate, with an opinion, in form and substance satisfactory to the Trustee or the Issuer, as appropriate, (i) of Bond Counsel as to items (v) and (vi) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above. *(Section 9.3)*

Merger of Issuer

(a) Nothing contained in the Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of its interest in the entire Facility to any other public benefit corporation or political subdivision which has the legal authority to enter into the Loan Agreement, provided that:

(i) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of the Loan Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Issuer's interest in the Facility shall be transferred; and

(ii) the exclusion of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes shall not be adversely affected thereby.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of interest, the Issuer shall give notice thereof in reasonable detail to the University and the Trustee and shall furnish to the University and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of summarized section (a)(i) of this section, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of summarized section (a)(ii) of this section. The Issuer promptly shall furnish such additional information with respect to any such transaction as the University or the Trustee may reasonably request. *(Section 9.5)*

Events of Default Defined

- (a) The following shall be “Events of Default” under the Loan Agreement:
- (i) the failure by the University to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to the Loan Agreement;
 - (ii) the failure by the University to observe and perform any covenant contained in the Loan Agreement;
 - (iii) any representation or warranty of the University in the Loan Agreement or in the Bond Purchase Agreement shall prove to have been false or misleading in any material respect and the same shall have, in the opinion of the Issuer, a materially adverse effect upon the University, the Series 2021 Project, or the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes;
 - (iv) the failure by the University to observe and perform any covenant, condition or agreement in the Loan Agreement on its part to be observed or performed (except obligations referred to in 10.1(a)(i) or (ii) of the Loan Agreement) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the University by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the University is proceeding diligently and in good faith to cure such default, then the University shall be permitted an additional ninety (90) days within which to remedy the default;
 - (v) the dissolution or liquidation of the University; or the failure by the University to release, stay, discharge, lift or bond within sixty (60) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the University generally to pay its debts as they become due; or an assignment by the University for the benefit of creditors; the commencement by the University (as the debtor) of a case in Bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or any proceeding under any other insolvency law against the University (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the University as the debtor in such case or proceeding, or such case or proceeding is consented to by the University or remains undismissed for sixty (60) days, or the University consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the University for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term “dissolution or liquidation of the University” as used in this summarized subsection shall not be construed to include any transaction permitted by the Loan Agreement);

(vi) an Event of Default under or a default on the part of the University of its obligations under the Indenture shall have occurred and be continuing;

(vii) the invalidity, illegality or unenforceability of any of the Bond Documents, provided the same does not permit the Issuer or the Trustee, as the case may be, to recognize the material benefits of the respective documents; or

(viii) a breach of any covenant or representation contained in the Loan Agreement with respect to environmental matters.

(b) Notwithstanding the provisions of summarized subsection (a) of this section, if by reason of force majeure any party hereto shall be unable in whole or in part to carry out its obligations under the Loan Agreement (other than its obligations under summarized subsections (a), (b) or (d) of the section titled "Loan Payments and Other Amounts Payable" above) and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under the Loan Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties. (*Section 10.1*)

Remedies on Default

(a) Whenever any Event of Default shall have occurred, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the University, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid Loan Payments payable pursuant to the Loan Agreement and pursuant to the Promissory Note in amount equal to the aggregate unpaid principal balance of all Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, and (B) all other payments due under the Loan Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(v) of the Loan Agreement shall have occurred, such Loan

Payments and other payments due under the Loan Agreement shall become immediately due and payable without notice to the University or the taking of any other action by the Trustee;

(ii) (A) apply any undisbursed money in the Project Fund and Renewal Fund to the payment of the costs and expenses incurred in connection with the enforcement of the rights and remedies of the Trustee and the Issuer, and (B) apply any undisbursed monies in the Project Fund, the Renewal Fund, and any other Fund or Account under the Indenture (other than those sums attributable to Unassigned Rights and except for the monies and investments from time to time in the Rebate Fund) to the payment of the outstanding principal amount of the Series 2021 Bonds and premium, if any, and accrued and unpaid interest on the Series 2021 Bonds; or

(iii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due under the Loan Agreement and to enforce the obligations, agreements or covenants of the University under the Loan Agreement.

(b) Reserved.

(c) Any sums payable to the Issuer as a consequence of any action taken pursuant to this summarized section (other than those sums attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall be paid to the Trustee and applied to the payment of the Series 2021 Bonds.

(d) No action taken pursuant to this summarized section shall relieve the University from its obligation to make all payments required by the Loan Agreement and pursuant to the Promissory Note.

(e) Reserved.

(f) The Issuer shall have all of the rights, powers and remedies of a secured party under the Uniform Commercial Code of New York, including, without limitation, the right to seize or otherwise dispose of any or all of the Collateral described in the Loan Agreement, and to receive the payment of or take possession of the Collateral or the proceeds thereof. Upon the occurrence of an Event of Default by the University under the Loan Agreement, the University hereby agrees that it will not commingle any moneys or other proceeds received by it in connection with any Collateral with any other moneys, funds or accounts of the University. (*Section 10.2*)

Remedies Cumulative

No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee, as appropriate, to exercise any remedy reserved to it in the Loan

Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Loan Agreement. *(Section 10.3)*

Agreement to Pay Attorneys' Fees and Expenses

(a) In the event the University should default under any of the provisions of the Loan Agreement and the Issuer should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the University contained in the Loan Agreement, the University shall, on demand therefor, pay to the Issuer the reasonable fees of such attorneys and such other reasonable expenses so incurred.

(b) In the event the University should default under any of the provisions of the Loan Agreement and the Trustee should employ attorneys or incur other expenses for the collection of amounts payable under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the University contained in the Loan Agreement, the University shall, on demand therefor, pay to the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred. *(Section 10.4)*

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. *(Section 10.5)*

Early Termination of Loan Agreement

The University shall have the option to terminate the Loan Agreement at any time that the Series 2021 Bonds are subject to redemption in whole under the Indenture and upon filing with the Issuer and the Trustee a certificate signed by an Authorized Representative of the University stating the University's intention to do so pursuant to this summarized section and the date upon which such payment shall be made (which date shall not be less than forty-five (45) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in the Loan Agreement. *(Section 11.1)*

Conditions to Early Termination of Loan Agreement

In the event the University exercises its option to terminate the Loan Agreement in accordance with the provisions of the Loan Agreement, the University shall make the following payments:

(a) To the Trustee for the account of the Issuer: an amount certified by the Trustee which, when added to the total amount on deposit with the Trustee for the account of the Issuer and the University and available for such purpose, will be sufficient to pay the principal of, Redemption Price of, and interest to maturity or the earliest practicable redemption date, as the case may be, on the Series 2021 Bonds, all expenses of redemption and the Trustee's fees and expenses.

(b) To the Issuer: an amount certified by the Issuer sufficient to pay all unpaid fees and expenses of the Issuer incurred under the Bond Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Bond Documents.
(Section 11.2)

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APPENDIX D
Form of Opinion of Bond Counsel

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2021 Bonds, Nixon Peabody LLP as bond counsel to the Issuer, proposes to issue their final approving opinions in substantially the following form:

March 31, 2021

Town of Hempstead Local Development Corporation
Hempstead, New York

TD Securities (USA) LLC
New York, New York

The Bank of New York Mellon, as Trustee
New York, New York

Re: Town of Hempstead Local Development Corporation
 \$13,520,000 Revenue Refunding Bonds, Series 2021
 (Adelphi University Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Town of Hempstead Local Development Corporation (Town of Hempstead, New York) (the “**Issuer**”) in connection with the issuance on the date hereof by the Issuer of its Revenue Refunding Bonds, Series 2021 (Adelphi University Project) in the aggregate principal amount of \$13,520,000 (the “**Series 2021 Bonds**”) for the benefit of Adelphi University, a duly organized and validly existing New York not-for-profit education corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), which is exempt from federal income taxation pursuant to Section 501(a) of the Code (the “**University**”). The Series 2021 Bonds are authorized to be issued pursuant to:

- (i) the provisions of the New York Membership Corporation Law as in effect in 1966, as superseded by Section 1411 of the New York Not-for-Profit Corporation Law (collectively called the “**Act**”);
- (ii) an Inducement Resolution duly adopted by the Issuer on January 21, 2021, and a Bond Resolution duly adopted by the Issuer on February 25, 2021 (collectively, the “**Resolution**”);

- (iii) an Indenture of Trust, dated as of March 1, 2021 (the “**Indenture**”), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Owners of Series 2021 Bonds (the “**Trustee**”).

The Series 2021 Bonds are being issued to finance the costs of the financing and refinancing of the renovating, equipping and furnishing of certain facilities (as defined in the Loan Agreement referenced below) (collectively, the “**Series 2021 Project**”).

The Issuer will loan the proceeds of the Series 2021 Bonds to the University pursuant to the terms of a Loan Agreement, dated as of March 1, 2021 (the “**Loan Agreement**”), between the Issuer and the University. The University has evidenced its obligations to make loan payments to the Issuer by the issuance and delivery of a Promissory Note, dated the closing date (the “**Note**”), from the University to the Issuer and endorsed by the Issuer to the Trustee. The Issuer has assigned to the Trustee as security for the Series 2021 Bonds, for the benefit of the Owners of the Series 2021 Bonds, substantially all of its rights under the Loan Agreement pursuant to the Indenture. The Issuer and the University have entered into a Tax Regulatory Agreement, dated the date hereof (the “**Tax Regulatory Agreement**”), in which the Issuer and the University have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Code. TD Securities (USA) LLC (the “**Underwriter**”), has agreed to sell the Series 2021 Bonds to one or more purchasers pursuant to the terms of a Bond Purchase Agreement, dated March 16, 2021 (the “**Bond Purchase Agreement**”), between the Issuer, the Underwriter, and the University. To induce the Issuer and the Underwriter to enter into the Bond Purchase Agreement, the University has executed and delivered to the Issuer and the Underwriter a Letter of Representation and Indemnity Agreement dated March 16, 2021 (the “**Letter of Representation**”).

The Series 2021 Bonds are dated March 31, 2021, and bear interest from the date thereof at the rate and pursuant to the respective terms of the Series 2021 Bonds. The Series 2021 Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Series 2021 Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Series 2021 Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. 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,

without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

Capitalized terms used herein but not otherwise defined herein shall have the meanings assigned in the Schedule of Definitions attached as Schedule A to the Indenture.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the University in (a) the Letter of Representation, (b) the Tax Regulatory Agreement, (c) the Loan Agreement, (d) the Closing Certificate of the University, dated the date hereof, and (e) the Bond Counsel Questionnaire submitted to us by the University, and (ii) the Issuer in (a) the Bond Purchase Agreement, (b) the Indenture, (c) the Tax Regulatory Agreement, (d) the Loan Agreement, and (e) the Closing Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer and the University must comply after the date of issuance of the Series 2021 Bonds in order for the interest on the Series 2021 Bonds to remain excluded from gross income for federal income tax purposes. Copies of the aforementioned documents are included in the Transcript of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of counsel to the Issuer, Ryan, Brennan & Donnelly, LLP, Floral Park, New York; counsel to the University, Farrell Fritz, P.C., Melville, New York; and counsel to the Trustee, Paparone Law PLLC, New York, New York, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate governmental agency constituting a local development corporation of the State of New York.
2. The Issuer is duly authorized to issue, execute, sell and deliver the Series 2021 Bonds, for the purpose of paying the costs described above.
3. The Resolution has been duly adopted by the Issuer and is in full force and effect.
4. The Bond Purchase Agreement, the Indenture, the Tax Regulatory Agreement, and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.
5. The Series 2021 Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the

revenues derived from the Loan Agreement, enforceable against the Issuer in accordance with their respective terms.

6. The Series 2021 Bonds do not constitute a debt of the State of New York or of the Town of Hempstead, New York, and neither the State of New York nor the Town of Hempstead, New York, will be liable thereon.

7. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the Issuer and the University have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the University have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Regulatory Agreement. We are also relying on the opinion of Counsel to the University, as to all matters concerning the status of the University as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code. We have not independently verified the accuracy of those certifications and representations or that opinion.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

8. Under existing law, interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York, assuming compliance with the tax covenants and the accuracy of the representations and certifications described in paragraph 7 hereof.

Except as stated in paragraphs 7 and 8 above, we express no opinion as to any other federal, state, or local tax consequences of the ownership or disposition of the Series 2021 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2021 Bonds, or the interest thereon, if any action is taken with respect to the Series 2021 Bonds or the proceeds thereof upon the advice or approval of other counsel.

The foregoing opinions are qualified to the extent that the enforceability of the Series 2021 Bonds, the Bond Purchase Agreement, the Letter of Representation, the Indenture, the Loan Agreement and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency

Town of Hempstead Local Development Corporation
TD Securities (USA) LLC
The Bank of New York Mellon, as Trustee
March 31, 2021
Page 5

or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the University or the Trustee in connection with the Series 2021 Bonds, the Bond Purchase Agreement, the Letter of Representation, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Official Statement, the Continuing Disclosure Agreement or the Series 2021 Project and make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data. In addition, we express no opinion herein with respect to the accuracy, completeness, sufficiency or fairness of the Preliminary Official Statement, dated March 2, 2021, or the Official Statement, dated March 16, 2021, with respect to the Series 2021 Bonds.

We express no opinion herein with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws, or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Series 2021 Project contained in the Loan Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Series 2021 Bonds.

Furthermore, we express no opinion as to the Continuing Disclosure Agreement. We express no opinion with respect to whether the Issuer and the University (i) have complied with the State Environmental Quality Review Act, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the renovation, construction, equipping, furnishing and operation of the Series 2021 Project.

This opinion is to be relied upon solely by the addressees and may not be relied upon by any other person without our prior written consent.

Very truly yours,

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APPENDIX E
Form of Continuing Disclosure Agreement

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated March 1, 2021 (the “Disclosure Agreement”), is executed and delivered by Adelphi University, an independent not-for-profit institution of higher education, incorporated under a charter issued in 1896 by New York State, (the “University”), in connection with the issuance of \$13,520,000 Town of Hempstead Local Development Corporation Revenue Refunding Bonds, Series 2021 (Adelphi University Project) (the “Bonds”). The Bonds are being issued pursuant to that certain Indenture of Trust, dated as of March 1, 2021 (the “Indenture”), between the Town of Hempstead Local Development Corporation (the “Issuer”) and The Bank of New York Mellon, as bond trustee (the “Bond Trustee”). The proceeds of the Bonds are being loaned to the University pursuant to that certain Loan Agreement, dated as of March 1, 2021 (the “Loan Agreement”), between the Issuer and the University. The obligations of the University under the Loan Agreement are secured by payments required to be made by the University by a certain promissory note (the “Note”) issued by the University pursuant to the Loan Agreement.

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the University for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The University is an “obligated person” within the meaning of the Rule. The University acknowledges that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Owner or Beneficial Owner of the Bonds, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Audited Financial Statements” shall mean the financial statements the University for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a)(ii) of this Disclosure Agreement.

“Beneficial Owner” shall mean any Person or entity that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries); provided, however, that a person shall not be deemed to be a beneficial owner of a Bond solely as a result of a right held by such person to acquire the Bond in the future.

“University” shall mean the University as defined in the introductory paragraph to this Disclosure Agreement.

“Dissemination Agent” shall mean any Person or entity designated in writing by the University as the dissemination agent and which has filed with the Bond Trustee a written acceptance of such designation. As of the date hereof, the University has not designated a third-party dissemination agent.

“Financial Obligation” shall mean “financial obligation” as such term is used in the Rule, as evidenced by SEC Release No. 34 83885 (August 20, 2018).

“Fiscal Year” shall mean the fiscal year of the University.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive continuing disclosure filings pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the official statement relating to the Bonds, dated March 16, 2021, as may be supplemented and amended.

“Participating Underwriter” shall mean each original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New York.

“Unaudited Financial Statements” has the same meaning as Audited Financial Statements except that such financial statements have not been audited and reported upon by independent certified public accountants.

Section 3. Provision of Annual Reports.

(a) The University shall, not later than one hundred twenty (120) days after the end of the Fiscal Year, commencing with the Fiscal Year ending August 31, 2021, provide an Annual Report to the MSRB which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not

available by that date. If the Fiscal Year changes, the University shall promptly provide written notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If the University is unable to provide any Annual Report to the MSRB by the date required in subsection (a), the University shall provide notice of such failure (in substantially the form attached as EXHIBIT A) to the MSRB electronically within fifteen (15) Business Days of the required date of such Annual Report.

Any filing under this Disclosure Agreement may be made solely by transmitting such filing to the MSRB, or as otherwise permitted or required under the Rule.

Section 4. Content of Annual Reports. The University shall provide to the MSRB certain financial information and operating data annually in accordance with the provisions of Section (b)(5)(i) of the Rule, as follows:

(a) by not later than one hundred twenty (120) days after the end of each fiscal year of the University, commencing with the fiscal year ending August 31, 2021, to the MSRB, the Audited Financial Statements for such fiscal year, if available, or if such Audited Financial Statements are not available within one hundred twenty (120) days after the end of such fiscal year, the Unaudited Financial Statements for such fiscal year to be replaced subsequently by the Audited Financial Statements to be delivered within 15 days after such Audited Financial Statements become available for distribution;

(b) by not later than one hundred twenty (120) days after the end of each fiscal year of the University, commencing with the fiscal year ending August 31, 2021, to the MSRB, the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings “*Degrees Conferred*,” “*Investment in Faculty*,” “*Retirement Plans*,” “*Enrollment Growth*,” “*Applications and Admissions*,” “*Student Fees and Competition*,” “*Student Financial Assistance*,” “*Revenues and Expenses of the University*,” “*Endowment*,” “*State Aid*,” “*Private Gifts*,” “*Plant Values*” and “*Outstanding Indebtedness of the University*” in Appendix A of the Official Statement, to the extent such items are not included in the Audited Financial Statements referred to in (a) above and to the extent such items relate to the University.

In addition to the information described in paragraphs (a) and (b) above, (i) if any part of the information described in Paragraph (b) can no longer be generated because the operations to which it is related have been materially changed or discontinued, the University will include a statement to that effect as part of the Annual Report for the year if the change or discontinuation occurs, and (ii) the Annual Report for the year in which any amendment or waiver of a provision of this Disclosure Agreement occurs shall describe and explain the amendment or waiver, the reason for it and its impact on the type of information being provided, and if the amendment relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 5. Reporting of Listed Events.

The University shall file notice of the occurrence of any of the following events (the “Listed Events”) with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment-related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other listed events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;
- (m) consummation of a merger, consolidation, or acquisition involving the University or sale of all or substantially all of the assets of the University, other than in the ordinary course of business, or the entry into or termination of a definitive agreement relating to the foregoing, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

For any of the Listed Events that require the evaluation of a materiality standard, the University shall make such determination in accordance with securities laws in effect at the time of such Listed Event.

Section 6. Termination of Reporting Obligation. The University's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the University's obligations under the Loan Agreement are assumed in full by some other entity, such Person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the University, and the University shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the University shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the University may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the University shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the University. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the University chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the University shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the University to comply with any provision of this Disclosure Agreement, the Bond Trustee may (and, at the request of the Participating Underwriters or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, but only to the extent funds in an amount satisfactory to the Bond Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Bond Trustee whatsoever, including, without limitation, fees and expenses of its attorneys, shall), or any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the University to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the University, the Bond Trustee, the Participating Underwriters and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13. Entire Agreement. This Disclosure Agreement contains the entire agreement of the University with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto, provided however that this Disclosure

Agreement shall be interpreted and construed with reference to and *in pari materia* with the Rule.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the University has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

ADELPHI UNIVERSITY

By: _____
Christine M. Riordan
President

By: _____
James J. Perrino
Executive Vice President of Finance
and Administration

[signature page to Continuing Disclosure Agreement]

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Town of Hempstead Local Development Corporation

Name of Bond Issue: Town of Hempstead Local Development Corporation
Revenue Refunding Bonds, Series 2021
(Adelphi University Project)

Name of Obligated Person: Adelphi University

Date of Issuance: March 31, 2021

CUSIP No. *See Schedule 1*

NOTICE IS HEREBY GIVEN that Adelphi University has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated March 1, 2021. Adelphi University anticipates that the Annual Report will be filed by _____.

Dated:

ADELPHI UNIVERSITY

SCHEDULE 1

Maturity	CUSIP
2021	424682KQ4
2022	424682KR2
2023	424682KS0
2024	424682KT8
2025	424682KU5
2026	424682KV3
2027	424682KW1
2028	424682KX9
2029	424682KY7
2030	424682KZ4
2031	424682LA8
2032	424682LB6

