NEW ISSUE

Moody's: "Aa3"
S&P: "AA-"
(see "RATINGS" herein)

In the opinion of Nixon Peabody LLP, 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 College described herein, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). 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 with respect to individuals and corporations. Bond Counsel is further of the opinion that interest on the Series 2017 Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof including The City of New York. See "TAX MATTERS" herein regarding certain other tax considerations.

Vassar College

$102,095,000
DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2017
(VASSAR COLLEGE PROJECT)

Dated: Date of Delivery **Due:** July 1, as Shown on the Inside Cover

The Revenue Refunding Bonds, Series 2017 (Vassar College Project) (the "Series 2017 Bonds") are being issued by the Dutchess County Local Development Corporation (the "Issuer") pursuant to an Indenture of Trust, dated as of April 1, 2017 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee") and are payable solely out of the revenues or other receipts, funds or moneys of the Issuer pledged therefor or otherwise available to the Trustee for the payment thereof, including those derived under a Loan Agreement, dated as of April 1, 2017 (the "Loan Agreement"), between the Issuer and Vassar College (the "College").

The Series 2017 Bonds will bear interest at the rates shown on the inside cover to this Official Statement. The Series 2017 Bonds will be subject to optional, mandatory and extraordinary optional redemption and to acceleration prior to maturity as described herein under "THE SERIES 2017 BONDS — Redemption Prior to Maturity".

The Series 2017 Bonds are being issued to (i) refund certain bonds previously issued for the benefit of the College, and (ii) pay certain costs of issuance of the Series 2017 Bonds. See "PLAN OF REFUNDING" herein.

Interest on the Series 2017 Bonds will be payable on each January 1 and July 1, commencing July 1, 2017. The Series 2017 Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository for the Series 2017 Bonds. Individual purchases will be made in Book-Entry form only, in the principal amount of $5,000 or any multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Series 2017 Bonds. Principal and interest will be paid by the Issuer to the Trustee which will remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Series 2017 Bonds. See "THE SERIES 2017 BONDS — Book-Entry Only System" herein.

THE SERIES 2017 BONDS WILL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE COLLEGE UNDER THE LOAN AGREEMENT AND ANY MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE. THE SERIES 2017 BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK AND NEITHER THE STATE OF NEW YORK OR THE COUNTY OF DUTCHESS, NEW YORK SHALL BE LIABLE THEREON.

THE SERIES 2017 BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR OF THE COUNTY OF DUTCHESS, NEW YORK. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR THE INTEREST ON ANY SERIES 2017 BOND AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT OF THE ISSUER.

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

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriters and subject to the receipt of the unqualified legal opinion as to the validity of the Series 2017 Bonds of Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the College by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Issuer by its counsel, Cappillino & Rothschild LLP, Pawling, New York. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York. It is anticipated that the Series 2017 Bonds will be available for delivery in book-entry only form to DTC on or about April 25, 2017.

Goldman, Sachs & Co.

Fidelity Capital Markets **Morgan Stanley**

March 22, 2017

$102,095,000
DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2017 (VASSAR COLLEGE PROJECT)

Maturities, Amounts, Interest Rates, and Yields

$38,260,000 Serial Bonds

Due July 1	Principal Amount	Interest Rate	Yield	CUSIP†
2018	$ 585,000	3.000%	0.930%	267045JG8
2019	600,000	4.000	1.180	267045JH6
2020	625,000	4.000	1.430	267045JJ2
2021	650,000	5.000	1.630	267045JK9
2022	955,000	2.500	1.880	267045JL7
2023	985,000	2.500	2.090	267045JM5
2024	1,000,000	5.000	2.270	267045JN3
2025	1,060,000	5.000	2.440	267045JP8
2031	3,900,000	5.000	3.060*	267045JQ6
2032	4,090,000	5.000	3.140*	267045JR4
2033	4,305,000	5.000	3.210*	267045JS2
2034	4,520,000	5.000	3.270*	267045JT0
2035	4,750,000	5.000	3.320*	267045JU7
2036	4,990,000	5.000	3.350*	267045JV5
2037	5,245,000	5.000	3.360*	267045JW3

$31,520,000 Term Bonds, 5.00% due July 1, 2042, Yield 3.430*% CUSIP† 267045JX1
$32,315,000 Term Bonds, 4.00% due July 1, 2046, Yield 3.850*% CUSIP† 267045JY9

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* Yield to the first optional redemption date of July 1, 2027.

† The CUSIP (Committee on Uniform Securities Identification Procedures) numbers on the inside cover page of this Official Statement have been assigned by an organization not affiliated with the Issuer, the College, the Underwriters or the Trustee, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of holders and no representation is made as to the correctness of the CUSIP numbers printed above. CUSIP numbers assigned to the Series 2017 Bonds may be changed during the term of the Series 2017 Bonds based on a number of factors, including, but not limited to, the refunding or defeasance of Series 2017 Bonds or the use of secondary market financial products. None of the Issuer, the College, the Underwriters or the Trustee has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers printed above.

No broker, dealer, salesperson or other person has been authorized by the Issuer or the College to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the College.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2017 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2017 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Official Statement contains a general description of the Series 2017 Bonds, the Issuer, the College, and the plan of refunding, and sets forth summaries of certain provisions of the Act, the Loan Agreement and the Indenture. The descriptions and summaries herein do not purport to be complete and are not to be construed to be a representation of the Issuer or the College. Persons interested in purchasing the Series 2017 Bonds should carefully review this Official Statement (including the Appendices attached hereto) as well as copies of such documents in their entireties, which are held by the Trustee at its principal corporate trust office.

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

Information included under the heading "BONDHOLDERS' RISKS" and other sections in this Official Statement and APPENDIX A attached hereto includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties (the "Forward-Looking Statements"). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of the College and on information currently available to such management as of the date of this Official Statement and (ii) generally identifiable by words such as "estimates", "expects", "anticipates", "plans", "believes" and other similar expressions.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
of the
DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

Relating to

$102,095,000 Revenue Refunding Bonds, Series 2017 (Vassar College Project)

INTRODUCTION

The purpose of this Official Statement, including the inside cover page and the appendices attached hereto, is to provide information in connection with the issuance by the Dutchess County Local Development Corporation (the "Issuer") of its $102,095,000 Revenue Refunding Bonds, Series 2017 (Vassar College Project) (the "Series 2017 Bonds"). The following is a brief description of certain information concerning the Series 2017 Bonds, the Issuer and Vassar College (the "College"). A more complete description of such information and additional information that may affect decisions to invest in the Series 2017 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain capitalized terms not otherwise defined herein are defined in APPENDIX C — "DEFINITIONS OF CERTAIN TERMS".

Purpose of the Issue

The Series 2017 Bonds are being issued to (i) refund the Dormitory Authority of the State of New York Vassar College Revenue Bonds, Series 2007 (the "DASNY 2007 Bonds" or the "Refunded Bonds"), and (ii) pay certain costs of issuance of the Series 2017 Bonds. See "PLAN OF REFUNDING" herein.

Authorization of the Series 2017 Bonds

The Series 2017 Bonds are authorized to be issued pursuant to resolutions of the Issuer adopted on January 19, 2017 and on March 1, 2017 (collectively, the "Resolution"). The Series 2017 Bonds will be issued under an Indenture of Trust, dated as of April 1, 2017 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS" herein.

The Issuer

The Issuer is a not-for-profit local development corporation created as a public instrumentality of Dutchess County, New York (the "County"), for the purpose of promoting the economic welfare of the inhabitants of the County. The Issuer was formed under the Not-For-Profit Corporation Law of the State of New York (the "State") and is operated under Article 14 of the Not-For-Profit Corporation Law, as amended from time to time (the "Act"). The Issuer has no taxing power. See "THE ISSUER" herein.

The College

The College is a private, non-sectarian, nonprofit institution of higher education chartered by the State Legislature. The College is located in Poughkeepsie, New York. For more information on the College, see "THE COLLEGE" herein and APPENDIX A — "CERTAIN INFORMATION CONCERNING THE COLLEGE" and APPENDIX B — "AUDITED FINANCIAL STATEMENTS OF THE COLLEGE FOR THE YEARS ENDED JUNE 30, 2016 AND 2015" herein.

Limited Obligations of the Issuer

THE SERIES 2017 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER. THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF AND INTEREST ON THE SERIES 2017 BONDS SOLELY FROM THE NET REVENUES AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE AND AVAILABLE FOR SUCH PAYMENT. THE SERIES 2017 BONDS ARE NOT A DEBT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, SHALL BE LIABLE THEREON. THE SERIES 2017 BONDS SHALL NOT BE PAYABLE FROM ANY OTHER FUNDS OF THE ISSUER. THE ISSUER HAS NO TAXING POWERS.

General

The Series 2017 Bonds will be issued as "Book-Entry only" obligations to be held by The Depository Trust Company, as depository (the "Depository") for the Series 2017 Bonds. See "THE SERIES 2017 BONDS — Book-Entry Only System" herein.

The Series 2017 Bonds will be equally and ratably secured as to principal and interest by the Indenture. The Indenture constitutes a first lien on the Trust Estate (as defined in the Indenture).

The purchase of the Series 2017 Bonds involves a degree of risk. Prospective purchasers should carefully consider the material under the caption "BONDHOLDERS' RISKS" herein.

The Series 2017 Bonds will be sold and delivered by the Issuer to the underwriters (the "Underwriters") named in that certain bond purchase agreement (the "Bond Purchase Agreement") by and among the Issuer, the College and the Underwriters. See "UNDERWRITING" herein.

The following summaries are not comprehensive or definitive. All references to the Series 2017 Bonds, the Indenture and the Loan Agreement are qualified in their entirety by the definitive forms thereof, copies of which are on file at the principal corporate trust office of the Trustee located at 101 Barclay Street, 21st Floor, New York, New York 10286.

Capitalized terms used in this Official Statement shall have the meanings specified herein and in APPENDIX C — "DEFINITIONS OF CERTAIN TERMS".

THE SERIES 2017 BONDS

General

The Series 2017 Bonds will be dated, bear interest at the rates per annum and mature in the years and in the principal amounts shown on the inside cover page to this Official Statement, subject to redemption prior to maturity as hereinafter described. The Series 2017 Bonds are issued as fully registered bonds without coupons, in the denomination of $5,000 or any integral multiple thereof.

Interest on the Series 2017 Bonds will be payable semiannually on January 1 and July 1, commencing July 1, 2017. Subject to the provisions described below under "Book-Entry Only System," principal of and any redemption premium on the Series 2017 Bonds are payable upon presentation and surrender of such Series 2017 Bonds at the principal corporate trust office of the Trustee and interest on the Series 2017 Bonds will be payable by check mailed or by wire transfer to any owner of at least $500,000 in aggregate principal amount of Series 2017 Bonds on each Debt Service Payment Date to the registered holders thereof at their addresses appearing on the registration books maintained by the Trustee.

Redemption Prior to Maturity

Optional Redemption

The Series 2017 Bonds maturing on and after July 1, 2031 are subject to redemption by the Issuer, at the option of the College, on or after July 1, 2027, in whole or in part at any time, at the Redemption Price (as defined in the Indenture) equal to 100% of the principal amount being redeemed, plus accrued interest to the Redemption Date, upon receipt by the Trustee of notice from the College on behalf of the Issuer, directing such redemption.

Extraordinary Optional Redemption

The Series 2017 Bonds are subject to extraordinary optional redemption prior to maturity, at the request of the College, as a whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(a) The Project or any material portion of the Project shall have been damaged or destroyed to such extent that, in the opinion of an Authorized Representative of the College (as defined in the Indenture and as expressed in a certificate filed with the Issuer and the Trustee within sixty (60) days after such damage or destruction), (A) the Project or any such portion of any of the Project cannot be reasonably restored within a period of twelve (12) consecutive months after such damage or destruction to the condition thereof immediately preceding such damage or destruction, or (B) the College is thereby prevented or is reasonably expected to be thereby prevented from carrying on its normal operations within the Project or any such portion of any of the Project for a period of twelve (12) consecutive months after such damage or destruction, or (C) the cost of restoration of any of the Project or such portions of any of the Project would exceed the Net Proceeds (as defined in the Indenture) of insurance carried thereon; or

(b) Title to, or the use of, all or any material part of any of the Project shall have been taken by Condemnation (as defined in the Indenture) such that, in the opinion of an Authorized Representative of the College (expressed in a certificate filed with the Issuer and the Trustee within sixty (60) days after the date of such taking), the College is thereby prevented from carrying on its normal operations therein for a period of twelve (12) consecutive months after such taking.

Optional Redemption from Renewal Fund Balances

The Series 2017 Bonds are subject to optional redemption, at the request of the College, without premium or penalty, in whole or in part, prior to maturity with moneys deposited into the Bond Fund created under the Indenture as a result of the unused balance in the Renewal Fund created under the Indenture being deposited into the Bond Fund pursuant to the Indenture. See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST - Payments into Bond Fund" and - "Payments into Renewal Fund, Application of Renewal Fund" herein.

Sinking Fund Redemption

The Series 2017 Bonds maturing on July 1, 2042 and July 1, 2046 are subject to mandatory redemption in part by lot by operation of Sinking Fund Payments at a redemption price equal to the principal amount of the Series 2017 Bonds to be redeemed plus accrued interest to the Redemption Date as set forth in the following tables.

$31,520,000 Term Bonds Maturing July 1, 2042

Sinking Fund Payment Date (July 1)	Amount
2038	$5,515,000
2039	5,800,000
2040	6,110,000
2041	6,870,000
2042*	7,225,000

* Maturity date

$32,315,000 Term Bonds Maturing July 1, 2046

Sinking Fund Payment Date (July 1)	Amount
2043	$7,595,000
2044	7,905,000
2045	8,235,000
2046*	8,580,000

* Maturity date

If any maturity of the Series 2017 Bonds which is subject to sinking fund redemption is to be redeemed in part (other than through a scheduled mandatory redemption), the Trustee shall credit the principal amount so redeemed against the mandatory Sinking Fund Payments in such order as may be designated by the College.

Notice of Redemption

When the Series 2017 Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of the Series 2017 Bonds in the name of the Issuer, by mail at least thirty (30) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2017 Bond to be redeemed at the address shown on the registration books, stating: (i) the Series 2017 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2017 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 2017 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 on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the Redemption Date will be made upon presentation and surrender of the Series 2017 Bonds or portions thereof to be redeemed; and that the Series 2017 Bonds or portions thereof so called for redemption will be deemed redeemed and will cease to bear interest on the specified Redemption Date, provided that moneys for their redemption have been duly deposited with the Trustee; and, except for the purpose of payment, that such Series 2017 Bonds will no longer be protected by the Indenture. Notwithstanding anything to the contrary contained in the Indenture, failure by the Trustee to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2017 Bonds.

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

Notice of any redemption with respect to the Series 2017 Bonds held under a book-entry system shall be given by the Bond Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Bonds. Selection of book-entry interests in the Series 2017 Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant or Beneficial Owner to receive such notice and its content or effect will not affect the validity of such notice or any proceedings for the redemption of such Series 2017 Bonds.

Payment of Redeemed Series 2017 Bonds

After notice shall have been given in the manner provided above, the Series 2017 Bonds or portions thereof called for redemption shall become due and payable on the Redemption Date so designated. Upon presentation and surrender of such Series 2017 Bonds at the Office of the Trustee, such Series 2017 Bonds shall be paid at the Redemption Price, plus accrued interest to the Redemption Date.

If, on the Redemption Date, moneys for the redemption of all the Series 2017 Bonds or portions thereof to be redeemed, together with interest thereon to the Redemption Date, shall be held by the Trustee so as to be available therefor on such date, the Series 2017 Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2017 Bonds or portions thereof shall no longer be Outstanding under the Indenture or be secured by or be entitled to the benefits of the Indenture except with respect to payment of the Redemption Price thereof and accrued interest thereon to the Redemption Date. If such moneys shall not be so available on the Redemption Date, such Series 2017 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of the Indenture.

In the event of any partial redemption, the particular Series 2017 Bonds or portions thereof (equal to $5,000 or any integral multiple of $5,000 in excess thereof) to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date from maturities designated in writing by the College, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate, provided that for so long as the Series 2017 Bonds shall be Book-Entry Bonds, the particular Series 2017 Bond or portions thereof to be redeemed within a maturity may be selected by lot by the Depository in such manner as the Depository may determine.

Purchase in Lieu of Redemption

The College shall have the option to cause any Series 2017 Bonds to be purchased by the College, or its designee, in lieu of redemption pursuant to the Indenture. Such option may be exercised by delivery to the Trustee, within the time period specified in under the heading "Notice of Redemption" above, as though the written request were a written notice of the College's election to cause redemption of the Series 2017 Bonds, of a written notice of the College specifying that the Series 2017 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture. Upon delivery of such notice, (i) the Trustee shall thereupon give the owners of the Series 2017 Bonds to be purchased notice of such purchase in the manner specified in the Indenture as though such purchase were a redemption and the purchase of such Series 2017 Bonds shall be mandatory and enforceable against the Bondholders, and (ii) the Series 2017 Bonds shall not be redeemed but shall be purchased by the College at a price equal to the Redemption Price specified above, together with interest accrued to the Redemption Date, and if so purchased, the Series 2017 Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided in the Indenture. In the case of the purchase of less than all of the Series 2017 Bonds, the particular Series 2017 Bonds to be purchased shall be selected in accordance with the provisions of the Indenture as though such purchase were a redemption, or in such other manner as the College shall direct, provided such selection method is described in the written request to the Trustee. The Series 2017 Bonds so purchased by the College or any affiliate shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the College shall deliver to the Trustee and the Issuer an opinion of Bond Counsel to the effect that the failure to surrender such Series 2017 Bonds by such date will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

Registration, Transfer and Exchange

So long as any Series of Bonds shall remain Outstanding under the Indenture, the Issuer shall maintain, at the office of the Trustee, books for the registration and transfer such Series of Bonds. The Trustee is appointed Bond Registrar for the Issuer under the Indenture for the purpose of registering and making transfers on such registration books for each Series of Bonds issued thereunder. 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 of Bonds entitled to registration or transfer.

Each Series 2017 Bond shall be transferable only on the books of the Issuer and upon surrender of the Series 2017 Bond, 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 2017 Bond, the Issuer shall issue in the name of the transferee a new registered Series 2017 Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered Series 2017 Bond.

The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Series 2017 Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such Series 2017 Bond shall be overdue or not for the purpose of receiving payment of the principal of or Redemption Price and, except as otherwise provided in the Indenture, interest on such Series 2017 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 2017 Bond to the extent of the sum or sums so paid. Neither the Issuer, 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 the Series 2017 Bonds is exercised, the Issuer shall execute and, upon the Issuer's request, the Trustee shall authenticate and deliver the Series 2017 Bonds in accordance with the provisions of the Indenture. All Series 2017 Bonds surrendered in any exchanges or transfers shall forthwith be canceled in accordance with the provisions of the Indenture. For every exchange or transfer of the Series 2017 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 Series 2017 Bonds in exchange for temporary Series 2017 Bonds, (ii) the cost of preparing each new Series 2017 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 2017 Bond during the ten (10) days next preceding (i) a Debt Service Payment Date (as defined in the Indenture), or (ii) in the case of any proposed redemption of Series 2017 Bonds, the date of the first mailing of notice of such redemption.

Acceleration

Upon the occurrence of an Event of Default under the Loan Agreement or any similar provision in any other loan agreement with respect to any Additional Bonds (as defined in the Indenture), all Series of 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 an Event of Default, the Trustee shall, by notice in writing delivered to the Issuer and the College, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the Series of Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Series of Bonds an amount equal to the total principal amount of all such Series of Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of 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 College all unpaid installments payable by the College under the Loan Agreement or any similar provision in any other loan agreement with respect to any Additional Bonds to be immediately due and payable. At any time after the principal of the Series 2017 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 2017 Bonds not then due by their terms if all condition to such annulment set forth in the Indenture are satisfied. See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST — Acceleration; Annulment of Acceleration; Default Rate".

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2017 Bonds. The Series 2017 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 2017 Bond will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 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 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 Bonds, except in the event that use of the Book-Entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 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 2017 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds 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 any other DTC nominee) will consent or vote with respect to Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017 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 Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's Book-Entry system has been obtained from sources that Issuer, the College and the Underwriters believe to be reliable, but Issuer, the College and the Underwriters take no responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE COLLEGE, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT, (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OR INTEREST ON THE SERIES 2017 BONDS, (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMIITED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDOWNERS, (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2017 BONDS, OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER.

SO LONG AS CEDE & Co. IS THE REGISTERED OWNER OF THE SERIES 2017 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS OR REGISTERED HOLDERS OF THE SERIES 2017 BONDS SHALL MEAN CEDE & Co. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2017 BONDS.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the long-term debt service requirements of the College for each Fiscal Year ending June 30 of the years shown for (i) the payment of the principal on the Series 2017 Bonds, payable on July 1 of each such period and the interest payments coming due during each such period with respect to the Series 2017 Bonds, (ii) the total aggregate debt service payments coming due during such period with respect to the Series 2017 Bonds, (iii) the total aggregate debt service payments coming due during such period with respect to outstanding Dutchess County Local Development Corporation Vassar College Revenue Bonds, Series 2013A (the "Series 2013A Bonds") and outstanding Dormitory Authority of the State of New York ("DASNY") Vassar College Revenue Bonds, Series 2010 (collectively, the "Existing Bonds"), and (iv) the estimated total aggregate debt service payments coming due during such period with respect to the Series 2017 Bonds and the Existing Bonds.

Fiscal Year Ending June 30[(1)]	Series 2017 Bonds Principal	Series 2017 Bonds Interest	Total Debt Service on Series 2017 Bonds	Total Debt Service on Existing Bonds[(2)]	Total Debt Service[(3)]
2018	$ 0	$3,217,919	$3,217,919	$6,328,419	$9,546,338
2019	585,000	4,700,375	5,285,375	6,328,419	11,613,794
2020	600,000	4,679,600	5,279,600	6,328,419	11,608,019
2021	625,000	4,655,100	5,280,100	6,328,419	11,608,519
2022	650,000	4,626,350	5,276,350	6,328,419	11,604,769
2023	955,000	4,598,163	5,553,163	6,328,419	11,881,581
2024	985,000	4,573,913	5,558,913	6,328,419	11,887,331
2025	1,000,000	4,536,600	5,536,600	6,328,419	11,865,019
2026	1,060,000	4,485,100	5,545,100	6,328,419	11,873,519
2027	0	4,458,600	4,458,600	6,328,419	10,787,019
2028	0	4,458,600	4,458,600	6,328,419	10,787,019
2029	0	4,458,600	4,458,600	6,328,419	10,787,019
2030	0	4,458,600	4,458,600	6,328,419	10,787,019
2031	0	4,458,600	4,458,600	7,923,419	12,382,019
2032	3,900,000	4,361,100	8,261,100	7,928,669	16,189,769
2033	4,090,000	4,161,350	8,251,350	7,919,669	16,171,019
2034	4,305,000	3,951,475	8,256,475	7,926,919	16,183,394
2035	4,520,000	3,730,850	8,250,850	7,929,419	16,180,269
2036	4,750,000	3,499,100	8,249,100	7,927,169	16,176,269
2037	4,990,000	3,255,600	8,245,600	7,925,169	16,170,769
2038	5,245,000	2,999,725	8,244,725	7,923,169	16,167,894
2039	5,515,000	2,730,725	8,245,725	7,925,919	16,171,644
2040	5,800,000	2,447,850	8,247,850	7,922,919	16,170,769
2041	6,110,000	2,150,100	8,260,100	11,499,544	19,759,644
2042	6,870,000	1,825,600	8,695,600	11,499,794	20,195,394
2043	7,225,000	1,473,225	8,698,225	11,500,994	20,199,219
2044	7,595,000	1,140,700	8,735,700	11,502,569	20,238,269
2045	7,905,000	830,700	8,735,700	11,501,194	20,236,894
2046	8,235,000	507,900	8,742,900	11,503,069	20,245,969
2047	8,580,000	171,600	8,751,600	25,102,400	33,854,000
2048				25,100,975	25,100,975
2049				25,095,463	25,095,463
2050				6,319,125	6,319,125

(1) Debt service amounts are for the fiscal year in which such amounts are due.
(2) Excludes debt service on the Refunded Bonds.
(3) Totals may not add due to rounding.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS

The Series 2017 Bonds will be secured by (i) the Issuer's rights and remedies under the Loan Agreement (except with respect to the Unassigned Rights), including the right to collect and receive loan payments required to be made thereunder, and (ii) all other moneys and securities held from time to time by the Trustee for the Bondholders pursuant to the Indenture, except moneys held in the Rebate Fund.

Loan Agreement

Under the Loan Agreement, the College will be absolutely and unconditionally obligated to make loan payments to the Trustee, as the assignee of the Issuer, sufficient to provide for the payment of the principal of, interest on, and premium, if any, on the Series 2017 Bonds when due, and to provide for deposits to the Bond Fund, if required, at the times and in the amounts required by the Indenture and the Loan Agreement. See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT- Obligations of College Under the Loan Agreement Unconditional".

Additional Bonds

So long as the Indenture is in effect, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing additional costs with respect to the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Project in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions, improvements or facilities to the Project, (iv) funding the costs of acquiring, constructing, equipping and start-up costs of any capital project of the College, (v) refunding Outstanding Bonds or other Indebtedness of the College, or (vi) refunding any other Indebtedness or bonds for which the College is the primary obligor, or for which the College is responsible for paying the debt service payments in connection therewith, or which the College has guaranteed, including bonds issued by DASNY (the "DASNY Bonds"). Such Additional Bonds will be secured on a parity basis with the Series 2017 Bonds under the Indenture.

No Mortgage or other Security Interest Given to Trustee

The Series 2017 Bonds will not be secured by any mortgage lien on, security interest in or other pledge of any of the College's properties, assets or revenues.

THE ISSUER

Purpose and Powers

The Issuer is a not-for-profit local development corporation having an office for the transaction of business located at 3 Neptune Road, Poughkeepsie, New York 12601. The Issuer was formed pursuant to the Act for the purpose of undertaking projects and activities within the County for the purposes of promoting community and economic development and the creation of jobs in the non-profit sector for the citizens of the County by developing and providing programs for non-for-profit institutions to access low interest tax-exempt and non-tax-exempt financing for their eligible projects, relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County and lessening the burdens of government and acting in the public interest.

Under the Act, the Issuer has the power to acquire, hold and dispose of personal property for its corporate purposes, to acquire, use for its corporate purposes and dispose of real property within the corporate limits of the County, to appoint officers, agents and employees; to make contracts and leases, to acquire, construct, reconstruct, lease, improve, maintain, equip or furnish one or more projects; to borrow money and issue bonds and to provide for the rights of the holders thereof; to grant options to renew any lease with respect to any project and to grant options to buy any project at such price as the Issuer may deem desirable, to designate depositories of its moneys; and to do all things necessary or convenient to carry out its purposes and exercise the powers given in the Act.

Limited Recourse on Series 2017 Bonds and the Issuer

THE SERIES 2017 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE UNDER THE LOAN AGREEMENT AND FROM THE MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE. NEITHER THE ISSUER NOR ITS MEMBERS OR OFFICERS ARE PERSONALLY LIABLE WITH RESPECT TO THE SERIES 2017 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE SERIES 2017 BONDS SHALL NOT BE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON. THE ISSUER HAS NO TAXING POWER.

Except for the information contained herein under the caption “THE ISSUER” and “LITIGATION” insofar as it relates to the Issuer, the Issuer has not provided any of the information contained in this Official Statement. The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the College, the Underwriters or any other person.

THE COLLEGE

The College is a New York education corporation and an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The College has the sole responsibility for paying the debt service payments to become due on the Series 2017 Bonds. Certain information, including financial information, concerning the College is included in Appendices A and B hereto.

PLAN OF REFUNDING

The Refunded Bonds are being refunded and defeased pursuant to their terms. A portion of the proceeds of the Series 2017 Bonds, together with other available funds of the College and funds held by the trustee for the Refunded Bonds, will be deposited and invested in certain obligations of, or guaranteed by, the United States of America, the maturing principal of which and interest thereon, together with the uninvested cash, shall be used to pay the principal of and interest on the Refunded Bonds maturing on July 1, 2017 and to pay the redemption price of the Refunded Bonds maturing after July 1, 2017, plus accrued interest thereon, upon their optional redemption on July 1, 2017.

SOURCES AND USES OF FUNDS

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

Estimated Sources of Funds

Par Amount of Series 2017 Bonds	$102,095,000
Original Issue Premium	10,025,277
College Equity Funds	2,380,048
Funds on Deposit with Trustee for Refunded Bonds	1,049
Total Sources of Funds	$114,501,374

Estimated Uses of Funds

Deposit to Defease Refunded Bonds	$113,468,806
Costs of Issuance [(1)]	1,032,568
Total Uses of Funds	$114,501,374

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(1) Estimated amount to provide for Underwriters' discount, legal fees, Trustee fees, Issuer fees, printing fees and associated bond issuance costs related to the Series 2017 Bonds.

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2017 Bonds. Such discussion is not and is not intended to be exhaustive, should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2017 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein, copies of which are available as described in this Official Statement. Purchasers of the Series 2017 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks or other financial institutions or certain recipients of Social Security benefits, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2017 Bonds. See "TAX MATTERS" herein.

General

The Series 2017 Bonds are payable from payments to be made by the College under the Loan Agreement. The ability of the College to comply with its obligations under the Loan Agreement depends primarily upon the ability of the College to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. Student tuition and fees, net of student aid, and room and board charges represented 54% of the College's unrestricted operating revenues for fiscal year 2015-16. The College expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments on the Loan Agreement, and the College will covenant under the Loan Agreement to make all such payments when due. A number of factors affect institutions of higher education in general, including the College, that could have an adverse effect on the College's financial position and its ability to make the payments required under the Loan Agreement. These factors include, without limitation, the College's focus with respect to undergraduate programs, the cost of tuition of the College, the failure to maintain or increase in the future the funds obtained by the College from other sources, including gifts and contributions from donors, grants and income from investment of endowment funds, adverse results from the investment of endowment funds, imposition of federal or state unrelated business income or local property taxes, increasing costs of compliance with federal or state regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety, health care reform and accommodating the handicapped, and changes in federal government policy relating to the reimbursement of overhead costs of government contracts.

Payment of Debt Service

The principal of, redemption premium, if any, and interest on the Series 2017 Bonds are payable solely from the amounts paid by the College to the Issuer under the Loan Agreement. No representation or assurance can be made that revenues or other funds will be realized by the College in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the Series 2017 Bonds.

Future revenues and expenses of the College will be affected by events and conditions relating generally to, among other things, demand for the College's educational services, the ability of the College to provide the required educational services, management capabilities, the College's ability to control expenses, competition, costs, legislation, governmental regulation and developments affecting the federal and state tax-exempt status of non-profit organizations. Unanticipated events and circumstances may occur which cause variations from the College's expectations.

Future Indebtedness and Encumbrances

The Series 2017 Bonds will not be secured by any mortgage lien on, security interest in or other pledge of any of the College's properties, assets or revenues. The Indenture and the Loan Agreement do not contain any limitations on the right of the College to dispose of its assets or to have or incur other indebtedness, including Additional Bonds, or to grant and allow to exist liens and encumbrances. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS — Additional Bonds" herein.

DASNY Bonds and Certain of Other Indebtedness of the College

The College is a party to loan agreements with DASNY (the "DASNY Loan Agreements") relating to the DASNY Bonds. The DASNY Loan Agreements contain certain covenants and provisions that are different from the provisions in the Loan Agreement relating to the Series 2017 Bonds. Failure by the College to comply with any of these covenants could, under certain circumstances, constitute an event of default under the DASNY Loan Agreements resulting in an acceleration of the DASNY Bonds. In addition, the College may in the future incur additional indebtedness or enter into agreements securing indebtedness which could be payable ahead of the Series 2017 Bonds, could have different events of default or covenants, or could be secured by assets or revenues of the College, which could effectively subordinate payment on the Series 2017 Bonds to such additional indebtedness. The occurrence of an event of default or an acceleration with respect to the DASNY Bonds or any other indebtedness of the College may not necessarily constitute an event of default under the Loan Agreement relating to the Series 2017 Bonds. See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT — Events of Default Defined".

Risks of Early Payment

The Series 2017 Bonds may be paid prior to maturity upon redemption (as described under "THE SERIES 2017 BONDS" herein) and upon an acceleration following the occurrence of certain Events of

Default under the Indenture and the Loan Agreement. If the Series 2017 Bonds become due upon an acceleration, interest on the Series 2017 Bonds shall cease to accrue on the date of the accelerated payment and no premium would be payable.

No Debt Service Reserve Fund

The payment of principal of, redemption price of and interest on the Series 2017 Bonds will not be secured by a debt service reserve fund.

Financial Assistance

The costs of higher education are heavily subsidized by government and private financial aid to students. The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. In fiscal year 2016-17, over 60% of the College's students received need-based aid in the form of scholarships, grants, loans or campus employment. In addition to scholarships provided by the College, students secure grant and loan support from a variety of other sources, including state and Federal government aid. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the College and may adversely affect the financial condition of the College. The College admits students per a need-blind policy and any significant increase in financial assistance from the College may adversely affect the financial condition of the College.

Investment Income

The College's endowment funds are professionally managed by outside asset management firms. Committees of the Board of Trustees periodically review the asset allocation of the investment pool. See APPENDIX A "CERTAIN INFORMATION CONCERNING THE COLLEGE — ANNUAL FINANCIAL STATEMENT INFORMATION —Investments". Although the unrestricted portion of the College's endowment funds and the payout therefrom are available for debt service payments on the Series 2017 Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom. Investment return provided 31% of the College's total operating revenues in fiscal year 2015-16.

Fund Raising

The College 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.

Risks as Employer

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

Changes in Law

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

Event of Taxability

If the College does not comply with certain covenants set forth in the Loan Agreement or if certain representations or warranties made by the College in the Loan Agreement or in certain certificates of the College delivered in connection with the issuance of the Series 2017 Bonds are false or misleading, the interest paid or payable on the Series 2017 Bonds may become subject to inclusion in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2017 Bonds, regardless of the date on which such noncompliance or misrepresentation is ascertained. In the event that the interest on the Series 2017 Bonds becomes subject to inclusion in gross income for federal income tax purposes, the Indenture does not provide for payment of any additional interest on the Series 2017 Bonds, the redemption of the Series 2017 Bonds or the acceleration of the payment of principal on the Series 2017 Bonds.

Maintenance of 501(c)(3) Status

The federal tax-exempt status of the Series 2017 Bonds presently depends upon maintenance by the College of its status as an organization described in Section 501(c)(3) of the Code. The College qualifies as a tax-exempt organization described in Section 501(c)(3) of the Code. To maintain such status, the College must conduct its operations in a manner consistent with representations previously made to the Internal Revenue Service (the "IRS") and with current and future IRS regulations and rulings.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the College to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2017 Bonds. Although the College has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on such organization and its operations and could result in the includability of interest on the Series 2017 Bonds in gross income for federal income tax purposes retroactive to their date of issue. See "TAX MATTERS" herein.

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

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

Tax Matters

See "TAX MATTERS" herein for additional tax-related risks with respect to the Series 2017 Bonds.

Tax Audits

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

Certain Matters Relating to Enforceability of the Loan Agreement

The obligation of the College to make payments on the Loan Agreement will be limited as the obligations of debtors typically are affected by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or by equitable principles affecting the enforcement of creditors' rights.

While an involuntary bankruptcy petition cannot be filed against the College, the College is authorized to file for bankruptcy under certain circumstances. Should the College file for bankruptcy, there could be adverse effects on the holders of the Bonds. If the College is in bankruptcy, the parties (including the Issuer and the Trustee) may be prohibited from taking any action to collect any amount from the College or to enforce any obligation of the College, unless the permission of the bankruptcy court is obtained.

If the College is in bankruptcy it may be able, without the consent and over the objection of the Issuer and the Trustee, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants, and other terms or provisions of the Loan Agreement, as long as the bankruptcy court determines that the alterations are fair and equitable. There may be delays in payments on the Loan Agreement while the court considers these issues. There may be other possible effects of a bankruptcy on the College that could result in delays or reductions in payments on the Loan Agreement. Regardless of any specific adverse determinations in a College bankruptcy proceeding, the fact of a College bankruptcy proceeding could have an adverse effect on the Issuer's ability to pay debt service on the Series 2017 Bonds and on the liquidity and value of the Series 2017 Bonds.

If the College should file a plan of reorganization ("Plan"), when confirmed by the court, such Plan binds all creditors and discharges all claims against the debtor provided for in the Plan. No Plan may be confirmed unless certain conditions are met, among which are that the Plan is in the best interests of creditors, is feasible and, unless otherwise approved by the court, has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the Plan if at least two-thirds in dollar amount and more than one-half in number of the claims of the class that are voted with respect to the Plan are cast in its favor. Even if the Plan is not so accepted, it may be confirmed if the court finds that the Plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

In addition, there exists common law authority and authority under State statutes for the ability of the State courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the State

Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Secondary Market for the Series 2017 Bonds

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2017 Bonds. From time to time there may be no market for the Series 2017 Bonds depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the College's capabilities and the financial condition and results of operations of the College.

CONTINUING DISCLOSURE OBLIGATIONS

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2017 Bonds and the Issuer will not provide any such information. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the U.S. Securities and Exchange Commission (the "SEC"), the College has undertaken all responsibilities for any continuing disclosure to Bondholders as provided below, and the Issuer shall have no liability with respect to such disclosures.

The College has covenanted in an undertaking (the "Undertaking") for the benefit of Bondholders to provide certain financial information and operating data relating to the College by not later than one hundred twenty (120) days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2017 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. The specific nature of the information to be contained in the Annual Report or the notices of material events, and the circumstances under which changes to this continued disclosure undertaking may be made, are contained in the Continuing Disclosure Agreement. This undertaking has been made in order to assist the Underwriters in complying with the Rule. The form of the Undertaking is attached to this Official Statement as APPENDIX D — "FORM OF CONTINUING DISCLOSURE AGREEMENT".

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 2017 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 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement for the Series 2017 Bonds, the Issuer and the College have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the College 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 Orrick, Herrington & Sutcliffe LLP, counsel to the College, as to all matters concerning the status of the College 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 covenant, and the accuracy of certain representations and certifications made by the Issuer and the College described above, interest on the Series 2017 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 with respect to individuals and corporations. Interest on the Series 2017 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

State Taxes

Bond Counsel is also of the opinion that interest on the Series 2017 Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof, including The City of New York, assuming compliance with the tax covenants and the accuracy of the representations and certifications described above under the heading “Federal Income Taxes”. Bond Counsel expresses no opinion as to other New York State or local tax consequences arising with respect to the Series 2017 Bonds nor as to the taxability of the Series 2017 Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Premium

The Series 2017 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 to 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 2017 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 2017 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 2017 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 2017 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2017 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 E to this Official Statement. 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 2017 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in 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 of the interest on the Series 2017 Bonds and for federal or state income tax purposes, and thus on the value or marketability of the Series 2017 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 2017 Bonds from gross income for federal or state income tax purposes, or otherwise. In recent years there have been various proposals that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Code (including the Series 2017 Bonds) for taxpayers whose income exceeds certain thresholds. 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 2017 Bonds may occur. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2017 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017 Bonds may affect the tax status of interest on the Series 2017 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2017 Bonds, or the interest thereon, if any action is taken with respect to the Series 2017 Bonds or the proceeds thereof upon the advice or approval of other counsel.

Attached to this Official Statement as APPENDIX E and made a part hereof is the form of approving opinion of Bond Counsel.

INDEPENDENT ACCOUNTANTS

The financial statements for the College as of and for the years ended June 30, 2016 and 2015, set forth in APPENDIX B of this Official Statement, have been audited by KPMG LLP, independent accountants, as stated in their report thereon appearing in APPENDIX B of this Official Statement.

KMPG LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. KMPG LLP also has not performed any procedures relating to this Official Statement or any post-audit review of the financial condition or operations of the College.

RATINGS

Moody's Investors Service ("Moody's") has assigned a rating of "Aa3" to the Series 2017 Bonds. S&P Global Ratings ("Standard & Poor's"), has assigned a rating of "AA-" to the Series 2017 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses Moody's at 7 World Trade Center, New York, New York 10007; and Standard & Poor's, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating agencies if, in the judgment of either or both of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series 2017 Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

LITIGATION

The Issuer

The Issuer knows of no pending or threatened litigation questioning or affecting the validity of the Series 2017 Bonds or the proceedings or authority under which the Series 2017 Bonds were issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present members or other officers of the Issuer to their respective offices is being contested to the knowledge of the Issuer. The Issuer knows of no litigation pending or threatened which in any manner questions the right of the Issuer to execute and deliver the Indenture or the Loan Agreement.

The College

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

LEGAL MATTERS

All legal matters incident to the authorization and validity of the Series 2017 Bonds are subject to the approval of Nixon Peabody LLP, New York, New York, Bond Counsel, whose approving opinion will be delivered with the Series 2017 Bonds. Certain legal matters will be passed upon for the Issuer by Cappillino & Rothschild LLP, Pawling, New York. Certain legal matters will be passed upon for the College by Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed upon for the Underwriters by Hawkins Delafield & Wood LLP, New York, New York.

UNDERWRITING

Goldman, Sachs & Co., as representative of the Underwriters, has agreed, subject to certain conditions, to purchase the Series 2017 Bonds from the Issuer at an aggregate purchase price of $111,852,048.36 and to make a public offering of the Series 2017 Bonds at prices that are not in excess of the public offering price or prices stated on the inside over page of this Official Statement. The Underwriters will be obligated to purchase all such Series 2017 Bonds if any are purchased.

The Series 2017 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The following statement has been provided by Fidelity Capital Markets for inclusion herein. Fidelity Capital Markets is a division of National Financial Services LLC.

The following paragraph has been provided by Morgan Stanley & Co. LLC for inclusion herein. Morgan Stanley, parent company of Morgan Stanley & Co. LLC, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2017 Bonds.

The following paragraph has been provided by the Underwriters for inclusion herein. The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates may have provided, and may in the future provide, a variety of these services to the College and to persons and entities with relationships with the College, for which they may have received or will receive customary fees and expenses. Certain creditor and/or other rights against the College and their affiliates in connection with such activities. In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and or instruments of the College (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the College. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Samuel Klein and Company (the "Verification Agent"), a firm of independent certified public accountants, will deliver to the Issuer, the College and the Underwriters on or before the delivery date of each of the Series 2017 Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Underwriters. Included in the scope of the report will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the anticipated receipts from the investments and cash deposits to be held by the trustee for the Refunded Bonds to pay, when due, the principal of, interest on and redemption price of the Refunded Bonds to their redemption date.

FINANCIAL ADVISOR

The Yuba Group LLC, also known as Yuba Group Advisors, is serving as financial advisor to the College (the "Financial Advisor") in connection with the issuance of the Series 2017 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Financial Advisor is a financial advisory and consulting organization, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instruments.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Series 2017 Bonds is to be construed as a contract with the holders of the Series 2017 Bonds.

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

DUTCHESS COUNTY LOCAL
DEVELOPMENT CORPORATION

By *_______/s/ Sarah Lee_________*
Sarah Lee
Chief Executive Officer

VASSAR COLLEGE

By *____/s/ Stephen R. Dahnert_____*
Stephen R. Dahnert
Acting Vice President for
Finance and Administration

APPENDIX A

CERTAIN INFORMATION CONCERNING THE COLLEGE

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THE COLLEGE

GENERAL INFORMATION

History of the College

A residential, co-educational liberal arts college, Vassar College (the "College") is located in the scenic Hudson Valley, 75 miles north of New York City in Poughkeepsie, New York. The original mission of the College, founded in 1861 by Matthew Vassar, was to give young women a liberal arts education equal to that of the best men's colleges of the day. In 1969, Vassar became the first of the Seven Sisters colleges to open its doors to men. The student body today numbers approximately 2,400 on campus, with another approximately 140 students studying abroad. Overall enrollment is 57% women and 43% men.

Vassar's departments and interdisciplinary and multidisciplinary programs now range from cognitive science to classical studies, from media studies to neuroscience and behavior. The College confers bachelor's degrees in thirty-one undergraduate disciplines, thirteen multidisciplinary programs and six interdepartmental programs and offers an independent-study program. The College has small class sizes with an average size of 17 students. Over the last five years, 37 Vassar students have received Fulbright awards. The College is accredited by the Middle States Commission on Higher Education.

The Vassar campus comprises over 1,000 acres and more than 100 buildings, including two National Historic Landmarks, ranging in style from Collegiate Gothic to International, designed over the course of the College's history by a number of prominent architects including James Renwick, Jr., Francis R. Allen, Eero Saarinen, Marcel Breuer, and Cesar Pelli. A designated arboretum, the campus features more than 200 species of trees, a native plant preserve, and a 415-acre ecological preserve. Matthew Vassar declared that art should stand "boldly forth as an educational force," so his college was the country's first to be founded with a gallery and teaching collection. Today, the Frances Lehman Loeb Art Center, built in 1993, includes over 18,000 works.

Governance

The College's Board of Trustees is responsible for the affairs of the College, including academic policies and financial, budgetary and developmental matters. The College's by-laws provide that the Board of Trustees shall have between 22 and 35 elected members plus the College president, who serves as a member *ex officio*. At present the Board has 32 members, including the president. Six Trustees are nominated by the College's alumnae/i association, the Alumnae and Alumni of Vassar College, while the remainder are nominated by the Board's Nominations Committee. Members serve for an initial four-year term and can be reelected for up to two additional four-year terms.

The current members of the Board, the years in which their terms expire and their affiliations are as follows:

Karen Herskovitz Ackman (2018)
Landscape Architect
New York, NY

Jamshed J, Bharucha (2020)
Professor
Dartmouth College
Brookline, MA

Jason Blum (2019)
Owner
Blumhouse Productions
Los Angeles, CA

Beth Burnam (2017)
Co-President
North Topanga Canyon Fire Safe Council
Santa Monica, CA

Mark Burstein (2017)
President
Lawrence University
Appleton, WI

Jonathan Chenette
Interim President and Professor of Music
Vassar College
Poughkeepsie, NY

Darys Estrella (2017)
Vice President
INICIA
Santo Domingo, Dominican Republic

Linda Fairstein (2020)
Author
New York, NY

Richard Feitler (2019)
President and CEO
TPN
Chicago. IL

Anthony Friscia (2017)
Management Consultant
New York, NY

Jeffrey Goldstein (2019)
Senior Advisor
Hellman & Friedman
New York, NY

Lorna Bade Goodman (2017)
Lawyer
New York, NY

Heather Sturt Haaga (2019)
Artist
La Cañada, CA

Maryellen Cattani Herringer (2018)
Lawyer
Piedmont, CA

Huang Hung (2017)
CEO
China Interactive Media Group
Bejing, China

Philip Jefferson (2020)
Professor of Economics
Swarthmore College
Swarthmore, PA

Henry P. Johnson (2019)
Executive Vice President
Northern Trust
Short Hills, NJ

Lisa Kudrow (2018)
Actor
Los Angeles, CA

Geraldine Laybourne (2018)
Chairwoman
Katapult Studios
New York, NY

Susan Zadek Mandel (2019)
Director
ZOOM Foundation
Greenwich, CT

Kenneth Miles (2017)
Advisor
Silicon Harlem
New York, NY

Tanya Odom (2020)
Private Consultant
New York, NY

Carol Ostrow (2019)
Producing Director
The Flea
New York, NY

Tamar Pichette (2019)
Lawyer
Palo Alto, CA

William Plapinger, Chair (2018)
Of Counsel
Sullivan & Cromwell, LLP
New York, NY

Kathy Zillweger Putnam (2020)
Entrepreneur
Boston, MA

Eve Slater (2019)
Professor, Columbia University
College of Physicians and Surgeon
Short Hills, NJ

Karen Smythe (2019)
Executive Director
Beatrix Farrand Garden Association
Red Hook, NY

Milbrey Rennie Taylor (2018)
Strategic and Media Consultant
New York, NY

Debra Fagel Treyz (2017)
Vice Chairman
Philanthropy Centre for J.P. Morgan
Chappaqua, NY

Jill Troy Werner (2017)
Pacific Palisades, CA

Christianna Wood (2018)
CEO
Gore Creek Capital, Ltd
Golden, CO

The Board of Trustees has thirteen standing committees: Executive, Academic Affairs, Admissions and Financial Aid, Audit, Budget and Finance, Buildings and Grounds, Communications, Development, Investments, Investor Responsibility, Nominations, Personnel and Compensation, and Student Affairs.

Administration

The President of the College is appointed by the Trustees and serves as the Chief Executive Officer charged with the principal responsibility for administration of the College. All other senior officers are nominated by the President and appointed by the Trustees. The principal administrative officers of the College include the following:

Elizabeth Howe Bradley, President and Professor of Political Science and Professor of Science, Technology, and Society. Elizabeth Howe Bradley, a noted Yale University professor and a global health scholar, was elected the eleventh president of Vassar College on January 10, 2017[1]. She will assume the role of president on July 1, 2017. During her over 20-year tenure at Yale, Ms. Bradley garnered deep experience with residential college life as Head of Branford College, one of the University's largest residential colleges for undergraduates, and broad leadership experience as the Director of Yale's Brady-Johnson Program in Grand Strategy and as founder and Faculty Director of the Yale Global Health Leadership Institute. She is the founder and Faculty Director of the Yale Global Health Leadership Institute, which operates education and research programs in China, the United Kingdom, Ethiopia, Ghana, Liberia, Rwanda, and South Africa. Ms. Bradley graduated magna cum laude from Harvard University in 1984. She earned an MBA from the University of Chicago in 1986, and a PhD in Health Policy and Health Economics from Yale University in 1996.

Jonathan L. Chenette, Dean of the Faculty and Professor of Music. Mr. Chenette joined Vassar in July 2008 and is responsible for curricular planning and general oversight of academic departments. Mr. Chenette is a composer and also has spoken on education topics including place-based education and the enhancement of teaching and learning with media technologies. Prior to coming to Vassar he was Associate Dean and professor of music at Grinnell College. He earned his Ph.D. in music composition and bachelor's degree in mathematics from the University of Chicago, and a master's degree in music composition from Butler University. Mr. Chenette is serving as Interim President during the 2016-17 academic year.

Christopher F. Roellke, Dean of the College and Professor of Education. Mr. Roellke is responsible for overseeing student affairs, including academic advising, as Dean of the College, a position he has held since 2008. Previously he was Vassar's Dean of Studies, responsible for overseeing academic advising. He earned his undergraduate degree at Wesleyan University and his M.S. and Ph.D. degrees in education at Cornell University.

Marianne Begemann, Dean of Strategic Planning and Academic Resources and Associate Professor of Chemistry. Ms. Begemann is responsible for developing long-range strategic plans for the College, working closely with the president and other senior officers. She also oversees a number of administrative areas of the College, including the Library, Athletics, Computing, and the Frances Lehman Loeb Art Center. She earned her bachelor's degree from Vassar and her doctorate at the University of California, Berkeley. She assumed this position in 2012.

Michael Cato, Vice President for Computing and Information Systems. Mr. Cato joined Vassar in September 2013 and leads Vassar's Information Technology (IT) strategy and operations through the Computing & Information Services (CIS) department. CIS is responsible for academic computing, technical infrastructure, faculty and staff support, student computing resources, and administrative information systems. Prior to joining Vassar, Mr. Cato spent 12 years in higher education IT, most recently as the Interim Vice Chancellor for Information Technology and CIO at the University of North Carolina at Charlotte. He earned his bachelor's degree in Zoology from Andrews University and a Master of Business Administration from Wake Forest University.

Stephen R. Dahnert, Acting Vice President for Finance and Administration. Mr. Dahnert assumed the role of Acting Vice President for Finance and Administration on July 1, 2016. Prior to this assignment, he served as the Associate Vice President for Financial Services and Treasurer; earlier, he was Vassar's Director of Investments. He joined the financial staff at Vassar in 1995 after working as a development officer for ten years, at the University of Pennsylvania and Trinity College (Hartford). Mr. Dahnert earned a Bachelor of Arts degree from Muhlenberg

[1] Ms. Bradley will succeed Catharine Bond Hill who stepped down in August 2016 after ten years as president. Dean of the Faculty, Mr. Chenette, is serving as Interim President during the 2016-17 academic year.

College, a Master of Education degree with a concentration in higher education from the College of William and Mary, and a Master of Business Administration degree with a concentration in finance from Columbia University.

Catherine E. Baer, Vice President for Alumnae/i Affairs and Development. Ms. Baer joined Vassar College as Vice President for Development in May 1999. Prior to coming to Vassar, she served for seven and a half years as a chief fund raiser for the Harvard School of Public Health, first as director of major gifts and then, for her last two years, as interim co-director of its Department of Development and Alumni Relations. She holds a Bachelor of Arts degree in music and history from Mount Holyoke College.

Susan DeKrey, Vice President for Communications. Ms. DeKrey has worked at Vassar since 1990 and has led College Relations since 1999. In this role, she oversees Vassar's publications office, web development, media relations activities, and the Office of Conferences and Summer Programs. She was director of public relations at Marist College from 1988 to 1990, and prior to that, she operated a public relations firm serving clients in business, education, and government. She earned her Bachelor of Arts degree in journalism at Marquette University in Milwaukee, Wisconsin, and did graduate work in urban studies at the University of Wisconsin-Milwaukee.

Affiliation Agreements

The College maintains educational relationships with several institutions through the Twelve College Exchange Program whereby students from participating institutions can attend and earn credit at another without the need for an extensive application, acceptance and credit transfer process. The colleges and universities in this Twelve College Exchange include Amherst, Bowdoin, Connecticut College, Dartmouth, Mount Holyoke, Smith, Trinity, Vassar, Wellesley, Wesleyan, and Wheaton. Students may participate in the National Theatre Institute through Connecticut College, in the Dual Degree Program at Dartmouth's Thayer School of Engineering, and in the Maritime Studies Program at Mystic Seaport through Williams College.

The College also maintains similar exchange relationships with Howard University, Morehouse College, and Spelman College (Historically Black Colleges and Universities).

Foreign exchange programs are conducted through contractual agreements with Exeter University, Sciences Po, the Toulouse School of Economics, Ochanomizu University, Ritsumeikan University, Yale-NUS College, and Yuanpei College at Peking University.

Vassar also offers programs where qualified students can study in St. Petersburg, Russia, in the fall semester or in London, England, in the spring semester. Vassar also offers programs through consortium arrangements with other colleges and universities that allow students to study in India for the fall semester, or in Italy, France, Spain, or Germany for either a semester or a year.

Vassar students also have the opportunity to complete a semester long elementary or secondary teaching internship in Clifden, Ireland in cooperation with the Clifden Community School, or in Monteverde, Costa Rica, in conjunction with the Cloud Forest School.

College Campus

The College owns over 1,000 acres of land in the Arlington section of the town and city of Poughkeepsie, New York and administers over 100 separate buildings with over 2.5 million gross square feet of space.

Main Building, the College's oldest and largest structure, is the heart of the College community and was named a National Historic Landmark in 1986.

Significant construction and renovation projects in recent years include the creation of a science quad through the renovation of New England Building, Sanders Physics, and Olmsted Hall academic buildings and the construction of Bridge for Laboratory Sciences. The new science quad allows greater integration and collaboration of the various science disciplines enhancing educational and research opportunities. Additionally the College is undertaking the renovation of Students Building, the main dining hall on campus. This renovation supports the strategic redesign of campus dining which includes selecting Bon Appetit, an outside vendor, to operate the dining program. Ninety-five percent of all undergraduates live on campus in residence halls or student apartments.

The College carries a broad range of property and general liability insurance in amounts and with deductibles customary for institutions of the size of the College.

OPERATING INFORMATION

Student Enrollment

The College's campus enrollment during the last five years, based on registration figures, is outlined below together with total headcount enrollment and full-time equivalent (FTE) totals. Additionally there are another approximately 140 students studying abroad.

CAMPUS ENROLLMENT SUMMARY

Academic Year	Full-Time Undergraduate	Part-Time Undergraduate	Headcount	Fall Term Regular FTE
2016-17	2,405	19	2,424	2,411
2015-16	2,421	14	2,435	2,426
2014-15	2,394	24	2,418	2,402
2013-14	2,437	40	2,477	2,450
2012-13	2,370	36	2,406	2,382

For the 2016-17 fiscal year, 36% of the student body came from the Mid-Atlantic region; 19% came from the West; 15% came from New England; 9% came from the South; 8% came from the Midwest; and 3% came from the Southwest. International students, defined as students coming to the College from any non-U.S. geographic origin, accounted for 10% of the student body.

Student Admissions

Listed below are the number of applications received for full-time admission to the College together with the number of those applications accepted by the College and the number of admitted students who ultimately enrolled at the College during the past five years based on opening fall enrollment:

ADMISSIONS STATISTICS

Academic Year	Applications	Acceptances	Percent Accepted	New Enrollment	Percent Yield
2016-17	7,306	1,964	26.9%	660	33.6%
2015-16	7,567	1,947	25.7%	668	34.3%
2014-15	7,784	1,832	23.5%	665	36.3%
2013-14	7,597	1,832	24.1%	666	36.4%
2012-13	7,908	1,806	22.8%	660	36.5%

As the preceding table shows, the ratio of enrollment to accepted applicants has experienced modest fluctuations during the past five fiscal years. Applications for the College's Fall 2017 semester totaled 7,746, a 6.0% increase over the prior year. The College expects the acceptance rate to decline slightly for this admissions class.

The College has a continuing commitment to maintaining a diverse student body, ethnically, racially, geographically and socioeconomically. For the fall 2016 semester, the College enrolled students from 44 states, U.S. territories including Puerto Rico, and 30 foreign countries. The average combined SAT score (critical reading and math) for the freshman class entering fall 2016 was 1,413. Approximately 90% of students matriculating in fall 2016 ranked in the top 20% of their high school classes.

Tuition and Fees

For the 2016-17 fiscal year, full-time undergraduate tuition including mandatory fees at the College are $53,070 and the full room and board charges are $12,400. Tuition, room and board net of institutional financial aid contributes approximately 55% of the College's total operating revenues. Tuition, room and board charges for the last five years are listed below:

STUDENT CHARGES

Fiscal Year	Tuition & Fee Charges	Room & Board Charges	Total
2016-17	$53,090	$12,400	$65,490
2015-16	$51,300	$11,980	$63,280
2014-15	$49,570	$11,570	$61,140
2013-14	$47,890	$11,180	$59,070
2012-13	$46,270	$10,800	$57,070

Student Financial Aid

The College awards financial aid based on demonstrated need in order that the most qualified student applicants might be able to attend, regardless of their financial circumstances. The financial aid package is offered in the form of loans, employment and scholarship aid. The College limits the loans incorporated in a student's financial aid package so that the maximum cumulative indebtedness for those who are expected to borrow is $19,000, exclusive of any private indebtedness a student might incur.

In fiscal year 2016-17, the College expects to provide $64,346,920 in scholarship assistance to students, excluding approximately $960,000 in tuition-remission programs. In addition, financial aid students are expected to generate approximately $2,200,000 from payroll earnings from College-sponsored employment opportunities.

In fiscal year 2016-17, over 60% of the student body is receiving scholarship assistance or grant aid, ranging from $188 to $66,905 depending primarily on need, averaging $42,139 per student during the year.

In addition to aid supplied by the College, students obtain grant and loan support from a variety of other sources, including state and federal government. In 2016-17, the College's students will borrow an aggregate of $4,775,091 under the Stafford Student Loan program and $85,885 under the Perkins Loan program. Federal grants to students from the Pell Grant program and Supplemental Educational Opportunity Grants will amount to $3,140,317 while New York State residents will receive $525,881 in grants from the Tuition Assistance Plan.

A summary of the sources of the funds provided for scholarships and grants for the past five years is as follows:

SOURCES OF FINANCIAL AID

Fiscal Year	Vassar Grants	State Grants	Federal Grants	Outside Awards	Total
2015-16	$61,901,091	$638,792	$2,958,405	$1,148,387	$66,646,675
2014-15	$58,644,477	$724,036	$3,029,839	$992,974	$63,391,326
2013-14	$57,793,116	$675,812	$2,925,288	$1,198,485	$62,592,701
2012-13	$57,686,113	$654,583	$2,857,041	$1,079,831	$62,277,569
2011-12	$54,205,521	$731,726	$2,675,337	$872,598	$58,485,182

Faculty

The College currently employs 280 full-time faculty members and 57 part-time faculty members. Of the full-time appointments, 186 (66%) are tenured, and an additional 34 (12%) are in tenure-track positions. The majority of faculty are appointed to one of three principal academic ranks: Professor, Associate Professor or Assistant Professor. The College annually conducts a detailed study of faculty salary and compensation, by rank, relative to a set of twenty small, highly selective, private, liberal arts colleges. Based on these studies, the College believes that its compensation package for faculty is closely comparable to those of its peer colleges.

The following table sets forth the faculty profile for the last five fiscal years.

FACULTY PROFILE

Fiscal Year	Full-Time Faculty	Part-Time Faculty	Total Faculty	Full-Time Equivalent Faculty	Percent of Full-Time Faculty Tenured
2016-17	280	57	337	300	66%
2015-16	274	63	337	295	68%
2014-15	277	56	333	296	68%
2013-14	282	45	327	297	67%
2012-13	277	43	320	291	66%

Employee Relations

The College currently employs approximately 675 full-time equivalent regular employees who are not faculty on a full-time or part-time basis. The secretarial, clerical and technical employees of the College have been represented by Local 1120 of the Communications Workers of America ("Local 1120") since 1985. Membership currently totals 168 employees. The current contract with Local 1120 expires June 30, 2021. The College employs 5 carpenters who are also represented by Local 1120 under a separate contract, which expires June 30, 2018. Local 200U of the Service Employees International Union ("Local 200U") represents 235 of the College's service employees. The current contract with Local 200U expires June 30, 2018. The Hudson Valley Safety and Security Officer's Union represents 23 of the College's security officers. The current contract with the Hudson Valley Safety and Security Officer's Union expires June 30, 2019.

The faculty and administration are not represented by any collective bargaining organization. The College has not experienced a work stoppage or formal slowdown in the past decade.

ANNUAL FINANCIAL STATEMENT INFORMATION

Operating Budget

The College develops its operating budgets in the context of a long-range financial model, which forecasts multi-year budgets and allows testing of key financial and other planning variables. Annual budgets based on the long-range model are prepared beginning in the fall, in consultation with a committee that advises on priorities and financial planning that includes several of the College's senior officers, key administrative personnel, and representatives from the faculty and student body. The Budget and Finance Committee of the Board of Trustees is consulted throughout the fall and winter as the budget takes shape, and the final budget typically is approved by the Board in February.

The operating budget approved by the Board of Trustees for the 2017-18 fiscal year is $183.1 million. Revenues to cover operating expenditures have, on average over the last five fiscal years, come from the following sources: net tuition and fees, including room and board 54%; endowment 31%; private gifts and grants 8%; auxiliary/other 5%; and State and federal funds 1%. The operating budget is a management tool to forecast and control operating revenues, personnel costs, consumable supplies and expenses, and the cost of equipment purchases. It does not include depreciation and other non-cash expenses included in the audited financial statements.

Capital Budget

Capital expenditures for facility renewal are budgeted using a collaborative process involving the facilities managers, senior officers, and the Board of Trustees, subject to final approval by the Board of Trustees. The College has budgeted $11.7 million for capital building and renovation projects for the 2017-18 fiscal year. Funds for this investment are derived from current year operating revenues, designated reserves, endowments, and specific gifts made for capital expenditures.

College Finances

The following table is based on the audited financial statements of the College for the fiscal years 2012 through 2016 and should be read in conjunction with the financial statements and related notes set forth in Appendix B to this Official Statement. See the Notes to Financial Statements set forth in Appendix B for a description of the accounting principles utilized in preparing these statements.

	Fiscal Years ended June 30, (in thousands)				
	2012	2013	2014	2015	2016
Operating revenues:					
Tuition and fees	$112,392	$117,513	$121,535	$126,268	$129,187
Room and board	$21,505	$22,391	$23,472	$24,391	$25,015
	$133,897	$139,904	$145,007	$150,659	$154,202
Less scholarships	($54,206)	($57,927)	($57,943)	($58,696)	($61,939)
Net tuition, fees, room and board	$79,692	$81,977	$87,064	$91,962	$92,263
Endowment return used in support of operations					
Interest and dividends	$6,239	$5,642	$7,995	$4,926	$2,283
Realized accumulated gains used to meet spending policy	$42,575	$44,182	$44,005	$46,574	$48,827
Government grants	$1,847	$2,184	$2,026	$1,956	$2,123
Private gifts and grants	$15,691	$33,596	$11,433	$15,275	$10,244
Other revenue	$3,011	$3,432	$3,547	$3,962	$4,237
Auxiliary enterprises	$4,938	$4,648	$4,515	$5,343	$5,680
Total operating revenues	$153,993	$175,661	$160,586	$169,998	$165,656
Operating expenses:					
Instruction	$70,678	$71,966	$73,183	$73,500	$73,804
Research	$4,127	$4,281	$3,152	$3,265	$3,802
Academic support	$17,704	$18,800	$20,595	$20,884	$20,247
Student services	$16,344	$16,234	$17,223	$17,432	$18,520
Institutional support	$35,199	$35,722	$37,158	$34,551	$38,887
Auxiliary enterprises	$20,428	$22,200	$21,431	$22,002	$23,010
Total operating expenses before restructuring costs	$164,479	$169,203	$172,742	$171,634	$178,270
Restructuring costs	$0	$0	$0	$6,304	$0
Total operating expenses	$164,479	$169,203	$172,742	$177,938	$178,270
Change in net assets from operations	($10,486)	$6,457	($12,156)	($7,939)	($12,614)
Non-operating activities:					
Private gifts and other additions	$21,386	$38,489	$18,529	$17,224	$10,537
Net investment return	$14,612	$99,047	$136,627	$26,568	($18,380)
Appropriation of endowment for operations	($48,814)	($49,824)	($52,000)	($51,500)	($51,109)
(Loss) gain on disposal of fixed assets	$752	($83)	$6,419	$34	($3,482)
Other non-operating activity	$1,576	($961)	($917)	($369)	($866)
Adjustment for pension liability	($7,402)	$5,573	($497)	($590)	($5,607)
Post-retirement benefits changes other than net periodic benefits cost	($4,697)	$4,367	$1,313	($360)	($423)
Change in net assets from non-operating activities	($22,586)	$96,608	$109,476	($8,993)	($69,330)
Change in net assets	($33,072)	$103,065	$97,319	($16,932)	($81,944)
Net assets at beginning of year	$1,074,000	$1,040,929	$1,143,994	$1,241,313	$1,224,381
Net assets at end of year	$1,040,929	$1,143,994	$1,241,313	$1,224,381	$1,142,437

Note: totals may not add due to rounding

Discussion of Recent Financial Operations

The College took a number of steps to address the impact of the 2008-09 U.S. and global financial crisis, focusing primarily on curtailment of operating expenses. These included structural changes resulting in lasting reduction of compensation and non-compensation-related expenditures, including reductions in headcount in all categories of employment, restructuring of departments and services, changes in employee benefits, curtailment of overtime for unionized positions and limited pay increases for faculty and administrative positions. Immediately following the financial crisis, net revenue declined due to growing demand for financial aid. Beginning in fiscal year 2011-12, net revenue from tuition and fees returned to growth. In fiscal year 2014-15, Vassar implemented an early retirement separation incentive for non-faculty employees. This program generated sufficient turnover to allow the College to re-engineer operations and eliminate over 30 full time equivalent positions. The low investment returns of fiscal years 2014-15 and 2015-16 have led to renewed planning at the College to drive toward a spending rate target of 5% of the value of endowment at the beginning of the fiscal year.

For fiscal year 2015-16, unrestricted operating revenues as reported in the Statement of Activities totaled approximately $170 million. The College's principal source of unrestricted operating revenues was student tuition and fees, net of student aid, and room and board charges which represented 54% of such revenues. Investment returns provided 31% of total operating revenues; private gifts and grants and government grants, combined, provided 7% of total operating revenues; and auxiliary and other revenues provided the remaining 6% of operating revenues. Operating expenses totaled $178 million; program services expenses, which consist of all expenses other than institutional support, represented 78% of total operating expenses, at $139 million. The decrease in net assets from operations was approximately $12.6 million. The change in net assets from operations has been negative four out of the last five fiscal years, primarily due to higher levels of financial assistance to students and increases in annual depreciation expense due to the renewal of campus facilities.

Unrestricted net assets decreased as a result of non-operating activities in fiscal year 2015-16 by approximately $29.6 million arising mainly from investment results and the impact of higher liabilities for pension. Temporarily restricted net assets declined by $57.7 million due to endowment spending versus investment gains while permanently restricted net assets increased by $5.4 million, principally a result of endowment fundraising. The College's net assets decreased by $69.3 million due to non-operating activities and by $82 million overall in fiscal year 2016 as a result of these events.

The College has adopted budgets for fiscal years 2016-17 and 2017-18 based on stable employment of faculty, non-faculty administrators and staff, controls over capital expenditures, increased levels of private giving, and minor adjustments in expected financial aid spending within the overall framework of the College's need-blind admissions and aid commitment. The budget plan for fiscal year 2016-17 was on track at mid-year on a cash basis (i.e. excluding non-cash expenditures reflected in the audited financial statements). The budget plan for fiscal year 2017-18, adopted in February of 2017 continues these patterns of stable enrollment, net tuition and fee revenue growth, expense control, with the expectation of reduced dependence on endowment funds. Actual results for fiscal years 2016-17 and 2017-18 could vary from budget.

Government Contracts and Grants

The College received funding from government contracts and grants (excluding scholarship funding, shown under the heading of Sources of Financial Aid above) as follows:

Government Contracts, Grants and Appropriations

Fiscal Year	Federal	State	Total
2016	$2,063,788	$180,610	$2,244,398
2015	$2,060,164	$184,535	$2,244,699
2014	$1,847,066	$182,349	$2,029,415
2013	$2,331,938	$180,440	$2,512,378
2012	$2,251,776	$202,585	$2,454,361

Federal funds support student financial aid, faculty research, and instruction, primarily in the sciences. The College received $352,593 in fiscal year 2016 in the form of Federal Work Study grants.

State funding consists of Bundy Aid, a program that allocates funds to not-for-profit institutions of higher education based on the number of academic degrees conferred in the preceding year.

Fundraising

The table that follows summarizes annual support for the last five fiscal years, including contributions and pledges and is presented in accordance with generally accepted accounting principles.

Summary of Fundraising

	2012	2013	2014	2015	2016
Unrestricted	$15,371,076	$17,194,125	$10,445,064	$14,608,547	$13,887,079
Temporarily Restricted	6,570,916	33,238,877	2,096,173	6,289,877	603,131
Permanently Restricted	14,528,026	21,322,974	17,417,733	11,312,855	6,172,239
Total	$36,470,018	$71,755,976	$29,958,970	$32,211,278	$20,662,448

Note: Fiscal year 2013 was the final year in the Vassar 150: World Changing campaign providing a bump to fundraising for the year and pledges to be paid over the next several years. Totals may not add due to rounding

Investments

At June 30, 2016, the cost of all investments amounted to $790,394,938 and their fair value amounted to $948,579,501.

At December 31, 2016, the fair value of the College's investments totaled approximately $973.4 million, which reflected additional gifts received, allocations to support operations, and changes in market valuation. The estimate is unaudited and does not reflect current December 31, 2016 valuations for certain investments for which valuations are provided only infrequently. The estimate is further subject to the continuing effects of volatility, limited liquidity and pricing issues in certain markets. The value of the College's investments may be adversely affected by events in the financial markets.

The College allocates spending from certain long-term investments (i.e., endowment and similar funds) to operations under the total return method. Support from individual endowed funds in the unitized pool of true and quasi endowment is determined according to Board-approved spending guidelines designed to protect the purchasing power of these funds over time. Spending from true endowment funds is also governed by provisions of the New York Prudent Management of Institutional Funds Act. The unit spending guidelines provide for annual increases based on the one-year change in the Higher Education Price Index ("HEPI"), as long as the resulting draw rate is between 4.5% and 5.5% of the trailing 12-quarter average market value of units of true endowment, lagged one year. For fiscal year 2016-17 and prior, any use of financial assets beyond the amount derived under the unit spending guidelines for endowed funds was determined through the budget and planning process to support the approved programs and services of the College, and relied upon quasi endowment. In May 2016, the Board of Trustees approved a new spending rule to govern the aggregate draw from endowment and similar funds, including usage of quasi endowment, which has been implemented in the budget for fiscal year 2017-18. The new rule is designed to slowly adjust to the investment environment while forcing the discipline to achieve and maintain a sustainable draw rate over time. The formula for the aggregate spending rule is

(1+HEPI) x ((80% x prior year endowment draw) + (20% x most recent year end endowment value x 5%))

For fiscal year 2017-18, the Board approved a total draw on financial assets of $53.3 million, a 1.1% decrease from the amount budgeted for fiscal year 2016-17.

The Investments Committee of the Board of Trustees oversees the investment of the endowment funds, and is responsible for the Investment Policy Statement of the College. The College works with an outside investment advisor, Hall Capital Partners, which provides services on a non-discretionary basis; these services may be expanded in the future to include discretion over manager selection. The College's Investment Policy for endowment and similar funds calls for a diversified fund that relies upon professional investment managers for domestic and international equity, fixed income, various private partnerships, and commodities. The assets are managed to maximize total return with due consideration for the risk inherent in investing. Arithmetic average annual returns for endowment assets for periods ended June 30, 2016 were -1.5% (one year), 5.7% (three years), 6.3% (five years), and 6.9% (ten years). Asset allocation, manager selection and operational considerations related to the investment program are defined by the Investment Policy Statement, which is reviewed periodically and updated by the Investments Committee. As of December 31, 2016, approximately 36% of the endowment was invested in equity securities, 13 % was invested in fixed income investments and cash, and 50 % was invested in non-traditional investments, including marketable alternatives and private investment partnerships (private equity, venture capital, real estate, oil and gas, and timber investments). Capital commitments to private investment partnerships are projected to be funded by realizations from current partnership investments, with additional liquidity provided by other equity and debt investments as necessary. For additional information with respect to the College's investments see Note 4 to the financial statements included as Appendix B to this Official Statement.

The following table sets forth the fair value of investments, including beneficial interest in outside trusts, for the past five fiscal years. For a discussion of how certain investments are valued, see Note 2 to the financial statements included in Appendix B to this Official Statement.

Fair Value of Investments
as of June 30,

	2012	2013	2014	2015	2016
Total	$843,653,397	$908,138,207	$1,007,152,391	$1,015,819,448	$948,579,501

Net Assets

The following table sets forth the net assets of the College for the past five fiscal years.

Total Net Assets
as of June 30,

	2012	2013	2014	2015	2016
Unrestricted	$331,376,264	$354,427,775	$354,206,030	$346,097,198	$316,456,908
Temporarily Restricted	425,496,533	482,039,551	557,629,686	535,606,447	477,898,033
Permanently Restricted	284,055,969	307,526,582	329,477,654	342,677,731	348,082,259
Total	$1,040,928,766	$1,143,993,908	$1,241,313,370	$1,224,381,376	$1,142,437,200

Plant Assets

The following tabulation shows the net investment in plant assets as of the close of each of the last five fiscal years.

Land, Buildings, and Equipment
as of June 30,

	2012	2013	2014	2015	2016
Land	$ 2,125,873	$ 2,125,873	$ 2,125,873	$ 2,125,873	$ 2,125,873
Land improvements	27,018,323	28,793,829	28,994,075	29,127,567	33,348,003
Buildings and improvements	389,050,496	409,068,254	429,668,665	441,288,934	568,562,874
Equipment	78,943,844	82,343,342	84,051,104	85,483,209	93,022,381
Library books	50,191,258	52,253,283	53,709,315	54,883,593	57,612,765
Art works and collectibles	45,218,807	49,897,555	50,815,466	53,572,794	55,284,495
Construction in progress	45,233,371	51,897,941	84,353,998	127,622,340	12,809,283
Less: Accumulated Depreciation	(264,713,445)	(283,644,464)	(302,650,593)	(321,777,653)	(336,970,121)
Total	$373,068,527	$392,735,612	$431,067,902	$472,326,656	$485,795,554

Note: totals may not add due to rounding

The College carries property insurance on its buildings and their contents, excluding land and building foundations, based on their estimated replacement cost.

Outstanding Indebtedness

At June 30, 2016, the long-term debt of the College consisted of a loan from the Dormitory Authority of the State of New York ("DASNY") financed through the issuance of DASNY's Vassar College Revenue Bonds, Series 2007 (the "Series 2007 Bonds") with an outstanding principal amount of $111,805,000, a loan from DASNY financed through the issuance of DASNY's Vassar College Revenue Bonds, Series 2010 (the "Series 2010 Bonds") with an outstanding principal amount of $50,000,000, and a loan from Dutchess County Local Development Corporation, financed through the issuance of Vassar College Revenue Bonds, Series 2013A (the "Series 2013 Bonds") with an outstanding principal amount of $87,085,000. The indebtedness constitutes a general obligation of the College; the Series 2007 Bonds have a final maturity in 2046, the Series 2010 Bonds have a final maturity in 2049, and the Series 2013 Bonds have a final maturity in 2049. The proceeds of Series 2007 Bonds, the Series 2010 Bonds, and the Series 2013 Bonds were used to finance various construction and renovation projects on the College's campus and to refinance certain indebtedness incurred by the College. The Series 2007 Bonds will be defeased with the proceeds of the Series 2017 Bonds and other available money.

The College also maintains a $10 million line of credit through HSBC Bank which may be increased seasonally to $15 million. No amounts are currently outstanding under such line of credit. Also, as of June 30, 2016, $1,324,000 of the line was allocated to standby letters of credit. There have been no draws under the standby letters of credit.

Benefit Plans

The College has defined contribution pension plans covering the majority of full-time and part-time academic and nonacademic employees. The College also has a defined benefit pension plan covering certain nonacademic union employees. Benefits under this plan are based on years of service and a benefit multiplier set through collective bargaining. The College intends to make additional contributions to the pension fund from operating revenues as needed on an annual basis that will meet or exceed the requirements of the Pension Protection Act of 2006 with respect to unfunded liabilities.

In addition, the College provides health insurance coverage to certain retired academic and nonacademic employees who meet eligibility requirements, except service employees who are members of SEIU Local 200U, whose collective bargaining agreement does not include this benefit.

Total expense for these plans for the past five fiscal years ended June 30 are as follows:

Pension and Postretirement Expenses

Year Ended June 30	Defined Benefit Pension Plans	Defined Contribution Pension Plans	Postretirement Health
2016	$1,549,667	$6,626,000	$ 474,816
2015	$1,300,853	$6,463,000	$ 618,194
2014	$1,327,974	$6,641,000	$1,353,307
2013	$1,836,383	$6,461,000	$2,160,610
2012	$1,255,874	$6,364,000	$ 323,000

See Notes 8 and 9 to the financial statements included as Appendix B to this Official Statement for further information concerning the College's pension and postretirement obligations.

Future Spending Plans

The College has made significant progress in addressing its deferred maintenance backlog over the past decade. The renovation of Students Building to support the new dining program is scheduled to be completed during the summer of 2017. The College's new dining partner has offered a no interest loan of up to $5 million which would be paid back over 10 years. The College may elect to utilize some or all of this funding source for the project. Current projections of operating and capital expense for the next three to five years do not include provision for new debt beyond that contemplated by this offering and the dining project. The College is in the planning phase of a campus master plan which will create a vision for the physical layout of the campus over the next ten to fifteen years. After a detailed analysis of the campus relative to peer institutions and taking into account the strategic goals of the College, a number of physical layout and sequencing scenarios have been identified. It is anticipated that the administration, under the leadership of the new President, and working with the campus and Board committees will finalize a strategy and prioritize the projects to achieve that strategy which will become the basis for a fundraising initiative to begin execution of the plan. The College reevaluates its capital and financial plans from time to time and the Loan Agreement does not prohibit the incurrence of additional debt.

LITIGATION

There is no material litigation pending or threatened against the College which, in the College's opinion, would result in recovery which is not covered by applicable insurance programs less deductible provisions.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE COLLEGE FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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VASSAR COLLEGE

Financial Statements

June 30, 2016 and 2015

(With Independent Auditors' Report Thereon)

VASSAR COLLEGE

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Vassar College:

We have audited the accompanying financial statements of Vassar College, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vassar College as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

October 28, 2016

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.

VASSAR COLLEGE

Statements of Financial Position

June 30, 2016 and 2015

(In thousands)

Assets		**2016**	**2015**
Cash and cash equivalents	$	7,126	13,299
Accounts receivable, net:			
Student accounts receivable		632	546
Student loans receivable		3,232	3,322
Grants receivable		581	1,106
Contributions receivable, net		15,814	23,594
Prepaid and other assets		5,322	6,467
Deposits held by bond trustee		13,640	26,613
Investments		948,580	1,015,819
Beneficial interests in outside trusts		8,184	8,863
Land, buildings, and equipment, net		485,796	472,327
Total assets	$	1,488,907	1,571,956
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	23,023	26,934
Deferred revenue and students' deposits		3,310	3,959
Present value of beneficiary payments		12,596	12,402
Deposits held for others		1,846	4,109
Long-term debt		248,479	250,472
Accrued pension obligation		17,523	10,367
Asset retirement obligation		10,795	10,379
Accrued postretirement benefit obligation		26,530	26,438
Refundable government loan funds		2,367	2,514
Total liabilities		346,469	347,574
Net assets:			
Unrestricted		316,457	346,096
Temporarily restricted		477,898	535,607
Permanently restricted		348,083	342,679
Total net assets		1,142,438	1,224,382
Total liabilities and net assets	$	1,488,907	1,571,956

See accompanying notes to financial statements.

VASSAR COLLEGE

Statement of Activities

Year ended June 30, 2016
(with summarized comparative totals for 2015)

(In thousands)

	2016 Unrestricted	2016 Temporarily restricted	2016 Permanently restricted	2016 Total	2015 Total
Operating revenue:					
Tuition and fees	$ 129,187	—	—	129,187	126,268
Room and board	25,015	—	—	25,015	24,391
	154,202	—	—	154,202	150,659
Less scholarships	(61,939)	—	—	(61,939)	(58,697)
Net tuition, fees, room and board	92,263	—	—	92,263	91,962
Endowment return used in support of operations	13,402	37,707	—	51,109	51,500
Government grants	2,123	—	—	2,123	1,956
Private gifts and grants	9,689	555	—	10,244	15,275
Other revenue	4,237	—	—	4,237	3,962
Auxiliary enterprises	5,680	—	—	5,680	5,343
Net assets released from restrictions	42,641	(42,641)	—	—	—
Total operating revenue	170,035	(4,379)	—	165,656	169,998
Operating expenses:					
Instruction	73,804	—	—	73,804	73,500
Research	3,802	—	—	3,802	3,265
Academic support	20,247	—	—	20,247	20,884
Student services	18,520	—	—	18,520	17,432
Institutional support	38,887	—	—	38,887	34,551
Auxiliary enterprises	23,010	—	—	23,010	22,002
Total operating expenses before restructuring costs	178,270	—	—	178,270	171,634
Restructuring costs	—	—	—	—	6,304
Total operating expenses	178,270	—	—	178,270	177,938
Change in net assets from operations	(8,235)	(4,379)	—	(12,614)	(7,940)
Nonoperating activities:					
Private gifts and other additions	4,317	48	6,172	10,537	17,224
Net investment return	(2,861)	(15,054)	(465)	(18,380)	26,569
Appropriation of endowment for operations	(13,402)	(37,707)	—	(51,109)	(51,500)
(Loss) gain on disposal of fixed assets	(3,482)	—	—	(3,482)	34
Other nonoperating activity	634	(792)	(708)	(866)	(369)
Adjustment for pension liability	(5,607)	—	—	(5,607)	(590)
Postretirement benefits changes other than net periodic benefits cost	(423)	—	—	(423)	(360)
Net assets released from restrictions and other transfers	(580)	175	405	—	—
Change in net assets from nonoperating activities	(21,404)	(53,330)	5,404	(69,330)	(8,992)
Change in net assets	(29,639)	(57,709)	5,404	(81,944)	(16,932)
Net assets:					
Beginning of year	346,096	535,607	342,679	1,224,382	1,241,314
End of year	$ 316,457	477,898	348,083	1,142,438	1,224,382

See accompanying notes to financial statements.

VASSAR COLLEGE

Statement of Activities

Year ended June 30, 2015

(In thousands)

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating revenue:				
Tuition and fees	$ 126,268	—	—	126,268
Room and board	24,391	—	—	24,391
	150,659	—	—	150,659
Less scholarships	(58,697)	—	—	(58,697)
Net tuition, fees, room and board	91,962	—	—	91,962
Endowment return used in support of operations	17,213	34,287	—	51,500
Government grants	1,956	—	—	1,956
Private gifts and grants	9,800	5,475	—	15,275
Other revenue	3,962	—	—	3,962
Auxiliary enterprises	5,343	—	—	5,343
Net assets released from restrictions	39,959	(39,959)	—	—
Total operating revenue	170,195	(197)	—	169,998
Operating expenses:				
Instruction	73,500	—	—	73,500
Research	3,265	—	—	3,265
Academic support	20,884	—	—	20,884
Student services	17,432	—	—	17,432
Institutional support	34,551	—	—	34,551
Auxiliary enterprises	22,002	—	—	22,002
Total operating expenses before restructuring costs	171,634	—	—	171,634
Restructuring costs	6,304	—	—	6,304
Total operating expenses	177,938	—	—	177,938
Change in net assets from operations	(7,743)	(197)	—	(7,940)
Nonoperating activities:				
Private gifts and other additions	5,096	815	11,313	17,224
Net investment return	4,581	22,253	(265)	26,569
Appropriation of endowment for operations	(17,213)	(34,287)	—	(51,500)
Gains on disposal of fixed assets	34	—	—	34
Other nonoperating activity	(98)	(443)	172	(369)
Adjustment for pension liability	(590)	—	—	(590)
Postretirement benefits changes other than net periodic benefits cost	(360)	—	—	(360)
Net assets released from restrictions and other transfers	8,183	(10,164)	1,981	—
Change in net assets from nonoperating activities	(367)	(21,826)	13,201	(8,992)
Change in net assets	(8,110)	(22,023)	13,201	(16,932)
Net assets:				
Beginning of year	354,206	557,630	329,478	1,241,314
End of year	$ 346,096	535,607	342,679	1,224,382

See accompanying notes to financial statements.

(Continued)

VASSAR COLLEGE

Statements of Cash Flows

Years ended June 30, 2016 and 2015

(In thousands)

		2016	2015
Cash flows from operating activities:			
Change in net assets	$	(81,944)	(16,932)
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation and accretion		20,888	20,037
Loss (gain) on disposal of fixed assets		3,482	(34)
Investment income on life income and annuity agreements		(616)	(727)
Payments to beneficiaries		1,292	1,385
Nonoperating contributions		(11,523)	(16,114)
Gifts in kind		(1,006)	(1,840)
Realized and unrealized losses (gains) on investments		20,613	(21,487)
Changes in assets and liabilities that provide (use) cash:			
Accounts receivable		519	(558)
Contributions receivable		7,780	3,980
Prepaid and other assets		1,145	4,762
Accounts payable and accrued expenses		(10,734)	(10,501)
Deferred revenue and students' deposits		(649)	226
Present value of beneficiary payments		194	(499)
Deposits held for others		(2,263)	11
Accrued pension obligation		7,156	1,377
Asset retirement obligation		(150)	1,219
Accrued postretirement benefit obligation		92	244
Net cash used in operating activities		(45,724)	(35,451)
Cash flows from investing activities:			
Purchases of land, buildings, and equipment		(29,934)	(52,354)
Use of deposits held by trustee		12,973	50,979
Proceeds from sale of fixed assets		502	34
Net loans granted (repaid) by students		10	(115)
Purchases of investments		(323,164)	(159,461)
Proceeds from sales and maturities of investments		370,469	172,514
Net cash provided by investing activities		30,856	11,597
Cash flows from financing activities:			
Proceeds from contributions for:			
Investment in endowment		10,388	13,649
Investment in long-lived assets		854	1,700
Investment subject to life income agreements		281	765
Investment income on life income and annuity agreements		616	727
Payments to beneficiaries		(1,292)	(1,385)
Change in refundable government loan funds		(147)	(92)
Payments on long-term debt		(2,005)	(1,905)
Debt issuance cost		—	(7)
Net cash provided by financing activities		8,695	13,452
Net decrease in cash and cash equivalents		(6,173)	(10,402)
Cash and cash equivalents:			
Beginning of year		13,299	23,701
End of year	$	7,126	13,299
Supplemental data:			
Interest paid	$	11,522	11,620
Noncash investing activities:			
Purchases of capital assets included in accounts payable	$	6,823	6,234

See accompanying notes to financial statements.

(1) Organization

Vassar College (Vassar or the College) was founded in 1861 and is a coeducational, independent, liberal arts college located in Poughkeepsie, New York.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with principles generally accepted in the United States of America (U.S. GAAP), have been prepared to focus on the College as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

(b) Classification of Net Assets

Resources are reported for accounting purposes in the following classes of net assets based on the existence or absence of donor-imposed restrictions:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Temporarily Restricted – Net assets whose use by the College is subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets. Such assets primarily include the College's donor-restricted endowment funds.

(c) Statements of Activities

The statements of activities report the change in net assets from operating and non-operating activities. Operating revenue consist of those items attributable to the College's education programs, grants for research conducted by academic departments, private gifts, and other revenue, as well as auxiliary enterprise activities.

Non-operating activities includes investment return on short- and long-term investments, contributions received other than for current operations, pension and postretirement benefit liability adjustments other than net periodic benefit cost, changes in deferred gifts as well as investment income on deferred gifts, and miscellaneous items not related to the College's academic or research activities. To the extent non-operating contributions, investment income and gains are used for operations, they are reclassified as appropriation of endowment for operations on the statements of activities.

Revenue are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions as follows:

- Student tuition and fees are recorded at established rates, net of financial aid and scholarships provided directly to students.
- Contributions, including unconditional promises to give reported as contributions receivable, are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose that has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions on the statements of activities. Temporary restricted contributions and investment return received and expended for the restricted purpose in the same fiscal year are recorded as unrestricted net assets. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.
- Contributions of land, buildings, or equipment are reported as unrestricted non-operating support unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as increases in temporarily restricted net assets until the assets are acquired and placed into service.
- Auxiliary enterprises include a variety of services that enhance the quality of student life on campus. Revenue are displayed in two sections. Fees for housing and dining services are displayed along with tuition and fees net of scholarship aid to arrive at net tuition, fees, room, and board. Other auxiliary service enterprise revenue, which include college retail operations, cash dining, catering, intercollegiate athletics, and graphic arts, are displayed separately. Expenses associated with auxiliary enterprise activities are reported as a single total and include an allocated portion of the cost of operating and maintaining College plant assets, interest, and depreciation expense.

Expenses are reported as decreases in unrestricted net assets. Expenses associated with the operation and maintenance of the College's plant assets, including interest and depreciation expense are allocated on the basis of square footage utilized by the functional categories. Expenses associated with fundraising activities of the College were approximately $7,267 and $6,368 in 2016 and 2015, respectively, and are included in institutional support in the statements of activities.

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. The College's significant estimates include the valuation of certain investments, valuation of contributions receivable, valuation of asset retirement obligations, and valuation of its pension and postretirement benefit obligations. Actual results could differ from those estimates.

(e) Risks and Uncertainties

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

Contributions and the actuarial present value of accumulated plan benefits for the pension and postretirement obligations are estimated based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

(f) Cash and Cash Equivalents

Cash and cash equivalents include operating funds that are short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents are reported at cost, which approximates fair value.

(g) Receivables

The College extends credit to students in the form of accounts receivable and loans for educational purposes.

It is not practicable to determine the fair value of student loan receivables because they are primarily federally sponsored student loans with U.S. government mandated interest rates and repayment terms, and are subject to significant restrictions as to their transfer or disposition.

The College records an allowance for doubtful accounts (credit losses) for long-term receivables including Perkins loans and other student loans. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment, the level of delinquent loans, review of the default rate by category in comparison to prior years, the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on actual results. The College's Perkins Loan receivable represents the amounts due from current and former students under the federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan program are able to be assigned to the Federal Government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed. Management believes that the allowance for credit losses at the end of the fiscal year is adequate to absorb credit risk inherent in the portfolio.

(h) Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The College uses a three-tiered hierarchy to categorize those assets and liabilities based on the valuation methodologies employed. The hierarchy is defined as follows:

Level 1 – Valuation is based upon quoted prices in active markets that the College has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets.

Level 2 – Valuation is based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 – Valuation is based on unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability.

In June 2015, the FASB issued ASU 2015-10, Technical Corrections and Improvements, that clarified one aspect of the definition of readily determinable fair value (RDFV) thereby affecting the measurement of and disclosure about certain equity investments. During 2016, based on this technical correction, the College re-evaluated its investments historically measured using net asset value (NAV) as a practical expedient in structures with characteristics similar to a mutual fund as to whether they have a RDFV. Based on this re-evaluation, NAV disclosures have been amended, and certain pension assets aggregating $11,682 previously accounted for using NAV as a practical expedient as of June 30, 2015 and previously excluded from the fair value hierarchy were determined to have a RDFV and have been included as Level 1 investments at that date.

(i) Investments

Investments are reported at fair value with realized and unrealized gains and losses included in the statements of activities. Certain alternative investments are recognized at the net asset value (NAV) as a practical expedient to estimate fair value. Realized gains and losses on the sale of the College's investments are based upon the average cost of the investment. All investment transactions are recorded on a trade-date basis.

(j) Endowment Funds and Spending Policy

Included in investments are assets of the College's endowment and similar funds. These institutional funds are invested in long-term vehicles and strategies to produce investment return to support the operations of the College. Investment guidelines are set under the direction of the Investments Committee with the objective to enhance the real market value of the portfolio while providing a relatively predictable and growing stream of revenue to the College's operating budget. The majority of the endowment and similar funds are unitized and invested in a consolidated pool. Nonconsolidated endowed funds are invested separately. Funds are added to or withdrawn from the pool at the unit fair value of the fund at the beginning of the quarter in which the transaction occurred.

The College utilizes a "total return" policy for endowment spending. This approach considers current yield (primarily interest and dividends), as well as the net appreciation in the fair value of investments when determining a spending amount. Under this policy, the Board of Trustees establishes a spending rate, which is then applied to the average fair value of investments.

Annually, as part of the College's operating and capital budget plans, the Board approves a spending rate for endowment units. The guideline is to increase per unit spending annually based on the one-year change in the Higher Education Price Index, lagged one year, provided that the resulting rate does not exceed 5.5% nor fall below 4.5% for the trailing 12-quarter average market value of the fund, lagged one year. For fiscal year 2015-2016, the Board approved a total draw on financial assets of up to $53,404. For the year ended June 30, 2016, $51,109 was spent from gross financial assets, of which $5,818 represents a supplemental draw from board-designated quasi endowment above per unit spending. For the year ended June 30, 2015, $51,500 was spent from gross financial assets, of which $8,284 represents a supplemental draw from board-designated quasi endowment above per unit spending.

(k) Beneficial Interest in Outside Trusts

The College is the beneficiary of various trusts created by donors, the assets of which are not in the possession of Vassar. The College has legally enforceable rights or claims to such assets, including the right to income generated. The fair value of these interests is recorded in the permanently restricted net asset class and the net realized and unrealized gains or losses are recorded in the permanently or temporarily restricted net asset categories as designated by the donors.

(l) Land, Buildings and Equipment

Land, buildings, and equipment are recorded at cost, or if donated, at estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Works of art, historical treasures, and similar assets have been recognized at their estimated fair value based upon appraisals or similar valuations at the date of acquisition or donation. Proceeds from sales of collection items not previously provided financial statement recognition are reflected on the statements of activities as changes in the appropriate net asset classes, depending on the existence and type of donor-imposed restrictions.

When an asset retirement obligation is identified, the College records the fair value of the obligation as a liability. Over time, the liability is accreted to its estimated settlement value. Upon settlement of the liability, the College will recognize a gain or loss for any difference between the settlement amount and the liability recorded. The fair value of the obligation is also capitalized as part of land, buildings, and equipment and then amortized over the estimated remaining useful life of the associated asset.

(m) Deferred Gift Arrangements

The College's deferred gift arrangements with donors consist of irrevocable charitable remainder trusts, charitable gift annuities, and pooled income funds for which the College is the remainder beneficiary. Assets held in these trusts are included in investments and recorded at fair value. The fair value of these assets included in investments at June 30, 2016 and 2015 was approximately $23,925 and $26,956, respectively. Contribution revenue are recognized at the dates the trusts are established, net of the liabilities recorded for the present value of beneficiary payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits. The liability for the present value of deferred gifts is based upon actuarial estimates and assumptions regarding the duration of the arrangements and the assumed discount rate. Discount rates range from 1.8% to 2.2% and are established as of the date of the gift. Circumstances affecting these assumptions can change the estimate of this liability in future periods.

(n) Workers' Compensation

The College recognizes a worker's compensation liability for future payments for current and prior years' claims. The liability is based on estimated claims payable and claims incurred but not reported discounted to present value at 4%. As of June 30, 2016 and 2015, the workers' compensation liability is $2,759 and $2,715, respectively, and is recorded in accounts payable and accrued expenses on the accompanying statements of financial position.

(o) Tax Status

The College generally does not provide for income taxes since it is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. U.S. GAAP permits an organization to recognize the benefit and requires accrual of an uncertain tax position only when the position is "more likely than not" to be sustained in the event of examination by tax authorities. Tax positions deemed to meet the "more likely than not" threshold are recorded as a tax expense in the current year. The College has analyzed all open tax years and believes it has no significant uncertain tax positions.

(Dollars in thousands)

(3) Contributions Receivable

Contributions receivable consist of the following at June 30:

		2016	2015
Unconditional promises expected to be collected in:			
Less than one year	$	9,256	5,323
One to five years		7,337	17,958
Thereafter		707	1,239
		17,300	24,520
Less present value discounts (rates between 0.39% and 6.00%)		(317)	(577)
Allowance for uncollectible pledges		(1,169)	(349)
	$	15,814	23,594

Conditional pledges and bequest intentions totaling approximately $124,700 have been excluded from these amounts and are not recorded in the financial statements.

(4) Investments

The College's investment objective is to earn average annual returns sufficient to support regular spending appropriations and compensate for the impact of inflation over time. The asset allocation for the endowment, which employs multiple managers organized into several asset classes, is designed to achieve this return objective on average over the long-term at an appropriate level of risk. Short-term investments are intended to provide liquidity for operating and non-operating activities. Fixed-income investments are intended to provide income, liquidity, and diversification benefits. Equity investments, real estate, oil and gas partnerships, venture capital/private placements, institutional mutual funds, and balanced funds are intended to provide growth, income, and diversification benefits.

Total investment return is as follows for the years ended June 30:

		2016	2015
Dividends and interest	$	2,233	5,082
Realized and unrealized gains and losses, net		(20,613)	21,487
Total return, net of fees	$	(18,380)	26,569

The fair value of the College's investments has been determined in the following manner:

Investments	Investments Fair value
Short-term investments consisting principally of money market instruments, commercial paper, and cash management funds	At quoted market value which approximates cost
Equity securities, debt securities, mutual funds, shares in real estate investment trusts, and other publicly traded securities	At quoted market value
Privately held partnerships, including alternative investments such as private equity and hedge fund limited partnerships	Net asset value as determined by the general partner

The values of publicly traded fixed-income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of non- publicly traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted market values of the underlying securities. Alternative investments, which consist of hedge funds, real estate, oil and gas partnerships, venture capital and private partnerships, are valued using current estimates of fair value based upon the net asset value (NAV) of the funds determined by the general partner or investment manager for the respective funds. These valuations consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sale prices of investments, and other pertinent information. NAV is used as a practical expedient to estimate the fair value of the College's interest in these funds, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. The College has assessed the NAV provided by the external managers and believes the amounts reported represent a reasonable estimate of fair value.

(Dollars in thousands)

The following tables summarize the valuation of the College's investment portfolio by asset class under the fair value hierarchy levels as of June 30:

	2016			
	Investments measured at NAV	**Level 1**	**Level 3**	**Total**
Short-term investments	$ —	169,535	—	169,535
Fixed-income	—	49,215	—	49,215
Marketable real estate	—	3,116	233	3,349
Equity investments:				
U.S. stocks	61,721	88,546	—	150,267
International stocks	76,394	30,128	—	106,522
Hedge funds	280,328	—	—	280,328
Real estate, oil, and gas partnerships	78,514	—	—	78,514
Venture capital/private partnerships	95,681	—	—	95,681
Institutional mutual fund	14,999	—	—	14,999
Balanced accounts	—	170	—	170
	$ 607,637	340,710	233	948,580

Certain fund redemptions were in process at June 30, 2016 resulting in short-term investments that were higher than those normally held by the College. Proceeds from these redemptions were reinvested subsequently consistent with the College's strategic investment allocation.

(Dollars in thousands)

	2015			
	Investments measured at NAV	**Level 1**	**Level 3**	**Total**
Short-term investments	$ —	19,935	—	19,935
Fixed-income	—	97,247	—	97,247
Marketable real estate	—	3,200	233	3,433
Equity investments:				
U.S. stocks	61,040	148,191	—	209,231
International stocks	155,907	12,623	—	168,530
Hedge funds	314,668	—	—	314,668
Real estate, oil, and gas partnerships	87,602	—	—	87,602
Venture capital/private partnerships	97,689	—	—	97,689
Institutional mutual fund	17,243	—	—	17,243
Balanced accounts	—	241	—	241
	$ 734,149	281,437	233	1,015,819

There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2016 and 2015.

The following tables summarize the change in value of investments within Level 3 as defined in the fair value hierarchy for the years ended June 30:

	2016	**2015**
Marketable real estate, fair value at beginning of year	$ 233	233
Purchases	—	—
Settlements	—	—
Net realized gains	—	—
Net unrealized gains (loss)	—	—
Marketable real estate, fair value at end of year	$ 233	233

Liquidity

Hedge funds and certain equity investments are redeemable with the funds or limited partnerships at NAV under the terms of the subscription agreement and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly, or annual redemption frequency typically require notice periods ranging from 15 to 90 days. Investment fair values are broken out below by their redemption frequency as of June 30, 2016.

(Dollars in thousands)

	Daily	Monthly	Quarterly	Annual	Illiquid	Total
Short-term investments	$ 169,535	—	—	—	—	169,535
Fixed-income	49,215	—	—	—	—	49,215
Marketable real estate	3,116	—	—	—	233	3,349
Equity investments:						
U.S. stocks	88,546	—	61,721	—	—	150,267
International stocks	27,128	62,831	16,563	—	—	106,522
Hedge funds	—	38,651	116,895	124,782	—	280,328
Real estate, oil and gas partnerships	—	—	—	—	78,514	78,514
Venture capital/private placement	—	—	—	—	95,681	95,681
Institutional mutual fund	—	14,999	—	—	—	14,999
Balanced accounts	170	—	—	—	—	170
	$ 337,710	116,481	195,179	124,782	174,428	948,580

Investments with a redemption frequency of illiquid includes lock-ups with expiration dates, restricted shares, side pockets, gates or funds in liquidation which have suspended normal liquidity terms, as well as private equity and real asset funds where the College has no liquidity terms until the investments are sold by the fund manager. The estimated life of the real assets and venture capital/private placement funds range from 7 to 15 years. At June 30, 2016, the College's remaining outstanding commitments on investments totaled $92,122 and are expected to be funded from existing investments included within the endowment.

(5) Endowment

The College endowment consists of approximately 900 individual donor-restricted endowment funds and 100 board-designated quasi endowment funds for a variety of purposes. Pledges receivable and deferred gift arrangements that have been designated for endowment are not considered to be part of the endowment until the funds are received. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of donor-restricted endowment funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment, and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure. The Board of Trustees has interpreted its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, to include the preservation of intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds.

As a result of this interpretation, the College classifies as permanently restricted net assets the (a) the original value of gifts donated to a true endowment fund, (b) the original value of subsequent gifts to a true endowment fund, and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unspent earnings related to donor-restricted endowment funds are classified as temporarily restricted net assets until the amounts are expended by the College in a manner consistent with the donor's intent and appropriated for expenditure by the Board of Trustees. The remaining portion of the endowment fund that is not classified in permanently restricted or temporarily restricted net assets is classified as unrestricted net assets.

(Dollars in thousands)

The College considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the College 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 College
- The investment policies of the College.

The following tables provide (1) the net asset class composition of the endowment as of June 30 and (2) a roll forward of the net endowment assets.

	2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ (1,550)	457,545	328,962	784,957
Board-designated quasi endowment	143,860	—	—	143,860
Total endowment funds at June 30, 2016	$ 142,310	457,545	328,962	928,817

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ (7)	508,480	318,020	826,493
Board-designated quasi endowment	156,481	—	—	156,481
Total endowment funds at June 30, 2015	$ 156,474	508,480	318,020	982,974

 (Continued)

(Dollars in thousands)

	2016			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net endowment assets at June 30, 2015	$ 156,474	508,480	318,020	982,974
Gifts received	23	—	10,365	10,388
Transfers and gifts further designated	1,594	1,543	519	3,656
Investment return, net	(2,379)	(14,771)	58	(17,092)
Appropriation of endowment assets for expenditure	(13,402)	(37,707)	—	(51,109)
Net endowment assets at June 30, 2016	$ 142,310	457,545	328,962	928,817

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net endowment assets at June 30, 2014	$ 159,529	520,653	302,029	982,211
Gifts received	8	—	13,641	13,649
Transfers and gifts further designated	7,622	7	2,350	9,979
Investment return, net	6,528	22,107	—	28,635
Appropriation of endowment assets for expenditure	(17,213)	(34,287)	—	(51,500)
Net endowment assets at June 30, 2015	$ 156,474	508,480	318,020	982,974

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. When donor endowment deficits exist, they are classified as a reduction of unrestricted net assets. Deficits of this nature reported in unrestricted net assets were $1,550 and $7 as of June 30, 2016 and 2015, respectively. These deficits resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments, and authorized appropriation that was deemed prudent.

(Dollars in thousands)

(6) Land, Buildings, and Equipment

The following is a summary of the College's property and equipment as of June 30:

	Estimated lives	2016	2015
Land	—	$ 2,126	2,126
Land improvements	50 years	33,348	29,128
Buildings and improvements	10 to 50 years	568,563	441,289
Equipment (including computers)	4–7 years	93,022	85,483
Library books	4 years	57,613	54,884
Art works and collectibles	—	55,285	53,573
Construction in progress	—	12,809	127,622
		822,766	794,105
Less accumulated depreciation		(336,970)	(321,778)
		$ 485,796	472,327

Depreciation expense for the years ended June 30, 2016 and 2015 was $20,310 and $19,170, respectively.

Interest costs on debt borrowed for capital improvements that are incurred during construction are capitalized, net of interest earned on construction funds. Capitalized interest during fiscal years 2016 and 2015 was $1,914 and $3,828, respectively.

The College's Board of Trustees approved a capital budget of $3,500 for construction projects in fiscal year 2017. This figure includes project completion costs and retainage that will be paid in the 2016-17 fiscal year.

(Dollars in thousands)

(7) Long-Term Debt

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

		2016	2015
Dormitory Authority of the State of New York Revenue Bonds, Series 2007, maturing in 2046, with interest ranging from 4% to 5%. The bonds are general obligations of the College. (a)	$	111,805	113,810
Dormitory Authority of the State of New York Revenue Bonds, Series 2010, maturing in 2049, with interest of 5%. The bonds are general obligations of the College. (b)		50,000	50,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2013A, maturing in 2049, with interest ranging from 4% to 5%. The bonds are general obligations of the College. (c)		87,085	87,085
		248,890	250,895
Less unamortized bond issuance costs		(411)	(423)
	$	248,479	250,472

(a) On April 18, 2007, the College entered into an agreement with the Dormitory Authority of the State of New York, which provided for the issuance of $125,455 Vassar College Revenue Bonds, Series 2007. A portion of the proceeds were deposited into bond trustee escrow accounts to extinguish the Vassar College Revenue Series 1995 and 2001 Bonds. A portion was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.

(b) On March 31, 2010, the College entered into an agreement with the Dormitory Authority of the State of New York, which provided for the issuance of $50,000 Vassar College Revenue Bonds, Series 2010. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.

(c) On June 6, 2013, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of $87,085 Vassar College Revenue Bonds, Series 2013A. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.

(Dollars in thousands)

Maturities of bonds for the fiscal years after June 30, 2016 are as follows:

2017	$	735
2018		755
2019		785
2020		815
2021		850
Thereafter		244,950
	$	248,890

Interest expense for the years ended June 30, 2016 and 2015 was $9,558 and $7,744, respectively.

The Dormitory Authority of the State of New York and the Dutchess County Local Development Corporation require the College to establish certain reserve funds which are, included in the caption "deposits held by bond trustee" on the accompanying statements of financial position. These funds are invested in cash and cash equivalents and fixed-income securities where the fair value is based on quoted market prices and are considered to be Level 1 in the fair value hierarchy.

In addition, the Dormitory Authority of the State of New York requires the College to maintain certain liquidity ratios. The College is in compliance with all debt covenants.

Line of Credit

The College maintains a revolving line of credit for $10,000 of which $8,500 is available for working capital and $1,500 can be used for the issuance of letters of credit. As of June 30, 2016, the College had a letter of credit issued on its behalf in the amount of $1,324. As of June 30, 2016 and 2015, the College had not drawn on the designated working capital portion of the revolving line of credit.

(8) Employee Benefits – Retirement Plans

Retirement benefits for substantially all full-time employees are provided under a defined contribution plan with Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments (Fidelity). In accordance with current plan documents, all employees who have completed one year of service at the College are eligible to participate in the Plan. The College makes contributions to TIAA and Fidelity based on eligible employees' earnings and age. Contributions for the years ended June 30, 2016 and 2015 totaled approximately $6,629 and $6,463, respectively.

(Dollars in thousands)

Retirement benefits for nonacademic employees, excluding secretarial, clerical, technical and supervisory staff, are provided under the Vassar College Defined Benefit Pension Plan.

The following tables and associated disclosures sets forth information related to the Vassar College Defined Benefit Pension Plan:

		2016	2015
Change in projected benefit obligation:			
Benefit obligation at beginning of year	$	41,700	40,310
Service cost		1,095	1,214
Interest cost		1,716	1,619
Benefits paid		(1,715)	(1,573)
Actuarial loss		5,052	130
Benefit obligation at end of year		47,848	41,700
Change in plan assets:			
Fair value of plan assets at beginning of year	$	31,333	31,162
Actual return on plan assets		707	1,072
Employer contribution		—	672
Benefits paid		(1,715)	(1,573)
Fair value of plan assets at end of year		30,325	31,333
Funded status at June 30 – amount recognized in statement of financial position	$	(17,523)	(10,367)
Amounts recognized in unrestricted net assets:			
Net prior service cost	$	2,816	3,287
Net actuarial loss		17,356	11,278

The estimated net prior service cost and net actuarial loss for the defined-benefit pension plan that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year are $471 and $554, respectively.

Based on the current funding level, the College anticipates making a contribution for 2017 in the amount of $88.

(Dollars in thousands)

Components of net periodic benefit cost for the years ended June 30 are as follows:

		2016	2015
Service cost	$	1,095	1,214
Interest cost		1,716	1,619
Expected return on plan assets		(2,287)	(2,475)
Amortization of:			
Prior service cost		471	471
Actuarial net loss		554	472
Net defined-benefit pension cost	$	1,549	1,301

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended June 30 are as follows

		2016	2015
Net actuarial gain	$	(6,632)	(1,533)
Amortization of:			
Prior service cost		471	471
Actuarial net loss		554	472
Total recognized in nonoperating activities	$	(5,607)	(590)

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position at June 30 are as follows:

	2016	2015
Year-end benefit obligation:		
Discount rate	3.40%	4.20%
Rate of compensation increase	4.00	4.00
Net periodic benefit cost:		
Discount rate	4.20	4.10
Expected return on plan assets	7.50	8.10
Rate of compensation increase	4.00	4.00

The expected long-term rate of return assumption represents the expected average rate of return or earnings on funds invested or to be invested to provide for the benefits included in the benefit obligations. This assumption is based on a number of factors, including historical market index returns, the anticipated long-term asset allocation of the plan, historical plan return data, plan expenses, and the potential to out-perform market index returns.

(Dollars in thousands)

The estimated future benefit payments from the defined benefit pension plan are as follows:

2017	$	1,895
2018		1,942
2019		2,028
2020		2,100
2021		2,167
2022–2026		12,323
	$	22,455

Defined-Benefit Plan Investment Policy

The Committee on Investments of the Board of Trustees directs the investment of the assets within the defined-benefit pension plan (the Plan). The committee has established a formal investment policy for the Plan, the goal of which is to generate a long-term real rate of return of 5.5%–6.0%, while sustaining moderate levels of risk. Target weightings for asset classes in the investment policy have been established based upon long-term expected real rates of return and correlation of returns as developed by the Plan's investment manager. These target weightings, bounded by allowable ranges, are expected to allow the Plan assets to meet its objectives over the long-term with respect to investment return, volatility, and liquidity.

Target weightings for Plan assets are 60% equities, 30% fixed income, and 10% real estate. As of June 30, 2016 and 2015, actual weightings approximated the targets.

The Plan's assets are shown below at fair value by investment class and hierarchy, for the years ended June 30, 2016 and 2015:

	2016		
	Investments measured at NAV	**Level 1**	**Total**
Common/collective trusts	$ —	11,443	11,443
Mutual funds	—	18,842	18,842
Other	40	—	40
	$ 40	30,285	30,325

(Dollars in thousands)

		2015		
		Investments measured at NAV	Level 1	Total
Common/collective trusts	$	—	11,682	11,682
Mutual funds		—	19,592	19,592
Other		59	—	59
	$	59	31,274	31,333

(9) Employee Benefits – Postretirement Health Insurance

The College provides postretirement medical benefits for certain retirees and employees. The cost of postretirement benefits is accrued as earned during an employee's service with the College.

The following table presents the postretirement medical plan's funded status and amounts recognized in the financial statements. The calculations were based upon data as of June 30, 2016 and 2015.

		2016	2015
Change in benefit obligation:			
Benefit obligation at beginning of year	$	26,438	26,194
Service cost		1,462	1,539
Interest cost		1,087	1,026
Plan participants' contributions		42	58
Benefits paid		(847)	(792)
Actuarial gain		(1,652)	(1,587)
Benefit obligation at end of year		26,530	26,438
Change in plan asset:			
Fair value of plan assets at beginning of year		—	—
Retiree drug subsidy receipts		—	—
Employer contributions		806	734
Plan participants' contributions		41	58
Benefits paid		(847)	(792)
Fair value of plan assets at end of year		—	—
Funded status at June 30 – amount recognized in statement of financial position	$	(26,530)	(26,438)
Amounts recognized in unrestricted net assets:			
Net prior service credit	$	206	2,281
Net actuarial loss		(188)	(1,840)

(Dollars in thousands)

The estimated net prior service credit and net actuarial loss for the postretirement plan that will be amortized into net periodic benefit cost over the next fiscal year are $206 and $2,075, respectively.

The College funds its postretirement medical benefits on a cash basis. The College's contributions in the next fiscal year are anticipated to be approximately $1,166.

		2016	2015
Components of net periodic benefit cost:			
Service cost	$	1,463	1,539
Interest cost		1,087	1,026
Amortization of:			
Prior service credit		(2,075)	(2,075)
Actuarial net loss		—	128
Net postretirement benefit cost	$	475	618

Other changes in benefit obligations recognized in unrestricted net assets for the years ended June 30 are as follows:

		2016	2015
Net actuarial gain	$	1,652	1,587
Amortization of:			
Prior service credit		(2,075)	(2,075)
Actuarial net loss		—	128
Total recognized in nonoperating activities	$	(423)	(360)

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position were as follows:

	2016	2015
Year end benefit obligation:		
Discount rate	3.30%	4.20%
Net periodic benefit cost:		
Discount rate	4.20	4.00

The estimated future benefit payments range from $1,100 to $1,500 annually through fiscal year 2026.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan. Assumed health care cost trends are 6.83% and 7.08% for the years ended June 30, 2016 and 2015, respectively, decreasing annually to an ultimate trend rate of 4.50% by 2019.

(Dollars in thousands)

A one-percentage-point change in the assumed healthcare cost trend rates would have the following effects at June 30:

		2016	2015
Effect of 1% increase in healthcare cost trend rate:			
Change in aggregate of current service cost and interest cost	$	517	533
Change in accumulated postretirement benefit obligation		4,114	3,762
Effect of 1% decrease in healthcare cost trend rate:			
Change in aggregate of current service cost and interest cost		(412)	(425)
Change in accumulated postretirement benefit obligation		(3,383)	(3,123)

(10) Restricted Net Assets and Net Assets Released from Restrictions

The College's donor-restricted net assets consist of the following at June 30:

		2016		2015	
		Temporarily restricted	Permanently restricted	Temporarily restricted	Permanently restricted
Instruction	$	73	99,289	86	97,400
Scholarships		81	137,516	62	131,659
Student services		33	9,250	51	9,052
Academic support		33	26,919	37	26,351
Institutional support		10	47,919	—	47,311
Other		858	2,388	3,141	567
Endowment earnings		457,545	—	508,480	—
Building renovations		6,326	5,438	6,814	5,438
Annuities and trusts		2,912	12,396	4,406	13,826
Pledges		10,027	6,968	12,530	11,075
Total net assets	$	477,898	348,083	535,607	342,679

(Dollars in thousands)

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors are as follows for the years ended June 30:

		2016	2015
Purpose restrictions:			
Instruction	$	16,999	14,646
Scholarships		17,435	16,330
Student services		1,029	1,754
Academic support		3,859	4,148
Institutional support		748	1,707
Other		2,989	929
Building renovations		950	10,609
	$	44,009	50,123

(11) Commitments and Contingencies

Operating Leases

At June 30, 2016, minimum annual commitments under operating leases are as follows:

Fiscal year ended June 30:		
2017	$	190
2018		193
2019		205
2020		217
2021		230
	$	1,035

(Dollars in thousands)

(12) Natural Classification of Expenses

Operating expenses presented by natural classification are as follows for the fiscal years ended June 30:

		2016	2015
Salaries	$	77,646	74,613
Fringe benefits		31,611	30,818
Depreciation and accretion		20,888	20,037
Interest		9,558	7,744
Utilities		4,598	4,109
Other operating		33,969	34,313
Restructuring		—	6,304
	$	178,270	177,938

(13) Restructuring

The Non-Faculty Employee Early Retirement Program (the Program) offered eligible non-faculty employees a financial incentive to voluntarily retire or resign from the College during the first six months of the 2014/15 fiscal year. The purpose of the Program was to reengineer and reduce staffing for certain functions, reassign positions to more strategic priorities of the College, provide promotional opportunities to certain early and middle career employees, and to allow the hiring of replacement staff at lower overall cost. The Program was intended to reduce the aggregate size of the non-faculty employee pool by at least 30 FTEs, resulting in better alignment of staffing to our peers and cost reductions in the annual operating budget of the College.

All non-faculty employees with a minimum of five years of service whose combined age and service years equaled or exceeded 75 were eligible and offered the retirement incentive. The incentive consisted of a one-time payout based on current salary or wages, with a longevity bonus for those with service in excess of ten years and a bridge payment for certain employees not yet eligible for Vassar's postretirement medical benefits. Of the approximately 225 employees eligible for the Program, 69 participated. Incentive payments were made in the next pay period after the final separation date, with most payments occurring in January 2015.

(14) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2016 and through October 28, 2016, the date on which the financial statements were issued.

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APPENDIX C

GLOSSARY AND SUMMARY OF CERTAIN DOCUMENTS

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APPENDIX C

GLOSSARY AND SUMMARY OF CERTAIN DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

As used in the Official Statement, the following terms shall have the respective meanings set forth below, except as the context otherwise requires:

"Account" means any Account within any Fund created and maintained pursuant to the Indenture.

"Act" means, 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 College or the Issuer under any applicable bankruptcy, reorganization, insolvency or similar law as is now or hereafter in effect.

"Additional Bonds" or "Series of Additional Bonds" means any Series of Additional Bonds issued by the Issuer on behalf of the College pursuant to the Indenture.

"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 College.

"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. Resolution Funding Corp. (REFCORP) obligations
5. 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 A by S&P and A by Moody's without regard to rating qualifier (+ or -).

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. <u>Primary dealers</u> on a Federal Reserve reporting dealer list which are rated A or better by S&P or Moody's or
   b. <u>Banks</u> rated A or above by S&P, Fitch or Moody's.

2. The written repurchase agreements contract must include the following:
   a. <u>Securities which are acceptable for transfer are</u>:
      (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 <u>plus</u> 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.

All references in this definition of "Authorized Investments" to the ratings shall be the rating at the time such investment is made. Any subsequent downgrading or rating withdrawal shall not affect the status of an Authorized Investment.

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

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

"Bond" or "Bonds" or "Series of Bonds" means collectively, the Series 2017 Bonds and any Series of Additional Bonds.

"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 22, 2017, among the Issuer, the College 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 2017 Bonds.

"Bond Rate" means the Tax-Exempt rate of interest from time to time payable on any of the Series 2017 Bonds as defined therein.

"Bond Registrar" means the Trustee, acting in its capacity as Bond Registrar with respect to the Bonds, and its successors and assigns in such capacity.

"Bond Resolution" means the resolution duly adopted by the Issuer on March 1, 2017, authorizing the issuance, execution, sale and delivery of the Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

"Bond Year" shall have the meaning 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 2017 Bonds issued under the Indenture.

"Closing Date" means the date of sale and delivery of the 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.

"College" means Vassar College, a duly organized and validly existing New York education corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its successor and assigns.

"College 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.

"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 as of April 1, 2017, between the College and the Trustee.

"Cost of the 2017 Project" or "Costs of the 2017 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 Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Bonds.

"Debt Service Payment Date" means any date on which each Debt Service Payment shall be payable on any of the Series 2017 Bonds so long as the Series 2017 Bonds shall be outstanding.

"DTC" means The Depository Trust Company, New York, New York.

"DTC Letter of Representation" means the Letter of Representation from the Issuer to DTC.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.

"Equipment" means all machinery, equipment and other personal property used and to be used in connection with the 2017 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.

"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.

"Financing Documents" means the Indenture and the Loan Agreement.

"Fiscal Year" means the twelve (12) month period beginning on July 1 in any year or such other fiscal year as the College may select from time to time.

"Fitch" means Fitch Ratings and its successors and assigns.

"Fund" means any Fund created and maintained pursuant to the Indenture.

"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 Aa by Moody's and AA 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 AA 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 (i) financed with Bond Proceeds or of any payment by the College 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 College 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 April 1, 2017, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 2017 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 College 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 2017 Bonds.

"Issuer" means (i) the Dutchess County 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 2017 Bonds, the Loan Agreement, the Indenture, the Note, the Tax Regulatory Agreement, the Information Report, the Preliminary Official Statement and the Official Statement.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by The Bank of New York Mellon at its principal office in the City of New York, New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by The Bank of New York Mellon) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2017 Bonds and (b) the maximum rate permissible under the applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"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" also means any 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 April 1, 2017 by and between the College and the Issuer, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof, or any other Loan Agreement entered into in connection with any Series of Additional Bonds.

"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 College to the Issuer, substantially in the form of Exhibit D to the Loan Agreement, evidencing the College'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 22, 2017, distributed by the Underwriter and the College in connection with the sale of the 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 "Bonds Outstanding" or "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 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 Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a 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 Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

"Owner" means the registered owner of any 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 2017 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) the Indenture, and (iii) any Liens created thereunder.

"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 College, as revised from time to time.

"Preliminary Official Statement" means the Preliminary Official Statement, dated March 13, 2017, distributed by the Underwriter and the College in connection with the sale of the Series 2017 Bonds.

"Project" or "2017 Project" shall have the meaning in the second WHEREAS clause of the Loan Agreement.

"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.

"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 2017 Bonds.

"Rating Agency Letter" means the rating letter from each Rating Agency assigning a rating on the Series 2017 Bonds.

"Rebate Amount" means, with respect to the Series 2017 Bonds, the amount computed as described in Section 8.5 of 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 (15^{th}) 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 Bond, the date of redemption thereof established pursuant to the Indenture.

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

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

"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.

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

"Series 2007 Bonds" means the Vassar College Revenue Bonds, Series 2007, issued on March 23, 2007, by the Dormitory Authority of the State of New York, in the original aggregate principal amount of $125,455,000.

"Series 2007 Bonds Issuer" means the Dormitory Authority of the State of New York, a body corporate and politic of the State of New York, constituting a public benefit corporation created pursuant to Chapter 524 of the Laws of 1944 of the State of New York, as amended.

"Series 2007 Bonds Trustee" means The Bank of New York Mellon, formerly known as The Bank of New York, a banking corporation having trust powers duly organized and existing under the laws of the State of New York, having an office at 101 Barclay Street, Floor 7W, New York, New York 10286.

"Series 2017 Bonds" means the Issuer's Revenue Refunding Bonds, Series 2017 (Vassar College Project) issued pursuant to the terms of the Indenture, on April 25, 2017 in the aggregate principal amount of $102,095,000 and substantially in the form of Exhibit A of the Indenture.

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

"Sinking Fund Payments" means payments made on a Debt Service Payment Date to pay the Redemption Price of bonds called for redemption pursuant to the Indenture.

"S&P" or "Standard & Poor's" means S&P Global Ratings.

"State" means the State of New York.

"Sub-Account" means any Sub-Account established for a particular Series of Bonds in any Account in any Fund created and maintained pursuant to the Indenture.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture or in connection with the issuance of any Additional Bonds adopted by the Issuer in accordance with the Indenture.

"Tax Regulatory Agreement" means the Tax Regulatory Agreement, dated the Closing Date, between the Issuer and the College, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and 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, a banking corporation having trust powers duly organized and existing under the laws of the State of New York, having an office at 101

Barclay Street, Floor 7W, New York, New York 10286, Attn: Corporate Trust, and (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 Sections 5.3(b), 6.7, 8.2, 8.8, 10.2(a)(i)(B) and (iii), 10.4(a) and 11.2(b) of the Loan Agreement.

"Underwriter" means (i) Goldman, Sachs & Co, as representative of the Underwriters, or (ii) its successors and assigns.

"Underwriters" means (i) Goldman, Sachs & Co, (ii) Fidelity Capital Markets, and (iii) Morgan Stanley & Co. LLC.

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SUMMARY OF CERTAIN PROVISIONS
OF THE INDENTURE OF TRUST

The following is a brief summary of certain provisions of the Indenture and should not be considered a full statement thereof. Reference is made to the Indenture for complete details of the terms thereof.

Authentication

No Series 2017 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 2017 Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Series 2017 Bonds included in the Indenture. Such executed Certificate of Authentication by the Trustee upon any such Series 2017 Bond shall be conclusive evidence that such Series 2017 Bond has been authenticated and delivered under the Indenture. The Trustee's Certificate of Authentication on any Series 2017 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 2017 Bonds issued under the Indenture.

Mutilated, Lost, Stolen or Destroyed Bonds

(a) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, series, 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 Bond, in exchange for the mutilated Bond, or in substitution for the 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 Bond and of the ownership thereof. Upon the issuance of any 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 counsel fees, of the Issuer or the Trustee. In case any 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 Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated 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 Bond and of the ownership thereof.

(b) Every new Bond issued pursuant to the provisions of this summarized section shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time after the issuance of such new Bonds, in which case the destroyed, lost or stolen 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 Bonds duly issued under the Indenture.

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

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) Dutchess County Local Development Corporation Bond Fund – Vassar College (the "**Bond Fund**"), and within such Bond Fund, an "Interest Account" and a "Principal Account".

(b) Dutchess County Local Development Corporation Project Fund – Vassar College (the "**Project Fund**"), and within such Project Fund, a "Series 2007 Bonds Redemption Account", and a "Series 2017 Costs of Issuance Account".

(c) Dutchess County Local Development Corporation Rebate Fund – Vassar College (the "**Rebate Fund**").

(d) Dutchess County Local Development Corporation Renewal Fund – Vassar College (the "**Renewal Fund**").

(e) Upon the issuance of any series of Additional Bonds pursuant to the Indenture, the Supplemental Indenture entered into with such series of Additional Bonds shall create such Funds and Accounts and/or Subaccounts within any Account with respect to such series of Bonds.

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 particular Series of 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 particular Series of Bonds, notice of the redemption of which has been given, or (ii) for the payment of the particular Series of 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 of Bonds so called for redemption or so due and payable. Upon the issuance of any series of Additional Bonds pursuant to the Indenture, the Supplemental Indenture entered into with such series of Additional Bonds shall create such Funds and Accounts and/or subaccounts within any Account with respect to such series of Bonds. The Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified in the Indenture, which authorization and direction the Trustee hereby accepts.

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 this summarized section and of the Loan Agreement.

(b) The Trustee is authorized and directed in the Indenture, on the Closing Date, to transfer amounts on deposit in the Series 2007 Bonds Redemption Account to the Series 2007 Bonds Trustee to redeem or defease the Series 2007 Bonds.

(c) Reserved.

(d) On the date that is 180 days after the Closing Date, any balance remaining in the Series 2017 Costs of Issuance Account of the Project Fund, except amounts the College shall have directed the Trustee, in writing, to retain for any Costs of the Project not then due and payable, and after the making of any transfer to the Rebate Fund that the College 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 as provided in the Indenture.

(e) 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 College.

(f) All earnings on amounts held in the Project Fund shall be retained in the respective account of the Project Fund unless transferred pursuant to the provisions of the Indenture. Any transfers by the Trustee of amounts to the Rebate Fund (which transfers may only be made at the written direction of the College) shall be drawn by the Trustee from the Project Fund.

(g) If an Event of Default under the Indenture shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the College pursuant to the Tax Regulatory Agreement and the Indenture, shall be transferred to the Bond Fund for the redemption of the Series 2017 Bonds.

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 or any similar provision in any Loan Agreement with respect to the payment of debt service on any Series of Additional Bonds; (b) the balance in the Project Fund and the Renewal Fund to the extent specified in the Indenture; (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 after the Closing Date; (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.

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 purchase or redemption of Series 2017 Bonds and any Series of Additional Bonds as hereinafter provided. 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 2017 Bonds and any Series of Additional Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date of the Series 2017 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 respective series of the Series 2017 Bonds and any Series of Additional 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 2017 Bonds and any Series of Additional Bonds or Sinking Fund Payments are due, pay out of the monies then held for the credit of the Principal Account the amounts required for the payment of principal or Sinking Fund Payments becoming due at maturity, on a Sinking Fund Payment Date, or upon redemption of the respective series of the Series 2017 Bonds and any Series of Additional Bonds on such Debt Service Payment Date or Sinking Fund Payment Date and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of principal or Sinking Fund Payments.

(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 College, with yield not in excess of (i) the yield on the Series 2017 Bonds, or (ii) the yield on tax-exempt obligations as described in Section 148(b)(3) of the Code, 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 or sinking fund installments of the Series 2017 Bonds and any Series of Additional Bonds as they become due and payable or the Redemption Price of Bonds subject to redemption pursuant to the Indenture.

(e) Reserved.

(f) The Trustee shall call Bonds for redemption according to the Indenture, upon written direction of the Issuer or the College to the Trustee, on or after the date the Series 2017 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 the Bonds then Outstanding or to redeem the Series 2017 Bonds in part pursuant to the Indenture, including accrued interest thereon to the Redemption Date. The Trustee shall call any series of Additional Bonds for redemption in accordance with the Supplemental Indenture providing for the issuance of such series of Additional Bonds.

(g) Moneys in the Bond Fund shall be used by the Trustee, upon the written request of an Authorized Representative of the College to purchase the Series 2017 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 and is continuing;

(ii) within forty-five (45) days prior to any date on which Series 2017 Bonds or any Series of Additional 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 the Series 2017 Bonds or any Series of Additional 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 2017 Bonds or any Series of Additional Bonds have not been presented for payment; or

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

The Trustee shall promptly notify the Issuer and the College of the principal amount and the maturity of each Series of Bonds 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 College or any other person by reason of its failure to mail the notice required by this summarized section. The Series 2017 Bonds so purchased by the College or any affiliate shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the College shall deliver to the Trustee and the Issuer an opinion of Bond Counsel to the effect that the failure to surrender such Series 2017 Bonds by such date will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

(h) In connection with the purchase of the Series 2017 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 College.

(i) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Series 2017 Bonds or any Series of Additional Bonds, forty-five (45) days prior to any date on which the Series 2017 Bonds or any Series of Additional Bonds are subject to redemption pursuant to the Indenture equals or exceeds $50,000, the Trustee shall, upon the request of an Authorized Representative of the College, apply as much of such balance as can be so applied to the redemption of the Series 2017 Bonds or any Series of Additional Bonds on such next succeeding Redemption Date in the manner provided in the Indenture. The Trustee shall promptly notify the Issuer and the College of the principal amount and maturity of each Series 2017 Bond or any Series of Additional Bonds so redeemed and the balance held in the Bond Fund after such redemption.

(j) Whenever the amount in the respective Account or Sub-Account in the Bond Fund is sufficient to redeem all of the Outstanding Series 2017 Bonds or any Series of Additional Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the College, take and cause to be taken the necessary steps to redeem all such Series 2017 Bonds or any Series of Additional 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 College.

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 Projects 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 2017 Bonds or any Series of Additional Bonds shall then be subject to redemption in whole or in part (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 College, 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 College is permitted to replace, repair, rebuild, restore or relocate the Projects pursuant to the Loan Agreement, the Trustee shall, at the written direction of the College, apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund, at the written direction of the College, 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 College, 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 Principal Account of the Bond Fund and thereafter applied to pay the principal or sinking fund installments of the Series 2017 Bonds or any Series of Additional Bonds as they become due and payable.

(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 College, 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 College elects to replace, repair, rebuild, restore or relocate the Projects 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 College or the Issuer) of the costs required for the replacement, repair, rebuilding, restoration or relocation of the Projects. The Trustee is further authorized upon the written direction of the College, 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 College. Such requisition shall be in the same form and subject to the same conditions as requisitions from the Project Fund.

Investment Earnings on Funds; Application of Investment Earnings on Funds

(a) All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Bond Fund or any other special fund held under any of the Bond Documents (other than the Rebate Fund) shall be used, upon the written direction of an Authorized Representative of the College, to pay any remaining sums due for costs of the Project not previously paid, or 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 College, 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 College to the Trustee pursuant to the Tax Regulatory Agreement and the Indenture.

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 of Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the College, shall transfer, from moneys in the Project Fund or the Renewal Fund, or from any other moneys paid by the College in accordance with 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. If there has been delivered to the Trustee a certification of the Rebate Amount at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund within thirty (30) days of such date an amount received from the College such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount. The amount deposited in the Rebate Fund pursuant to this summarized paragraph shall be paid by the College 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 College, 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 College, shall pay to the United States, out of amounts in the Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount 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 2017 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 2017 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 College to make such transfer.

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 College. 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, at the written direction of an Authorized Representative of the College, 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 this summarized section through its own bond department. Notwithstanding anything to the contrary contained in the Indenture, the Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this summarized section or for any loss arising from any such investment.

(c) Any investment in the Indenture authorized is subject to the condition that no use of the proceeds of any 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 2017 Bonds, would cause such Series 2017 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 2017 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 College as provided in this summarized section.

(d) Reserved.

(e) The Trustee shall, at the written direction of the College, 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.

Payment to College upon Payment of Bonds

Except as otherwise specifically provided in the Indenture, after payment in full of the principal or Redemption Price of and interest on all the Series 2017 Bonds or any Series of 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, including reasonable attorneys' fees, 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 with respect to such Series of Bonds (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the College under the Indenture or under the Loan Agreement shall be paid to the College.

Failure to Present Bonds

Subject to the provisions of the Indenture, in the event any 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 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 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 Bonds, who shall thereafter be restricted exclusively to such moneys for any claim under the Indenture or on, or with respect to, said Bond. Subject to any law to the contrary, if any Bond shall not be presented for payment within the period of two (2) years following the date when such 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 Bond, and thereafter (a) all liability of the Trustee with respect to such moneys shall terminate, and (b) such 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 Bond for payment that any moneys held for the payment of any such Bond will be returned as provided in this summarized section 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 this summarized section.

Cancellation

All Bonds surrendered to the Trustee for payment, redemption, transfer or exchange, and Bonds surrendered to the Trustee by the Issuer, or by the College on behalf of the Issuer, for cancellation, shall be promptly cancelled by the Trustee. All Bonds cancelled by the Trustee shall be disposed of by the Trustee in accordance with its customary procedures and shall not be reissued. A copy of the canceled Bond or Bonds or other form of notice of such cancellation shall be delivered to the College upon its written request.

Agreement to Provide Information

The Trustee agrees, whenever requested in writing by the Issuer or the College, to provide such information that is known to the Trustee relating to the Bonds as the Issuer or the College, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the College to make any reports required by any Federal, state or local law or regulation or to request any consent or waiver from the holders of the Bonds.

Continuing Disclosure Agreement

The College and the Trustee will enter into the Continuing Disclosure Agreement on the Closing Date. The Issuer shall have no liability to the holders of the Bonds or any other person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement. The Trustee agrees to enter into the Continuing Disclosure Agreement on the Closing Date and to comply with and carry out all of its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the College 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. If a Series of Additional Bonds is issued under the Indenture and a continuing disclosure agreement is required to be executed by the College with respect thereto, the Trustee agrees to enter into a written continuing disclosure agreement with the College for the benefit of the Holders of such Series of the Bonds in substantially the form of the Continuing Disclosure Agreement which shall be executed and delivered solely to assist the College in complying with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934, as in effect on such date.

Discharge of Lien

(a) If the Issuer shall pay or cause to be paid to the Owners of any series of Bonds or of all Outstanding Bonds the principal thereof, redemption premium, if any, 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 such Series of 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 College all moneys or securities held by it pursuant to the Indenture which are not required for the payment of principal of, interest and premium, if any, on such Series of Bonds. The Issuer may pay or cause to be paid any Series of Bonds without at the same time paying or causing to be paid all other Series of Outstanding 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 Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Bonds shall have been made in accordance with this summarized section and the Indenture, the Trustee and the Issuer shall promptly execute and deliver to the College such written certificates, instruments and documents as the College shall reasonably 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 hereby, 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 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 Bonds not theretofore presented for payment.

Discharge of the Indenture

(a) Any Outstanding 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, summarized subsection (a) under the heading "Discharge of Lien" if: (i) there shall have been deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with summarized subsection (b) under this heading, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the Series of Bonds when due or to redeem the Series of Bonds on the earliest possible redemption date thereof at the Redemption Price specified in the Indenture; (ii) in the event such Bonds are to be redeemed prior to maturity in accordance with the Indenture or in a Supplemental Indenture with respect to such Series of Bonds, all action required by the provisions of the Indenture to redeem the Bonds shall have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with the Indenture or in a Supplemental Indenture with respect to such Series of Bonds 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 of Bonds of which the Bond is a part; (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the Series of Bonds of which such Series of Bonds is a part; (v) all other payments required to be made under the Loan Agreement and the Indenture or any Supplemental Indenture with respect to such Series of Bonds of which the Bond is a part shall have been made or provided for; (vi) the Issuer causes to be delivered an opinion of Independent Counsel stating that all conditions precedent with respect to the satisfaction and discharge of the Indenture have been met, then these presents and the trust and rights hereby granted shall cease, terminate and be void; and (vii) there shall have been delivered to the Issuer and to the Trustee a verification report 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 of, interest on, and redemption premium, if any, of the Bonds to be defeased.

(b) For the purpose of this summarized section, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding 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 of Bonds, or (ii) the first date following the date of computation on which such Series of Bonds 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 and redemption premium, if any, due on such Series of Bonds, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of any series of Series of Bonds or of all Outstanding Bonds in accordance with the Indenture, the Trustee shall hold in trust, for the benefit of the Owners of such Series of 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 Bonds.

Events of Default

The following shall be "Events of Default" under the Indenture with respect to any Bond or any Series of Bonds:

(a) A default in the due and punctual payment of any interest or any principal, Sinking Fund Payments, or Redemption Price of any 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 any other bond documents entered into in connection with any series of Additional Bonds; 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 any Series of 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-one percent (51%) of the principal amount of the applicable Series of 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 any Loan Agreement.

Acceleration; Annulment of Acceleration; Default Rate

(a) Upon the occurrence of an Event of Default under the Loan Agreement under summarized section (a)(v) under the heading "Events of Default Defined" or any similar provision in any other Loan Agreement with respect to any Additional Bonds, all Series of 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 an Event of Default, the Trustee shall, by notice in writing delivered to the Issuer and the College, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the Series of Bonds or in the Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Series of Bonds an amount equal to the total principal amount of all such Series of Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of 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 College all unpaid installments payable by the College under the Loan Agreement or any similar provision in any other Loan Agreement with respect to any Additional Bonds to be immediately due and payable.

(b) At any time after the principal of the Series 2017 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 2017 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, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding Series of Bonds; (ii) sufficient moneys shall be available to pay the amounts described in the Indenture; (iii) all other amounts then payable by the Issuer under the Indenture 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 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.

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 applicable Series of Bonds and the applicable Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient. In considering what actions are or are not prudent in the circumstances, the Trustee shall consider whether or not to take such action as may be permitted to be taken by the Trustee under any of the Financing Documents.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the College for principal, Redemption Price, interest or otherwise under any of the provisions of the Series of Bonds, the Bond Documents, and any bond documents entered into in connection with any Series of Additional Bonds 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 any Series of 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.

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, to the extent permitted by law, 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.

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 held in a Sub-Account of the Bond Fund for any particular Series of Bonds during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all the Bonds of a particular Series of 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 Series of Bonds or principal installments which shall have become due (other than any Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

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

(ii) If the principal of all such 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 such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bonds of such series, 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 such 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 paragraph (i) of this summarized subsection (b).

(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.

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 of Bonds may be enforced by the Trustee without possession of any of the Series of 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 any Series of Bonds. Subject to the provisions of the Indenture, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

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.

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SUMMARY OF CERTAIN PROVISIONS
OF THE LOAN AGREEMENT

The obligations of the College to make payments under the Loan Agreement are evidenced by a promissory note for the Series 2017 Bonds from the College to the Issuer and endorsed by the Issuer to the Trustee. The payments by the College under the Loan Agreement and the Promissory Note are intended as security for the Series 2017 Bonds.

The following is a brief summary of certain provisions of the Loan Agreement and should not be considered a full statement thereof. Reference is made to the Loan Agreement for complete details of the terms thereof.

Financing of Project

The College agrees that the Bond Proceeds of the Series 2017 Bonds will be used to pay the Costs of the Project.

Issuance of the Series 2017 Bonds; Disbursement of Bond Proceeds

In order to provide funds for payment of the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Series 2017 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.

Application of Series 2017 Bond Proceeds

The Series 2017 Bond Proceeds shall be deposited in the (i) Series 2017 Cost of Issuance Account to pay costs of issuance; and (ii) Series 2007 Bonds Redemption Account of the Project Fund and used to redeem the Series 2007 Bonds. Except as provided in the Loan Agreement, the Bond Proceeds, upon the written direction of an Authorized Representative of the College 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 the Closing Date, except as may otherwise be provided under the Tax Regulatory Agreement or included in a resolution of the Board of Trustees of the College indicating an intent to reimburse the College for costs of the Project incurred prior to that date:

(i) all costs of the Project, including, without limitation, amounts necessary to refund the Series 2007 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 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 2017 Bonds and the Bond

Documents and all other documents in connection herewith or therewith, with the refunding of the Series 2007 Bonds and with any other transaction contemplated by the Loan Agreement or the Indenture,

(iv) any funds or reserves required to be maintained by the Bond Documents, if any,

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

(vi) reimbursement to the College for any of the above-enumerated costs and expenses.

Certificates of Completion

The College and the Issuer agree that the Facility has been completed.

Completion by College

(a) In the event that the Net Proceeds of the Series 2017 Bonds are not sufficient to pay in full all Costs of the Project, the College agrees to pay, for the benefit of the Issuer and the Trustee, all such sums in excess of the Net Proceeds of the Series 2017 Bonds as may be necessary to cure such deficiency.

(b) The College shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owners of any of the Series 2017 Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the College under the Loan Agreement.

Loan of Series 2017 Bond Proceeds

The Issuer hereby agrees to loan the Series 2017 Bond Proceeds to the College in accordance with the provisions of the Loan Agreement. Such Series 2017 Bond Proceeds shall be disbursed to the College in accordance with the provisions of the Loan Agreement and of the Indenture.

Loan Payments and Other Amounts Payable

(a) The College shall pay to the Issuer on the Closing Date the Issuer's administrative fee in the amount of $274,284.80 (equal to the administrative fee of $273,987.50, plus $297.30 (total costs related to the public hearing)). In addition, the College shall pay to the Issuer an Annual Compliance Fee of $500.00 on or before January 1 of each year commencing on January 1, 2018 and continuing through the duration of the Loan Agreement. At the time the College submitted its application, it paid an non-refundable application fee of $250.00 to the Issuer. The College shall pay basic loan payments two (2) 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 Series 2017 Bonds on such Debt Service Payment Date. The College's obligation to pay such basic loan payments shall be evidenced by the Promissory Note, substantially in the form attached to the Loan Agreement.

(b) In addition to the Loan Payments pursuant to summarized subsection (a) above, throughout the Loan Term, the College 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 reasonable out-of-pocket expenses of the Issuer and the members thereof actually incurred (i) by reason of the Issuer's financing of the 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. 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 College 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) Reserved.

(e) The College, 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 College shall fail timely to make any payment required in summarized subsection (a) above, the item or installment not so paid shall continue as an obligation of the College and interest shall accrue at the Late Payment Rate until the amount not so paid shall have been fully paid. In the event the College shall fail timely to make any payment required in summarized subsection (b) above, the College 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.

Obligations of College Under the Loan Agreement Unconditional

The obligations of the College 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 College, 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 College agrees it will not (i) suspend, discontinue or abate any payment required under the Loan Agreement, (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 2017 Bonds, including premium, if any, and interest thereon, have been paid or provided for in the Financing Documents.

Subject to the foregoing provisions, nothing contained in this summarized section 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 College to seek reimbursement from, or institute any action against any party as the College may deem necessary to compel performance or recover damages for non-performance from such party.

Payment of Additional Moneys in Prepayment of Series 2017 Bonds

In addition to any other moneys required or permitted to be paid pursuant to the Loan Agreement, the College 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 College pursuant to the Loan Agreement and the Promissory Note, or (ii) to be used for the redemption or prepayment of any Series 2017 Bonds at such time or times and on such terms and conditions as is provided in such Series 2017 Bonds and in the Indenture. The College shall notify the Issuer and the Trustee in writing as to the purpose of any such payment.

Rights and Obligations of the College upon Prepayment of Series 2017 Bonds

In the event the Series 2017 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 College, shall obtain and record or file appropriate terminations, discharges or releases of any security interest relating to the Project or under the Indenture.

Maintenance and Modifications of Project by College

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

(b) The College, from time to time, may make any material structural additions, modifications or improvements to the Project or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Project, (ii) such actions do not materially impair the use of the Project. All such additions, modifications or improvements made by the College shall become a part of the Project.

Installation of Additional Equipment

The College or any permitted sublessee of the College from time to time may install additional machinery, equipment or other personal property in the Project (which may be attached or affixed to the Project), and such machinery, equipment or other personal property shall not become, or be deemed to become, a part of the Project, provided that the acquisition and installation of such property is not financed from either the Project Fund or the Renewal Fund. The College from time to time may create or permit to be created any Lien on such machinery, equipment or other personal property. Further, the College from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Project, 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 Project or impair the overall operating efficiency of the Project for the purposes for which it is intended, and provided further that, if any damage is occasioned to the Project by such removal, the College agrees promptly to repair such damage at its own expense.

Insurance Required

At all times throughout the Loan Term, the College shall, at its sole cost and expense, maintain or cause to be maintained insurance covering the Project 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.

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. 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 the Loan Agreement 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. Upon request of the Trustee, the College will assign and deliver to the Trustee the policies of insurance required under the Loan Agreement, 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 2017 Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2017 Bonds. The policies under the Loan Agreement shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by the Loan Agreement shall be deposited with the Trustee on or before the Closing Date. The College 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 summarized section (a) above. Prior to the expiration of each such policy or policies, the College 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 College 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.

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 the Loan Agreement shall be applied as provided in the Loan Agreement, and (ii) the Net Proceeds of any liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Damage or Destruction of the Project

(a) If any portion of the Project 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 Project or any project thereof comprising a portion of the Project; and
>
> (ii) there shall be no abatement or reduction in the Loan Payments or other amounts payable by the College under the Loan Agreement (whether or not such project comprising a portion of the Project is replaced, repaired, rebuilt, restored or relocated); and
>
> (iii) upon the occurrence of such damage or destruction, the Net Proceeds in excess of $500,000 derived from the insurance, subject to the Tax Regulatory Agreement and any intercreditor agreement as may be in effect from time to time, shall be paid to the Trustee and deposited in the Renewal Fund, and, except as otherwise provided in the Loan Agreement, the College shall at its option either (A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Project, or (B) direct the Trustee to apply such Net Proceeds to the payment of the principal of the Series 2017 Bonds or any Additional Bonds as they become due and payable or the redemption Price of the Bonds subject to Redemption in accordance with the Indenture.

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

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

> (i) such project comprising a portion of the Project 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 2017 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;
>
> (iii) Reserved; and
>
> (iv) any other conditions the Issuer may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of such project comprising a portion of the Project 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 College in accordance with the terms of the applicable contracts.

(d) If the College elects to replace, repair, rebuild, restore or relocate the Project 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 College 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 College's own money, shall automatically become a part of the Project as if the same were specifically described in the Loan Agreement.

(e) 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 the Substitute Project 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 Bonds as provided in the Indenture.

(f) If the College shall exercise its option to terminate the Loan Agreement pursuant to its terms, 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 under the Loan Agreement 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.

(g) If the entire amount of the Series 2017 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 College.

(h) Except upon the occurrence and continuation of an Event of Default, the College 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 and on its own behalf.

Condemnation

(a) If title to or use of the Project or any portion thereof comprising a portion of the Project 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 such project comprising a portion of the Project or acquire, by construction or otherwise, facilities of substantially the same nature as the Project (the "**Substitute Project**"); and
>
> (ii) there shall be no abatement or reduction in the amounts payable by the College under the Loan Agreement (whether or not such project comprising a portion of the Project is replaced, repaired, rebuilt, restored or relocated or the Substitute Project acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds in excess of $500,000 derived therefrom, subject to the Tax Regulatory Agreement and any intercreditor agreement as may be in effect from time to time, 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) below, the College shall

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

(B) redeem an amount of Series 2017 Bonds equal to the Net Proceeds in accordance with the Indenture.

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

(b) Any such replacements, repairs, rebuilding, restorations, relocations or acquisitions of the Substitute Project shall be subject to the following conditions:

(i) such project comprising a portion of the Project or the Substitute Project 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 2017 Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) Reserved; and

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

(c) All such repair, replacement, rebuilding, restoration or relocation of such project comprising a portion of the Project 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 College in accordance with the terms of the applicable contracts.

(d) If the College 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, relocation or acquisition of the Substitute Project, the College 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 the Substitute Project made pursuant to this summarized section, whether or not requiring the expenditure of the College's own money, shall automatically become a part of the Project as if the same were specifically described in the Loan Agreement.

(e) 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 the Substitute Project 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 Bonds as provided in the Indenture.

(f) If the College shall exercise its option to terminate the Loan Agreement pursuant to its terms, 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 under the Loan Agreement 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.

(g) If the entire amount of the Series 2017 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 College.

(h) Except upon the occurrence and continuation of an Event of Default, the College 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.

Hold Harmless Provisions

(a) The College 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 Project 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 Project or the Land, (ii) violations of any environmental regulations with respect to, or the release of any Hazardous Substances from the Facility or any part thereof, or (iii) liability arising from or expense incurred in connection with the Issuer's financing and refinancing of the Project, including without limiting the generality of the foregoing, all claims arising from the breach by the College of any of its covenants contained in the Loan Agreement, and all causes of action and 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 negligence (other than a breach caused by any of their respective gross negligence or intentional or willful wrongdoing) in 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 College 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 College 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 College 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 College's obligations under this summarized section.

Right to Inspect Project

The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior written notice to the College to inspect the Project.

College to Maintain Its Existence

The College agrees that during the Loan Term (a) it will maintain its existence as an education corporation constituting an Exempt Organization subject to service of process within the State; (b) it will preserve its status as an organization described in Section 501(c)(3) of the Code; (c) it will operate the Project as an institution of higher education which, together with other available funds, will be sufficient in each fiscal year to provide funds for the following: (1) the payment by the College of all of its expenses for the operation, maintenance and repair of its facilities or Project 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 College due in such year; and (e) it will not perform any act, enter into any agreement, or use or permit the Project 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 2017 Bonds from Federal income taxes pursuant to Section 103 and 145 of the Code except as provided in the Tax Regulatory Agreement. Except as permitted by the Tax Regulatory Agreement, prior to the College performing any act, entering into any agreement or using or permitting the Project 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 College 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 Bonds for Federal income tax purposes.

Qualification in State

The College throughout the Loan Term shall continue to be duly authorized to do business in the State as an institution of higher education.

Books of Record and Account; Financial Statements

The College 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 College.

Compliance with Orders, Ordinances, Etc.

(a) The College, throughout the Loan Term, agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Project to comply, in all material respects 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 Project or any part thereof or to the renovation, construction and equipping thereof, or to any use, manner of use or condition of the Project 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 Project or any part thereof, or to the renovation, construction, equipping and furnishing thereof, or to any use, manner of use or condition of the Project or any part thereof and of all companies or associations insuring the premises.

(b) The College shall keep or cause the Project to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the College shall not cause or permit the Project 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 College cause or permit, as a result of any intentional or unintentional act or omission on the part of the College or any contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Project or onto any other property. The College 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 College 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 Project (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 College may have to the Trustee at common law, and shall survive the transactions contemplated in the Loan Agreement.

(c) Notwithstanding the provisions of summarized subsections (a) and (b) above, the College may in good faith contest the validity or the applicability of any requirement of the nature referred to in such summarized subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the College 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 College that by failure to comply with such requirement or requirements, the Project or any part thereof may be subject to loss, penalty or forfeiture, in which event the College 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 Project shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the College 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) above (without giving effect to summarized subsection (c)), 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 College 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 College.

Discharge of Liens and Encumbrances

The College may in good faith contest any Lien. In such event, the College may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

Certain Additional Covenants

(a) The College agrees to furnish to the Issuer and the Trustee, and, upon written request to the College, to any registered Bondholder of $1,000,000 in aggregate principal amount of Series 2017 Bonds, as soon as available and in any event within two hundred ten (210) days after the close of each fiscal year of the College, a copy of the annual audited financial statements of the College, 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. Delivery of such reports to the Trustee are for informational purposes only and the Trustee shall be under no obligation to review the financial statements received under this summarized section and shall not be deemed to have any knowledge of the contents thereof.

(b) The College shall deliver to the Issuer and the Trustee with each delivery of annual financial statements required by summarized subsection (a) above, a certificate of an Authorized Representative of the College as to whether or not, as of the close of such preceding fiscal year of the College, and at all times during such fiscal year, the College was in compliance in all material respects with all the provisions which related to the College in the Bond Documents, and if such Authorized Representative of the College shall have obtained knowledge of any default in such compliance or notice of such default, such Authorized Representative of the College 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 College with respect thereto.

(c) The College 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 College and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the College shall state this fact on the notice.

(d) The College 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 College, 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.

(e) The Issuer shall provide the College with notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "**Insolvency Proceeding**").

Continuing Disclosure Agreement

The College has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Series 2017 Bonds. The College hereby covenants and agrees with the holders from time to time of the Series 2017 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 College 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.

Securities Law Status

The College 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 College 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.

Rebate Covenant

The College 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 2017 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.

Assignment, Leasing and Subleasing

(a) The Loan Agreement may not be assigned, in whole or in part, without the prior written consent of the Issuer in each instance and except in the ordinary course of the operations of the College, the Project may not be leased, in whole or in part, except as provided in the Tax Regulatory Agreement. Any permitted assignment or lease shall be on the following conditions:

(i) no assignment or lease shall relieve the College from primary liability for any of its obligations under the Loan Agreement or under any other of the College Documents;

(ii) the assignee or lessee (in the discretion of the Issuer) shall assume the obligations of the College under the Loan Agreement to the extent of the interest assigned or leased, shall be jointly and severally liable with the College for the performance thereof and shall be subject to service of process in the State of New York;

(iii) the College shall, within thirty (30) 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 2017 Bonds or any Bond Document shall be adversely affected thereby;

(v) the exclusion of the interest on the Series 2017 Bonds from gross income for Federal income tax purposes will not be adversely affected;

(b) To establish the purported effective date of any assignment or lease pursuant to subsection (a) of this summarized section, the College, 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) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

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 Project 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 Project shall be transferred; and

(ii) the exclusion of the interest on the Series 2017 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 College and the Trustee and shall furnish to the College and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of summarized subsection (a)(i) above, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of summarized subsection (a)(ii) above. The Issuer promptly shall furnish such additional information with respect to any such transaction as the College or the Trustee may reasonably request.

Events of Default Defined

(a) The following shall be "Events of Default" under the Loan Agreement:

(i) the failure by the College to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to summarized subsections (a), (b) and (c) under the heading "Loan Payment and Other Amounts Payable";

(ii) the failure by the College to observe and perform any covenant contained in Sections 8.2, 8.4, 8.5, 8.8, and 9.3 of the Loan Agreement;

(iii) any representation or warranty of the College 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 a materially adverse effect upon the College, the Project, or the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes;

(iv) the failure by the College to observe and perform any covenant, condition or agreement under the Loan Agreement on its part to be observed or performed (except obligations referred to in summarized subsections (a)(i), (ii) or (iii) above) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the College by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the College is proceeding diligently and in good faith to cure such default, then the College shall be permitted an additional ninety (90) days within which to remedy the default;

(v) the dissolution or liquidation of the College; or the failure by the College 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 College generally to pay its debts as they become due; or an assignment by the College for the benefit of creditors; the commencement by the College (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 College (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the College as the debtor in such case or proceeding, or such case or proceeding is consented to by the College or remains undismissed for sixty (60) days, or the College 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 College 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 College" as used in this 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 College of its obligations under the Indenture or the Loan Agreement 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) the failure by the College to observe and perform any covenant contained in Sections 6.3, 6.4, 6.5, 8.6, 8.12, 8.13, 8.14, of the Loan Agreement for a period of fifteen (15) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the College by the Issuer or the Trustee.

(b) Notwithstanding the provisions of summarized subsection (a) above, if by reason of force majeure any party to the Loan Agreement 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 (c) under the heading "Loan Payments and Other Amounts Payable") 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 in the Loan Agreement 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.

Remedies on Default

(a) Whenever any Event of Default shall have occurred and be continuing, 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 College, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid Loan Payments payable pursuant to summarized subsection (a) under the heading "Loan Payments and Other Amounts Payable" and pursuant to the Promissory Note in amount equal to the aggregate unpaid principal balance of all Series 2017 Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, (B) all unpaid Loan Payments payable pursuant to summarized subsection (b) under the heading "Loan Payments and Other Amounts Payable" and pursuant to the provisions under the heading "Hold Harmless Provisions", and (C) all other payments due under the Loan Agreement; provided, however, that if an Event of Default specified in summarized subsection (a)(v) under the heading "Events of Default Defined" shall have occurred, such Loan Payments and other payments due under the Loan Agreement shall become immediately due and payable without notice to the College 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 2017 Bonds and premium, if any, and accrued and unpaid interest on the 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 College 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 2017 Bonds.

(d) No action taken pursuant to this summarized section shall relieve the College 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 and during the continuation of an Event of Default by the College under the Loan Agreement, the College 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 College.

Remedies Cumulative

No remedy conferred in the Loan Agreement 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.

Agreement to Pay Attorneys' Fees and Expenses

(a) In the event the College 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 under the Loan Agreement or the enforcement of performance or observance of any obligations or agreements on the part of the College contained in the Loan Agreement, the College shall, on demand therefor, pay to the Issuer the reasonable fees of such attorneys and such other reasonable out-of-pocket expenses so incurred.

(b) In the event the College 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 College contained in the Loan Agreement, the College shall, on demand therefor, pay to the Trustee the reasonable fees of such attorneys and such other reasonable out-of-pocket expenses so incurred.

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 under the Loan Agreement.

Early Termination of Loan Agreement

The College shall have the option to terminate the Loan Agreement at any time that the Series 2017 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 College stating the College'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 thirty (30) 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.

Conditions to Early Termination of Loan Agreement

In the event the College exercises its option to terminate the Loan Agreement in accordance with the provisions of the Loan Agreement, the College 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 College 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 2017 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.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX D

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is dated as of April 1, 2017 and is executed and delivered by Vassar College (the "College") and The Bank of New York Mellon, solely as trustee (the "Trustee") under an Indenture of Trust, dated as of April 1, 2017 (the "Indenture"), between the Dutchess County Local Development Corporation (the "Issuer") and the Trustee in connection with the issuance of $102,095,000 Dutchess County Local Development Corporation Revenue Refunding Bonds, Series 2017 (Vassar College Project) (the "Bonds"). The proceeds of the Bonds are being loaned by the Issuer to the College pursuant to a Loan Agreement, dated as of April 1, 2017, between the Issuer and the College (the "Loan Agreement"). For valuable consideration, the receipt of which is acknowledged, the Trustee and the College covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the College and the Trustee for the benefit of the Bondholders (defined below) and the beneficial owners of the Bonds, and in order to assist the Underwriter (defined below) in complying with the Rule (defined below). The College and the Trustee acknowledge 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 Holder 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 and in the Loan Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the first paragraph of this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the College pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Bondholder" or the term "Holder", when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Bond and any beneficial owner thereof.

"EMMA" shall mean the MSRB's Electronic Municipal Market System.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

"Notice Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Tax-exempt" shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

"Underwriters" shall mean Goldman, Sachs & Co., Fidelity Capital Markets and Morgan Stanley & Co. LLC, the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The College, commencing with the fiscal year ending June 30, 2017, shall, or shall cause the Dissemination Agent (as defined herein) to, not later than 120 days after the end of each fiscal year of the College (the "Annual Filing Date"), provide to the Trustee and the MSRB an Annual Report 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 College may be submitted separately from the balance of the Annual Report.

Should the College elect to appoint a third party to act as Dissemination Agent hereunder:

(i) on or prior to the Annual Filing Date, the Annual Report shall be provided by the College to the Dissemination Agent together with either (A) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (B) a certificate stating that the College has provided the Annual Report to the MSRB and the date on which such Annual Report was provided, and

(ii) the College shall promptly notify the Dissemination Agent in writing of any change in the College's fiscal year.

(b) If by the fifteenth (15^{th}) day prior to the Annual Filing Date the Trustee has not received a copy of the Annual Report, the Trustee shall contact the College to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a reminder notice to the College and the Issuer and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the College, the Issuer and the Trustee certifying that the College has filed a report (directly or through the Dissemination

Agent) purporting to be an Annual Report pursuant to this Disclosure Agreement, and stating the date it was provided (if such report was provided).

SECTION 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following information relating to the College for or as of the most recently completed fiscal year of the College:

(a) Audited financial statements;

(b) Operating information in the form included in Appendix A of the Official Statement under the table headings "CAMPUS ENROLLMENT SUMMARY," "ADMISSIONS STATISTICS," "STUDENT CHARGES," "SOURCES OF FINANCIAL AID" and "FACULTY PROFILE" with comparative information for the preceding fiscal year; and

(c) Financial information in the form included in Appendix A of the Official Statement under the table headings "Government Contracts, Grants and Appropriations," "Summary of Fundraising," "Fair Value of Investments," "Total Net Assets," "Land, Buildings and Equipment" and "Pension and Postretirement Expenses" with comparative information for the preceding fiscal year, unless such information is available in the audited financial statements.

The College agrees that the financial statements provided pursuant to Sections 3 and 4 of this Disclosure Agreement shall be prepared in conformity with generally accepted accounting principles (to the extent applicable), as in effect from time to time. Any or all of the items listed above may be incorporated by reference from, other documents, including official statements of debt issues with respect to which the College is an "obligated person" (as defined by the Rule), which have been filed with the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The College shall clearly identify each such other document so incorporated by reference.

The descriptions contained in paragraphs (b) and (c) above of financial information and operating data to be included in the Annual Report are of general categories of financial information and operating data. When such descriptions include information that is no longer regularly maintained or available or that can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Report containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following Notice Events:

1. principal or interest payment delinquencies on the Bonds;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancement reflecting financial difficulties;

5. substitution of credit or liquidity providers or its failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. modifications to the rights of the Bondowners, if material;

8. Bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar event of the College;

13. the consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the College obtains knowledge of the occurrence of a Notice Event, if the College has elected to appoint a third party to act as Dissemination Agent hereunder, the College shall provide, in a timely manner not in excess of five (5) Business Days after the occurrence of such Notice Event, notice of such Notice Event to the Dissemination Agent. The College (directly or through the Dissemination Agent) shall provide written notice of each such Notice Event to (i) the MSRB, (ii) the Trustee and (iii) the Issuer, in each case within ten (10) Business Days after the occurrence of a Notice of Event.

SECTION 6. <u>Termination of Reporting Obligation</u>.

(a) The obligations of the College and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the College'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 College. The original College shall have no further responsibility hereunder only to the extent that the College ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

(b) In addition, the College's obligations under the provisions of this Disclosure Agreement shall terminate (in whole or in part, as the case may be) in the event that (i) the College delivers to the Dissemination Agent, the Trustee, and the Issuer an opinion of nationally recognized bond counsel or counsel expert in federal securities laws, addressed to the Dissemination Agent, the Trustee and the Issuer, to the effect that those portions of the Rule which require the provisions of this Disclosure Agreement, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion (but such termination of the College's obligations shall be effective only to the extent specifically addressed by such opinion), and (ii) the Dissemination Agent delivers copies of such opinion to (A) the MSRB, (B) the Issuer, (C) the Trustee, and (D) the Underwriters. The Dissemination Agent shall so deliver such opinion promptly.

SECTION 7. Dissemination Agent.

(a) The College may, from time to time, appoint or engage a third-party dissemination agent (the "Dissemination Agent") to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such third party Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the College shall be the Dissemination Agent. Digital Assurance Certification, LLC will initially serve as Dissemination Agent.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer, the College and the registered owners of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the College or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the College shall forthwith appoint a Dissemination Agent to act. The College shall give or cause to be given written notice of any such appointment to the Owners (as such term is defined in the Loan Agreement), the Trustee and the Issuer.

(d) Any company into which the Dissemination Agent may be merged or with which may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the College and the Dissemination Agent may amend this Disclosure

Agreement (and the Dissemination Agent shall agree to any amendment not modifying or otherwise affecting its duties, obligations or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Agreement may be waived, if all of the following conditions are satisfied: (a) such amendment is made in connection with a change in circumstances that arises, from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the College or the type of business conducted thereby, (b) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (c) the College shall have delivered an opinion of counsel, addressed to the Issuer, the College, the Dissemination Agent and the Trustee, to the same effect as set forth in clause (b) above, (d) either (i) the College shall have delivered to the Issuer, the Trustee and the Dissemination Agent an opinion of counsel, or a determination by a person, in each case unaffiliated with the College (such as bond counsel) and acceptable to the College, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (ii) the Holders of the Bonds consent to the amendment to this Disclosure Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of the Holders of the Bonds pursuant to the Indenture as in effect on the date of this Disclosure Agreement, and (e) the College shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the College 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 the occurrence of a Notice Event, in addition to that which is required by this Disclosure Agreement. If the College chooses to include any information in any Annual Report or notice of the occurrence of a Notice Event, in addition to that which is specifically required by this Disclosure Agreement, the College shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Notice Event.

SECTION 10. Default. In the event of a failure of the College or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the Bonds, or any Bondholder may, after providing fifteen (15) days written notice to the College to give the College opportunity to comply within such fifteen-day period, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the College 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 or under the Loan Agreement, and the sole remedy available to the Dissemination Agent, any beneficial owners of the Bonds or the Bondholders under this Disclosure Agreement in the event of any failure of the College or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the College in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the College. The College agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct in the performance of its duties hereunder. The obligations of the College under this Section shall survive resignation or removal of the Dissemination Agent and payment or termination of the Bonds. This indemnification shall be separate from and in addition to that provided to the Trustee under the Indenture.

(b) Unless otherwise provided by contract with the Dissemination Agent, the College shall pay or cause to be paid to the Dissemination Agent after reasonable notice to the College in light of the reimbursement sought to be received, reasonable reimbursement for its reasonable expenses, charges, counsel fees and expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The College shall indemnify and save the Dissemination Agent harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its gross negligence or default. None of the provisions contained in this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the College under this Section to compensate the Dissemination Agent, to pay or reimburse the Dissemination Agent for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Dissemination Agent shall survive the termination of this Disclosure Agreement.

SECTION 12. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to EMMA, the current internet web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the College, the Trustee, the Dissemination Agent, the Underwriters, parties who can establish beneficial ownership of the Bonds and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Disclaimer. No Annual Report or notice of a Notice Event filed by or on behalf of the College under this Disclosure Agreement shall obligate the College to file any information regarding matters other than those specifically described in Section 3 and Section 5 hereof, nor shall any such filing constitute a representation by the College or raise any inference that no other material events have occurred with respect to the College or the Bonds or that all material information regarding the College or the Bonds has been disclosed. The College shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Notices. The parties hereto may be given notices required hereunder at the addresses set forth for them in the Loan Agreement or the Indenture.

SECTION 17. Applicable Law. This Disclosure Agreement shall be governed by the laws of the State of New York, and by applicable federal laws.

VASSAR COLLEGE

By: ________________________________
Name:
Title:

THE BANK OF NEW YORK MELLON

By: ________________________________
Name:
Title:

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

NOTICE IS HEREBY GIVEN that the College has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between Vassar College (the "College") and The Bank of New York Mellon (the "Trustee") dated as of April 1, 2017. [The College/Dissemination Agent] has informed the Trustee that the Annual Report will be filed with MSRB by ___________________________Dated:

THE BANK OF NEW YORK MELLON

By: _________________________________
Name:
Title:

cc: Vassar College

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF BOND COUNSEL OPINION

Upon the issuance of the Series 2017 Bonds, Nixon Peabody LLP, New York, New York, as Bond Counsel to the Issuer, will deliver its Bond Counsel opinion in substantially the same form as this Appendix E.

April 25, 2017

Dutchess County Local Development Corporation
Poughkeepsie, New York

The Bank of New York Mellon, as Trustee
New York, New York

Goldman, Sachs & Co.,
as Representative of the Underwriters
New York, New York

Re: $102,095,000 Dutchess County Local Development Corporation Revenue Refunding Bonds, Series 2017 (Vassar College Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Dutchess County Local Development Corporation (Dutchess County, New York) (the "**Issuer**"), in connection with the issuance on the date hereof by the Issuer of its $102,095,000 Revenue Refunding Bonds, Series 2017 (Vassar College Project) (the "**Series 2017 Bonds**"). The Series 2017 Bonds are authorized to be issued pursuant to:

(i) Section 1411 of the New York Not-for-Profit Corporation Law (the "**Act**"),

(ii) the Bond Resolution duly adopted by the Issuer on March 1, 2017 (the "**Resolution**"), and

(iii) the Indenture of Trust, dated as of April 1, 2017 (the "**Indenture**"), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Owners of the Series 2017 Bonds (the "**Trustee**").

The Series 2017 Bonds were issued to finance or refinance the costs of acquisition, construction, renovating and equipping of certain facilities (as defined in the Loan Agreement referenced below) (collectively, the "**Project**"). The Issuer will loan the proceeds of the Series 2017 Bonds to Vassar College (the "**College**") pursuant to the terms of a Loan Agreement, dated as of April 1, 2017 (the "**Loan Agreement**"), between the Issuer and the College. The College has evidenced its obligations to make loan payments to the Issuer by the issuance and delivery of a certain Promissory Note, dated the Closing Date (the "**Series 2017 Note**"), in the principal amount of the Series 2017 Bonds, from the College to the Issuer and endorsed by the Issuer to the Trustee. The Issuer has assigned to the Trustee as security for the Series 2017 Bonds, for the benefit of the Owners of the Series 2017 Bonds, substantially all of its rights under the Loan Agreement pursuant to the Indenture. The Issuer and the College have entered into a Tax Regulatory Agreement, dated the Closing Date (the "**Tax Regulatory Agreement**"), in which the Issuer and the College have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended (the "**Code**"). Goldman, Sachs & Co. as representative for itself and Fidelity Capital Markets and Morgan Stanley (collectively, the "**Underwriter**") have agreed to purchase the Series 2017 Bonds pursuant to the terms of a Bond Purchase Agreement, dated March 22, 2017 (the "**Bond Purchase Agreement**"), among the Issuer, the Underwriter and the College.

The Series 2017 Bonds are dated April 25, 2017 (the "**Closing Date**"), and will bear interest from the date thereof at the rate and pursuant to the respective terms of the Series 2017 Bonds. The Series 2017 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 2017 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 2017 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 and 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 College in (a) the Bond Purchase Agreement, (b) the Tax Regulatory Agreement, (c) the Loan Agreement, (d) the Closing Certificate of the College, dated the date hereof, (e) the Bond Counsel Questionnaire submitted to us by the College, (f) the Continuing Disclosure Agreement, dated as of April 1, 2017 (the "**Continuing Disclosure Agreement**") between the College and the Trustee, and (g) the Official Statement, dated March 22, 2017 (the "**Official Statement**") 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 College must comply after the date of issuance of the Series 2017 Bonds in order for the interest on the Series 2017 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, Cappillino & Rothschild LLP, Pawling, New York; counsel to the College, Orrick, Herrington & Sutcliffe LLP, New York, New York; counsel to the Trustee, Hinckley, Allen & Snyder LLP, Albany, 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 entity 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 2017 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 assuming the due authorization, execution and delivery thereof by the other parties thereto, are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

5. The Series 2017 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 2017 Bonds do not constitute a debt of the State of New York or of Dutchess County, New York, and neither the State of New York nor Dutchess County, 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 2017 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 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2017 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the Issuer and the College have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the College 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 College, as to all matters concerning the status of the College 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 2017 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 with respect to individuals and corporations. Interest on the Series 2017 Bonds is, however, included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations.

8. Interest on the Series 2017 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 the accuracy of the representations and certifications described in paragraph 7 hereof.

Except as stated in the 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 2017 Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Series 2017 Bonds, or the interest thereon, if any action is taken with respect to the Series 2017 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 2017 Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency 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 College or the Trustee in connection with the Series 2017 Bonds, the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Official Statement, the Continuing Disclosure Agreement or the 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 Official Statement, with respect to the Series 2017 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 Project contained in the Loan Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Series 2017 Bonds.

Furthermore, we express no opinion as to the Continuing Disclosure Agreement. We express no opinion with respect to whether the Issuer and the College (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 Project.

The opinions expressed herein may be relied upon 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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DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION • REVENUE REFUNDING BONDS, SERIES 2017 (VASSAR COLLEGE PROJECT)

Vassar College

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