

*In the opinion of Hinckley, Allen & Snyder LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Series 2016-A Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Series 2016-A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In the opinion of Bond Counsel, interest on the Series 2016-B Bonds is included in gross income for federal income tax purposes under the Code. Under existing law, interest on the Bonds and any profit on the sale of the Bonds are exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion on any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.*

**MASSACHUSETTS DEVELOPMENT FINANCE AGENCY****Revenue Bonds****Emmanuel College Issue,****\$137,970,000 Series 2016-A and****\$50,265,000 Series 2016-B (Federally Taxable) (Green Bonds)****Dated: Date of Delivery****Due: As shown on the inside cover**

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

Principal of and semiannual interest on the Bonds will be paid by U.S. Bank National Association, as trustee (the "Trustee"). So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner, as more fully described herein. The Bonds will be offered at the prices or yields and will mature on the dates and in the principal amounts set forth on the inside front cover hereof. Interest on the Bonds will accrue from their date of delivery and will be payable on October 1, 2016, and semiannually thereafter on each April 1 and October 1 to the Bondowners of record as of the close of business on the fifteenth (15th) day of the month preceding the date on which interest is to be paid.

**The Bonds are subject to redemption prior to maturity, including mandatory sinking fund redemption, special redemption and optional redemption as set forth in this Official Statement. See "THE BONDS" herein.**

The Bonds are special obligations of the Massachusetts Development Finance Agency (the "Issuer"). The Bonds 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 Bonds for the payment thereof, including those derived under a Loan and Trust Agreement, dated as of June 1, 2016 (the "Agreement"), among the Issuer, The Trustees of Emmanuel College (the "Institution") and the Trustee. Such payments pursuant to the Agreement are a general obligation of the Institution.

**THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY POLITICAL SUBDIVISION THEREOF. THE PRINCIPAL, PURCHASE PRICE, REDEMPTION PRICE OF AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT UNDER THE AGREEMENT. THE ISSUER HAS NO TAXING POWER UNDER THE ACT (AS DEFINED HEREIN).**

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of their legality and certain other matters by Hinckley, Allen & Snyder LLP, Boston, Massachusetts, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Institution by its counsel, Ropes & Gray LLP, Boston, Massachusetts, and certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York or its custodial agent on or about June 16, 2016.

**Goldman, Sachs & Co.**



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**MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS**

**\$137,970,000**  
**Massachusetts Development Finance Agency**  
**Revenue Bonds**  
**Emmanuel College Issue,**  
**Series 2016-A**

<b>Due October 1</b>	<b>Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP*</b>
2030	\$2,530,000	5.000%	2.840%	57584XPR6
2031	5,685,000	5.000	2.890	57584XPS4
2032	5,980,000	5.000	2.940	57584XPT2
2033	6,285,000	5.000	2.990	57584XPU9
2034	6,610,000	5.000	3.040	57584XPV7
2035	6,945,000	5.000	3.080	57584XPW5
2036	7,305,000	5.000	3.120	57584XPX3

\$62,760,000 5.000% Term Bonds due October 1, 2043, Yield 3.240% CUSIP No.: 57584XPY1\*

\$33,870,000 4.000% Term Bonds due October 1, 2046, Yield 3.620% CUSIP No.: 57584XPZ8\*

**\$50,265,000**  
**Massachusetts Development Finance Agency**  
**Revenue Bonds**  
**Emmanuel College Issue,**  
**Series 2016-B (Federally Taxable) (Green Bonds)**

<b>Due October 1</b>	<b>Amount</b>	<b>Interest Rate*</b>	<b>Yield</b>	<b>CUSIP*</b>
2019	\$3,545,000	2.705%	2.705%	57584XPM7
2020	1,550,000	2.913	2.913	57584XPN5
2021	2,000,000	3.113	3.113	57584XPP0

\$43,170,000 3.976% Term Bonds due October 1, 2030, Yield 3.976% CUSIP No.: 57584XPQ8\*

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\* CUSIP (Committee on Uniform Securities Identification Procedures) data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers have been assigned by an organization not affiliated with the Issuer, the Institution, the Underwriter 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 Bondowners and no representation is made as to the correctness of the CUSIP numbers printed on the inside cover hereof. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including but not limited to the refunding or defeasance of such issue or the use of secondary market financial products. None of the Issuer, the Institution, the Underwriter 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 on the inside cover hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by the Issuer, the Institution or the Underwriter to give information or to make representations with respect to the Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Certain information contained herein has been obtained from the Institution, The Depository Trust Company and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation of the Issuer. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be used, in whole or in part, for any other purpose. The information 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 parties referred to above since the date hereof.

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

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## **OFFICIAL STATEMENT**

### **Relating to**

**Massachusetts Development Finance Agency  
Revenue Bonds  
Emmanuel College Issue,  
\$137,970,000 Series 2016-A and  
\$50,265,000 Series 2016-B (Federally Taxable) (Green Bonds)**

## **INTRODUCTION**

### Purpose of this Official Statement

This Official Statement, including the cover page and appendices hereto, sets forth certain information in connection with the issuance and sale of the Revenue Bonds, Emmanuel College Issue, Series 2016-A (the “Series 2016-A Bonds”) and Series 2016-B (Federally Taxable) (Green Bonds) (the “Series 2016-B Bonds” and, together with the Series 2016-A Bonds, the “Bonds”) of the Massachusetts Development Finance Agency (the “Issuer”), a body corporate and politic and a public instrumentality of The Commonwealth of Massachusetts (the “Commonwealth”). The Issuer is authorized under Chapter 23G and, to the extent incorporated therein, Chapter 40D of the Massachusetts General Laws (said Chapters, collectively and as amended, the “Act”), and pursuant to a resolution of the Issuer adopted on April 28, 2016 to issue the Bonds. The Bonds will be issued pursuant to a Loan and Trust Agreement, dated as of June 1, 2016 (the “Agreement”), by and among the Issuer, The Trustees of Emmanuel College (the “Institution”) and U.S. Bank National Association, as trustee (the “Trustee”). The information contained in this Official Statement is provided for use in connection with the sale of the Bonds. The definitions of certain terms used and not otherwise defined herein are contained in APPENDIX C - “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AND TRUST AGREEMENT.”

This Official Statement has been updated to include certain information not included in the Preliminary Official Statement dated June 1, 2016. Such changes include: updating “THE PROJECT AND PLAN OF FINANCING” section and the “PROJECT OVERVIEW” found in APPENDIX A to reflect the fact that the Institution entered into a construction agreement containing a guaranteed maximum price and that the lease agreement is available to interested investors upon request; and updating “THE BONDS – Description of the Bonds”, “CONTINUING DISCLOSURE” and in APPENDIX E - “FORM OF CONTINUING DISCLOSURE AGREEMENT” to include quarterly construction updates with respect to the Bond proceeds.

### Use of Proceeds

The proceeds from the sale of the Series 2016-A Bonds will be used to (i) finance or refinance a portion of the costs associated with design, permitting, site preparation, construction, and equipping of a residence hall on the Institution’s campus (as more particularly defined herein (the “Julie Hall Project”), (ii) refund all of the Massachusetts Health and Educational Facilities Authority’s outstanding Revenue Bonds, Emmanuel College Issue, Series 2007 (the “Refunded Bonds” and, together with the Julie Hall Project, the “Project”), (iii) pay capitalized interest on the Series 2016-A Bonds, and (iv) pay certain costs of issuing the Series 2016-A Bonds.

The proceeds from the sale of the Series 2016-B Bonds will be used to (i) finance a portion of the costs associated with the Julie Hall Project, and (ii) pay certain costs of issuing the Series 2016-B Bonds.

A more detailed description of the use of proceeds of the Bonds, including approximate amounts and purposes, is included herein under “THE PROJECT AND PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

## **SOURCES OF PAYMENT AND SECURITY FOR THE BONDS**

### **General**

Pursuant to the Agreement, the Institution agrees to make payments sufficient to pay in full the principal of, premium, if any, and interest on the Bonds. The Institution also will be obligated under the Agreement to pay certain fees and expenses (consisting generally of fees, charges and expenses of the Trustee and the Issuer) associated with the Bonds. The obligation of the Institution to make payments under the Agreement is a general obligation of the Institution to which the full faith and credit of the Institution are pledged.

The payment of the principal of, premium, if any, and interest on the Bonds will be payable solely from, and secured by the Issuer's pledge to the Trustee of (i) payments to be received by the Trustee, for the account of the Issuer, from the Institution under the Agreement (except certain rights to payment of indemnification, reimbursement and administrative fees), (ii) Net Minimum Rent (as defined in the Lease Agreement, as hereinafter defined) to be paid pursuant to the Lease Agreement as assigned to the Trustee pursuant to an Assignment of Leases and Rents (the "Assignment of Leases and Rents") to be delivered by the Institution to the Trustee and received by the Trustee and (iii) additional amounts, if any, received by the Trustee pursuant to the Agreement.

### **Security under the Agreement**

Pursuant to the Agreement, the Issuer pledges and assigns to the Trustee in trust upon the terms of the Agreement (a) all Revenues to be received from the Institution or derived from any security provided under the Agreement, including the Net Minimum Rent received under the Lease Agreement, which will be assigned to the Trustee pursuant to the Assignment of Leases and Rents, (b) all rights to receive such Revenues and the proceeds of such rights, (c) all funds and investments held from time to time in the funds established under the Agreement, and (d) all of its right, title and interest in the Agreement, including enforcement rights and remedies, but excluding certain rights of indemnification and to reimbursement of certain expenses as set forth in the Agreement. The Agreement shall remain in full force and effect until such time as the Bonds and the interest thereon and certain other required payments have been fully paid or until adequate provision for such payments has been made.

The assignment and pledge by the Issuer does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; and (ii) the right of the Issuer to any payment or reimbursement pursuant to the Agreement or (iii) the powers of the Issuer as stated in the Agreement to enforce the rights set forth in subclauses (i) and (ii) of this sentence. As additional security for its obligations to make payments to the Debt Service Fund, the Redemption Fund, the Rebate Fund and the Project Fund and for its other payment obligations under the Agreement, the Institution grants to the Trustee a security interest in its interest in the moneys and other investments held from time to time in the funds established under the Agreement, other than the Rebate Fund.

### **Lease Payments**

In addition, the Bonds are secured for a period of twelve (12) years by certain Net Minimum Rent to be paid by MCPHS University ("MCPHS") pursuant to a Lease Agreement, dated May 23, 2016, between the Institution and MCPHS (the "Lease Agreement"), as such payments are assigned to the Trustee under the Assignment of Leases and Rents. The Lease Agreement commences on the first August 15 after substantial completion of the Julie Hall Project, which is scheduled to be August 15, 2018. Pursuant to an agreement between the Institution and MCPHS, such Net Minimum Rent shall be paid by MCPHS directly to the Trustee to be deposited into an account within the Debt Service Fund (the "MCPHS Account"). All Net Minimum Rent paid under the Lease Agreement will be assigned by the Institution to the Trustee pursuant to the Assignment of Leases and Rents. MCPHS has the right to terminate the Lease Agreement under certain limited conditions, including the failure to deliver the Julie Hall Project within fifteen (15) months after the expected completion date of August 15, 2018. For a further description of the Lease Agreement, please see "THE PROJECT AND PLAN OF FINANCING – The Julie Hall Project."



### The Mortgage

The Bonds will also be secured by a mortgage given by the Institution on the new residence hall to be called Julie Hall and located at 300 Brookline Avenue on a separate lot in Boston, Massachusetts (the “Mortgaged Property”). The Mortgaged Property is owned by the Institution and is described in APPENDIX A under the heading “PROJECT OVERVIEW” and herein under the heading “THE PROJECT AND PLAN OF FINANCING.” The Mortgaged Property is limited to the separate lot. Under the Agreement, as long as the Bonds are Outstanding, the Institution has covenanted that it will not create any lien on its Mortgaged Property, now owned or hereafter acquired by it other than Permitted Liens, which includes the right of the Institution to grant mortgages and liens on the Mortgaged Property to secure additional Indebtedness (only as permitted under the Agreement) to the extent that such mortgages and liens are also extended to secure the obligations of the Institution under the Agreement on an equal and ratable basis. In the event that the Institution sells the Mortgaged Property, the Mortgage may be released so long as the Mortgaged Property was sold at fair market value based upon an MAI appraisal and all net proceeds of such sale are applied equally and ratably to defease or redeem Bonds, including the payment of any optional redemption price or Make-Whole Redemption Price, as applicable. See “- Additional Indebtedness” below. See also, APPENDIX C - “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT.”

In addition, the par amount of the Bonds being issued exceeds the value of the Mortgaged Property. As a result, the amount of the title policy obtained in connection with the Mortgaged Property is less than the par amount of the Bonds. See “BONDOWNERS’ RISKS – Realization of Value on Mortgaged Property” herein.

### Additional Indebtedness

Additional indebtedness secured on a parity basis with the Bonds may be incurred by the Institution under the Agreement in order to complete the Project or to refund indebtedness previously issued under the Agreement. Such indebtedness may be incurred upon the Institution’s satisfaction of certain requirements set forth in the Agreement. The Agreement does not otherwise prohibit additional indebtedness. See APPENDIX C - “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AND TRUST AGREEMENT - Additional Indebtedness.”

Upon the refunding and defeasance of the Refunded Bonds, the Institution will have no other debt outstanding other than the Bonds. See APPENDIX A - “CERTAIN INFORMATION ABOUT THE INSTITUTION” under the heading “Outstanding Indebtedness” and APPENDIX B - “FINANCIAL STATEMENTS OF THE INSTITUTION.”

### Acceleration

The Trustee may declare all of the Bonds immediately due and payable prior to maturity at par, plus accrued interest, upon the occurrence of an Event of Default under the Agreement. See APPENDIX C - “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT - Remedies for Events of Default.”

### Special Obligations

The Bonds are special obligations of the Issuer payable solely from, and to the extent of, loan payments made by the Institution pursuant to the Agreement and any other funds held under the Agreement for such purpose.

THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE PRINCIPAL AND REDEMPTION PRICE OF AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT UNDER THE AGREEMENT. THE ISSUER HAS NO TAXING POWER UNDER THE ACT.

## THE ISSUER

The Issuer is authorized and empowered under the laws of the Commonwealth, including the Act, to issue the Bonds for the purposes described herein and to enter into the Agreement and other agreements and instruments necessary to issue and secure the Bonds.

The Members of the Board of Directors and the officers of the Issuer authorized to sign documents related to bond transactions are as follows:

### **Members of the Board of Directors:**

#### *Ex-Officio Members*

Chairperson, Secretary of the Executive Office of Housing & Economic Development, The Commonwealth of Massachusetts

Secretary, the Executive Office for Administration & Finance, The Commonwealth of Massachusetts, or the Secretary's designee

#### *Appointed Members*

James Chisholm, Vice President for Business Development, Advantage Waypoint

Gerald D. Cohen, Vice Chair, Founder and Principal, SF Properties, Inc.

Karen G. Courtney, President, K. Courtney and Associates, Inc., and Executive Director, The Foundation for Fair Contracting of Massachusetts

Keon T. Holmes, Managing Director, Cambridge Associates, LLC

Dennis Kanin, Co-Founder and Principal, New Boston Ventures LLC

Brian Kavooagian, Principal, Charles River Realty Advisors

Patricia McGovern, Consultant, formerly General Counsel and Senior Vice President at Beth Israel Deaconess Medical Center (retired)

Christopher Vincze, Chairman and CEO, TRC Solutions, Inc.

There is one vacancy on the Board of Directors.

#### *Officers of the Issuer:*

Marty Jones, President and Chief Executive Officer

Simon R. Gerlin, Treasurer, Chief Financial Officer and Executive Vice President for Finance & Administration

Anne Marie Dowd, Executive Vice President, Legislative and Defense Sector Initiatives

Laura L. Canter, Executive Vice President for Finance Programs

Richard C.J. Henderson, Executive Vice President for Real Estate

Patricia A. DeAngelis, General Counsel

Teresa M. Patten, Secretary

Steven J. Chilton, Senior Vice President, Investment Banking

[Mr. Chilton has signing authority for bond transactions only.]

Except for the information contained herein under the caption “THE ISSUER” and “LEGAL MATTERS” 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 Institution, the Underwriter or any other person.

## **THE INSTITUTION**

Founded in 1919, the Institution is a Catholic college located in Boston, Massachusetts. The Institution is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. For certain financial and operational information of the Institution, see APPENDIX A - “CERTAIN INFORMATION OF THE INSTITUTION.”

## **THE BONDS**

### Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest from such date, payable on October 1, 2016 and on each April 1 and October 1 thereafter. The Bonds will mature on the dates and bear interest at the rates set forth on the inside cover page hereof. Interest on the Bonds will be calculated on the basis of twelve 30-day months.

The Series 2016-B Bonds are labeled “Green Bonds” because they have been issued to finance the Julie Hall Project for which the Institution expects to obtain Silver LEED<sup>®</sup>-certified status. The Julie Hall Project is expected to include a variety of sustainable design features including energy efficient windows, higher performance LED lighting, water saving plumbing fixtures and energy saving heating and cooling equipment, including the use of high-efficiency chillers, condensing boilers, and variable speed and energy recovery ventilation systems. The use of the term “Green Bonds” is solely for identification purposes and is not intended to provide or imply that the owner of the Series 2016-B Bonds is entitled to any security other than as provided in the Agreement. The purpose of the “Green Bond” label is to allow investors to invest directly in an environmentally beneficial project. However, there is no guarantee that the Institution will obtain Silver LEED-certified status.

The proceeds of the Bonds expended on the Julie Hall Project will be tracked by the Institution. The Institution will provide quarterly disclosure (within 15 business days after the end of each quarter (March 31, June 30, September 30 and December 31)) regarding the amount of the proceeds of the Bonds that have been expended to date on the Julie Hall Project to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) (at [emma.msrb.org](http://emma.msrb.org)) until the Institution has received the certificate of occupancy on the Julie Hall Project. Once the Institution has received the certificate of occupancy on the Julie Hall Project, no further updates on the use of such proceeds will be provided.

Additionally, upon receipt of the expected LEED certification of the Julie Hall Project the Institution will disclose such receipt on EMMA. There will be no further reporting required with respect to the LEED certification.

The Series 2016-A Bonds are not “Green Bonds” due to the fact that a portion of the proceeds will be used to redeem the Series 2007 Bonds, which did not finance LEED-certified or “Green” projects.

Subject to the provisions discussed under “Book-Entry-Only System” below, the Bonds are issuable as fully-registered bonds without coupons in the minimum denomination of \$5,000 or any multiple thereof. The principal of the Bonds will be payable at the principal corporate trust office of the Trustee, and interest on the Bonds will be paid by check or draft mailed to the registered owner as of the close of business on the fifteenth (15<sup>th</sup>) day of the month preceding the date on which the interest is to be paid (the “Record Date”), or by wire or bank transfer within the United States to any registered owner of \$1,000,000 or more in principal amount of the Bonds upon direction satisfactory to the Trustee prior to the Record Date.

### Book-Entry-Only System

The information under this heading has been furnished by The Depository Trust Company (“DTC”), New York, New York. None of the Issuer, the Institution or the Underwriter make any representations, warranties or guarantees with respect to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity and series of the Bonds, in the 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, as amended. 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, the 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor depository is not obtained, 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, 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 ARE BELIEVED TO BE RELIABLE, BUT NONE OF THE ISSUER, THE INSTITUTION OR THE UNDERWRITER TAKES RESPONSIBILITY FOR THE ACCURACY THEREOF.

*No Responsibility of the Issuer, the Institution, the Underwriter or the Trustee*

NONE OF THE ISSUER, THE INSTITUTION, THE UNDERWRITER OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC PARTICIPANTS OR PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DTC PARTICIPANTS, INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

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

*Certificated Bonds*

If the book-entry only system is discontinued and Bond certificates have been delivered as described in the Agreement, the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondowner. Thereafter, Bonds may be exchanged for an equal aggregate principal amount of Bonds, in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee, for such purpose only upon the surrender thereof to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Bonds, the Issuer and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondowner for any exchange or registration of transfer of the Bonds. The Trustee will not be required to register the transfer of or exchange any Bond during the period from the Record Date to the interest payment date or if such Bond (or any part thereof) has been or is being called for redemption.

### Redemption of the Bonds

Special Redemption. The Bonds are subject to redemption prior to maturity, as a whole or in part at any time, in such order of maturity or sinking fund installments as directed by the Institution at their principal amounts, without premium, plus accrued interest to the redemption date, from excess moneys in the Project Fund established under the Agreement or, at the option of the Institution, in the event of substantial loss to the Project, from insurance or condemnation award proceeds allocable to the Bonds pursuant to the special redemption provisions in the Agreement.

Sinking Fund Installments and Mandatory Redemption. The Series 2016-A Bonds maturing October 1, 2043 shall be redeemed at their principal amounts, without premium, plus accrued interest to the redemption date on October 1 of each of the years and in the amounts as follows:

<b>Year</b>	<b>Principal Amount</b>	<b>Year</b>	<b>Principal Amount</b>
2037	\$7,680,000	2041	\$ 9,380,000
2038	8,070,000	2042	9,860,000
2039	8,485,000	2043 <sup>†</sup>	10,365,000
2040	8,920,000		

<sup>†</sup> Maturity.

The Series 2016-A Bonds maturing October 1, 2046 shall be redeemed at their principal amounts, without premium, plus accrued interest to the redemption date on October 1 of each of the years and in the amounts as follows:

<b>Year</b>	<b>Principal Amount</b>
2044	\$10,840,000
2045	11,285,000
2046 <sup>†</sup>	11,745,000

<sup>†</sup> Maturity.

The Series 2016-B Bonds maturing October 1, 2030 shall be redeemed at their principal amounts, without premium, plus accrued interest to the redemption date on October 1 of each of the years and in the amounts as follows:

<b>Year</b>	<b>Principal Amount</b>	<b>Year</b>	<b>Principal Amount</b>
2020	\$2,110,000	2026	\$4,620,000
2021	1,795,000	2027	4,805,000
2022	3,940,000	2028	5,000,000
2023	4,100,000	2029	5,200,000
2024	4,265,000	2030 <sup>†</sup>	2,895,000
2025	4,440,000		

<sup>†</sup> Maturity.

Optional Redemption of the Bonds. The Series 2016-A Bonds are subject to redemption on or after October 1, 2026, at the option of the Institution by the written direction of the Institution to the Issuer and the Trustee, as a whole or in part at any time, in such order of maturity or sinking fund installments as directed by the Institution, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date.

The Series 2016-B Bonds are subject to optional redemption prior to maturity at the option of the Institution by the written direction of the Institution to the Issuer and the Trustee, as a whole or in part at any time, in

such order of maturity or sinking fund installments as directed by the Institution, at the Make-Whole Redemption Price described below.

“Make-Whole Redemption Price” means the greater of (1) 100% of the principal amount of the Series 2016-B Bonds to be redeemed; and (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016-B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2016-B Bonds are to be redeemed, discounted to the date on which the Series 2016-B Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Treasury Rate plus 30 basis points for the serial Series 2016-B Bonds maturing October 1, 2019 through October 1, 2021 and plus 35 basis points for the term Series 2016-B Bonds maturing October 1, 2030, plus, in each case, accrued and unpaid interest on the Series 2016-B Bonds to be redeemed on the redemption date.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2016-B Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The Institution may purchase Bonds of any maturity and series and credit them against the principal payment for such maturity and series or, as the case may be, any sinking fund installment for such maturity at the principal amount by delivering them to the Trustee for cancellation at least 60 days before the principal payment date or sinking fund installment date. In addition, whenever Bonds are called for optional or special redemption, the Institution may purchase some or all of the Bonds called for such redemption if it gives written notice, as appropriate, to the Trustee and the Issuer not later than the day before the redemption date that it wishes to purchase the principal amount of Bonds specified in the notice, at a purchase price equal to the redemption price or Make-Whole Redemption Price, as applicable. Any such purchase of Bonds by the Institution shall not be deemed to be a payment or redemption of the Bonds or any portion thereof and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

Payment of Redemption Price and Accrued Interest. Whenever Bonds are called for redemption, the accrued interest thereon shall become due on the redemption date and shall be paid from the Debt Service Fund to the extent available therein. To the extent not otherwise provided, the Institution shall deposit with the Trustee on or prior to the redemption date a sufficient sum to pay the redemption price of and accrued interest on the Bonds.

Selection of the Bonds. If less than all of the Bonds outstanding of any maturity shall be called for redemption, the Bonds to be so redeemed shall be selected by the Institution or by the Trustee by lot; provided, however, that so long as DTC or its nominee is the Bondowner, the particular portions of the Bonds of any maturity to be redeemed shall be selected by DTC in such manner as DTC may determine. If a Bond is of a denomination in excess of five thousand dollars (\$5,000), portions of the principal amount in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed.

Notice of Redemption and Other Notices. So long as DTC or its nominee is the Bondowner, the Issuer and the Trustee will recognize DTC or its nominee as the Bondowner for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory and regulatory requirements which may be in effect from time to time. The Trustee shall give notice of redemption to the Bondowners not more than 45 days nor less than 20 prior to the date fixed for redemption. Such notice of redemption may state that the proposed redemption is conditioned upon there being on deposit in the Redemption Fund on the redemption date sufficient funds to pay the full redemption price of the Bonds to be redeemed. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond. So long as DTC or its nominee is the Bondowner, any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having

received notice from a DTC Participant or otherwise) to notify the Beneficial Owner so affected shall not affect the validity of the redemption.

Effect of Redemption. On the redemption date, the redemption price of each Bond to be redeemed will become due and payable; and from and after such date, notice having been properly given and amounts having been made available and set aside from such redemption in accordance with the provisions of the Agreement, notwithstanding that any Bonds called for redemption have not been surrendered, no further interest will accrue on any Bonds called for redemption.

Acceleration

In addition to the foregoing redemption provisions, if an Event of Default (as defined in the Agreement) occurs, the principal amount of the Bonds, without premium, together with the accrued interest, may be declared due and payable in the matter and with the effect provided in the Agreement. See APPENDIX C – “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT – Default” and “– Remedies for Events of Default.”



## DEBT SERVICE REQUIREMENTS

The following table sets forth, for each fiscal year ending June 30, the amounts required to be made available by the Institution in such fiscal year for the payment of the principal of, sinking fund installments and interest on the Bonds and the total debt service requirement for the Bonds. Upon the issuance of the Bonds, the Refunded Bonds will be advance refunded and the Institution will have no other long-term debt outstanding other than the Bonds and the subordinated mortgage note held by the U.S. East-West Province (f/k/a Boston Province) of the Sisters of Notre Dame, Inc. (see APPENDIX A – “FINANCIAL OPERATIONS - Commitments and Contingencies”).

Fiscal year Ending June 30	BONDS			
	Series 2016-A Principal	Series 2016-B Principal	Interest	Total Debt Service
2017	\$ -	\$ -	\$6,712,972	\$6,712,972
2018	-	-	8,479,543	8,479,543
2019	-	-	8,479,543	8,479,543
2020	-	3,545,000	8,431,597	11,976,597
2021	-	3,660,000	8,319,128	11,979,128
2022	-	3,795,000	8,187,791	11,982,791
2023	-	3,940,000	8,042,649	11,982,649
2024	-	4,100,000	7,882,814	11,982,814
2025	-	4,265,000	7,716,518	11,981,518
2026	-	4,440,000	7,543,462	11,983,462
2027	-	4,620,000	7,363,350	11,983,350
2028	-	4,805,000	7,175,981	11,980,981
2029	-	5,000,000	6,981,057	11,981,057
2030	-	5,200,000	6,778,281	11,978,281
2031	2,530,000	2,895,000	6,554,103	11,979,103
2032	5,685,000	-	6,291,175	11,976,175
2033	5,980,000	-	5,999,550	11,979,550
2034	6,285,000	-	5,692,925	11,977,925
2035	6,610,000	-	5,370,550	11,980,550
2036	6,945,000	-	5,031,675	11,976,675
2037	7,305,000	-	4,675,425	11,980,425
2038	7,680,000	-	4,300,800	11,980,800
2039	8,070,000	-	3,907,050	11,977,050
2040	8,485,000	-	3,493,175	11,978,175
2041	8,920,000	-	3,058,050	11,978,050
2042	9,380,000	-	2,600,550	11,980,550
2043	9,860,000	-	2,119,550	11,979,550
2044	10,365,000	-	1,613,925	11,978,925
2045	10,840,000	-	1,138,000	11,978,000
2046	11,285,000	-	695,500	11,980,500
2047	11,745,000	-	234,900	11,979,900

## THE PROJECT AND PLAN OF FINANCING

### The Julie Hall Project

The Julie Hall Project consists of the removal of the existing Julie Hall residence hall and the planning, construction, expansion, renovation, addition, furnishing and equipping of a new approximately 267,500 square foot, combined six story and eighteen story “U” shaped high rise residential tower with 692 beds, to be named Julie Hall (the “Julie Hall Project”). The Julie Hall Project is located on the Institution’s campus in the Longwood Medical Area in Boston. Currently, only 70% of the Institution’s students are able to be housed on-campus. The Julie Hall Project will increase this number to approximately 81%.

The Institution has engaged Elkus Manfredi Architects to provide architectural services with respect to the Julie Hall Project. Elkus Manfredi Architects, has experience working with other higher education institutions, was founded in 1988 and is headquartered in Boston, Massachusetts.

On June 7, 2016, the Institution entered into a construction agreement (the “Construction Contract”) with John Moriarty & Associates, Inc. with a guaranteed maximum price of \$120,862,561, subject to change orders, for the Julie Hall Project. John Moriarty & Associates, Inc. (the “Contractor”) was founded in 1985 and is based in Winchester, Massachusetts. The Construction Contract includes certain provisions that are intended to protect the Institution against delays in the completion of the work on the Julie Hall Project, including requiring the Contractor to hire additional workers, add additional shifts and allow for overtime and having the Contractor pay for such expenditures to the extent that the costs exceed the contingency. The Institution anticipates that the Julie Hall Project will be completed in time for full occupancy by the Institution and MCPHS in time for the start of the 2018-2019 school year.

See APPENDIX A - “CERTAIN INFORMATION ABOUT THE INSTITUTION – PROJECT OVERVIEW” for a more detailed description of the Project.

### Lease Agreement

Pursuant to the Lease Agreement, the Institution will lease 260 beds and the use of certain common areas of the Julie Hall Project to MCPHS for a defined time period of August 15 through May 15 of each school year. The Lease Agreement commences on the first August 15 after substantial completion of the Julie Hall Project, scheduled to be August 15, 2018 for an initial lease term of twelve (12) years thereafter. In the event that the Julie Hall Project has not been substantially completed on or before November 15, 2019, either party may terminate the Lease Agreement upon written notice to the other party. Subject to compliance with certain provisions contained in the Lease Agreement, MCPHS has the option to extend the lease for three extension terms of five years each. The Institution has the right to terminate the Lease Agreement prior to the commencement of any extension term by written notice to MCPHS given not less than eighteen (18) months prior the expiration of the then current term. Annual rent will be paid by MCPHS to the Trustee in two equal installments on September 15 and February 28 of each lease year. MCPHS shall pay annual rent as follows:

### **Rental Payments**

<u>Date</u>	<u>Amount of Rental Payment</u>
September 15, 2018	\$1,799,000
February 28, 2019	1,799,000
September 15, 2019	1,852,970
February 28, 2020	1,852,970
September 15, 2020	1,908,559
February 28, 2021	1,908,559
September 15, 2021	1,965,816
February 28, 2022	1,965,816
September 15, 2022	2,024,790
February 28, 2023	2,024,790
September 15, 2023	2,085,534
February 28, 2024	2,085,534
September 15, 2024	2,148,100
February 28, 2025	2,148,100
September 15, 2025	2,212,543
February 28, 2026	2,212,543
September 15, 2026	2,278,919
February 28, 2027	2,278,919
September 15, 2027	2,347,287
February 28, 2028	2,347,287
September 15, 2028	2,417,706
February 28, 2029	2,417,706
September 15, 2029	2,490,237
February 28, 2030	2,490,237

After the initial term, the Institution has the right to increase any annual rent by the greater of either (a) 3% or (b) a market rate as calculated in accordance with the Lease Agreement. A copy of the Lease Agreement is available to interested investors upon request. Such requests should be directed to Patricia Tower, Associate Treasurer, tower@emmanuel.edu, Emmanuel College, 400 Fenway, Boston, Massachusetts 02115.

### **The Refunding**

A portion of the proceeds of the Series 2016-A Bonds, together with other available moneys, will be used to acquire noncallable direct obligations of the United States of America (the "Investment Securities"), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the principal and redemption price of the Refunded Bonds and the interest on such Refunded Bonds to the date fixed for redemption. Such Investment Securities will be held in the Refunding Trust Fund established under the Refunding Trust Agreement to be entered into among the Issuer, the Institution and U.S. Bank National Association, as trustee for the Refunded Bonds (the "Refunding Trust Agreement"), and used to pay principal and interest on the Refunded Bonds to and including July 1, 2017, and to redeem and defease the Refunded Bonds on such date. The sufficiency of the Investment Securities and the amounts deposited in the Refunding Trust Fund to pay in full the principal and redemption price of and interest on the Refunded Bonds, as and when due, the yield on the Series 2016-A Bonds and the yield on the escrow purchased with the proceeds of the Series 2016-A Bonds will be verified by Causey Demgen & Moore, P.C., a firm of independent certified public accountants. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

## ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds are expected to be applied as follows (rounded to the nearest dollar):

Sources of Funds:	Series 2016-A Bonds	Series 2016-B Bonds	Total
Principal Amount	\$137,970,000	\$50,265,000	\$188,235,000
Original Issue Premium	17,944,176	-	17,944,176
Total Estimated Sources of Funds	<u>\$155,914,176</u>	<u>\$50,265,000</u>	<u>\$206,179,176</u>
Uses of Funds:			
Deposit to Project Fund	\$72,689,409	\$49,773,152	\$122,462,561
Deposit to Refunding Trust Fund	75,809,974	-	75,809,974
Deposit to Capitalized Interest Account	5,983,988	-	5,983,988
Costs of Issuance <sup>(1)</sup>	1,430,805	491,848	1,922,653
Total Estimated Uses of Funds	<u>\$155,914,176</u>	<u>\$50,265,000</u>	<u>\$206,179,176</u>

<sup>(1)</sup> Includes certain legal fees, Underwriter's discount, printing costs and other costs associated with the issuance of the Bonds.

## BONDOWNERS' RISKS

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

### Payment of Debt Service

The principal of, redemption premium, if any, and interest on the Bonds are payable solely from (i) the amounts paid by the Institution to the Issuer under the Agreement and (ii) any Net Minimum Rent paid by MCPHS to the Institution and deposited directly into the MCPHS Account. The Lease Agreement expires on May 15, 2030, unless terminated earlier in accordance with its terms. No representation is made that any Net Minimum Rent will be paid by MCPHS during the lease term or after May 15, 2030. In addition, no representation is made that any Net Minimum Rent paid after May 15, 2030 will secure the Bonds. In addition, no representation or assurance can be made that revenues will be realized by the Institution in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the Bonds.

Future revenues and expenses of the Institution will be affected by events and conditions relating generally to, among other things, demand for the Institution's educational services, the ability of the Institution to provide the required educational services, management capabilities, the Institution's ability to control expenses, competition, costs, legislation, governmental regulation and developments affecting the federal or state tax-exempt status of nonprofit organizations. Unanticipated events and circumstances may occur which cause variations from the Institution's expectations. The capabilities of management, future legislation, regulatory actions, economic conditions, changes in demand for education, or other factors could adversely affect the Institution's ability to pay its obligations under the Agreement. For discussion of the financial condition of the Institution see APPENDIX A. The audited financial statements of the Institution are included in APPENDIX B.

### Adequacy of Revenues

The ability of the Institution to make payments under the Agreement will depend, among other things, upon the ability of the Institution to generate adequate revenues from its investments and its operations. A key factor in maintaining revenues is the Institution's ability to attract a sufficient number of qualified students. No assurances can be given that the Institution will continue to attract sufficient numbers of qualified students or that the revenues available to the Institution from its operations or otherwise will be available in amounts sufficient to make the payments required under the Agreement.

### Construction Risk

Construction of the Julie Hall Project is subject to ordinary risks associated with new construction, such as risks of cost overruns, non-completion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor shortage or strife, delays in and shortages of materials, weather conditions, fire and casualty. Any delays in construction may adversely impact the Institution's ability to complete the Julie Hall Project by the expected completion date, which may result in, among other things, cost overruns.

In addition, while the Institution intends to obtain Silver LEED-certified status for the Julie Hall Project, there is no guarantee that such certification will be obtained or that if obtained, that it will continue to meet the criteria for such certification.

No Trustee consent is required with respect to the construction of the Julie Hall Project and requisitions related thereto. Furthermore, none of the construction contracts or the architect's contract has been assigned to the Trustee.

Under certain circumstances set forth in the Lease Agreement, if the Julie Hall Project is not completed and delivered in a timely manner pursuant to the Lease Agreement, the Institution may have to find alternative housing arrangements for both its students and those of MCPHS. Such alternative housing may not be available, and if available, may be costly. If MCPHS cannot occupy the Julie Hall Project by November 15, 2019, the Lease Agreement may be terminated. No representation is made that any Net Minimum Rent will be paid by MCPHS during the lease term or after May 15, 2030.

### Investment and Gift Matters

The Institution derives a substantial portion of its revenues from income from investments and gifts. Any significant deterioration in the securities markets generally or adverse results in the specific investments which the Institution has made or reduction in gifts due to economic conditions or for other reasons would reduce its income and cash flow and therefore could adversely affect the Institution's ability to pay its obligations under the Agreement and its ability to finance its capital needs and future growth.

### Relationship of Bonds to Other Debt

Additional indebtedness may be incurred as parity indebtedness by the Institution in order to complete the Project or to refund indebtedness previously issued under the Agreement.

### Risk of Redemption

The Bonds are subject to redemption or acceleration prior to maturity in certain circumstances. See "THE BONDS - Redemption of the Bonds." Bondowners may not realize their anticipated yield or investment to maturity because the Bonds may be redeemed or accelerated prior to maturity at par or at a redemption price that results in the realization of less than the anticipated yield to maturity.

### No Redemption Upon Loss of Tax Exemption

As described under "TAX MATTERS" herein, non-compliance with certain requirements of the Internal Revenue Code of 1986, as amended, could cause interest on the Series 2016-A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2016-A Bonds. The Bonds are not

required to be redeemed and the interest rates on the Series 2016-A Bonds will not be changed in the event interest thereon is determined to be includable in gross income for federal income tax purposes. No provision has been made to compensate Bondowners for federal income taxes, interest and/or penalties which may be assessed in connection with any such tax liability or such determination or for any other loss or any diminution of gain that may occur.

#### Maintenance of 501(c)(3) Status

The federal tax-exempt status of the Series 2016-A Bonds presently depends upon maintenance by the Institution of its status as an organization described in Section 501(c)(3) of the Code. The Institution qualifies as a tax-exempt organization described in Section 501(c)(3) of the Code and to maintain such status, the Institution must conduct its operations in a manner consistent with representations previously made to the IRS and with current and future IRS regulations and rulings.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Institution 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 2016-A Bonds. Although the Institution has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on the organization and its operations and could result in the includability of interest on the Series 2016-A 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.

The laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Institution by requiring it to pay income, real estate or other taxes.

#### 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 Institution is not currently under audit.

#### Factors Generally Affecting Higher Educational Institutions

The following factors, which are not all-inclusive, may adversely affect the operations of higher educational institutions in the future, including the operations of the Institution, to an extent that cannot be determined at this time.

1. The reduced demand for private higher education or other services arising from a change in demographics, or from continued adverse or declining economic conditions in the areas from which the Institution draws a significant portion of its enrollment.
2. Cost increases without corresponding increases in revenue could result from, among other factors, increases in the salaries, wages and fringe benefits of higher education employees and inflation.
3. Future legislation and regulations affecting private colleges and universities, their tax-exempt status, and educational institutions in general could adversely affect the operations of the Institution.
4. The Institution’s need to fund financial aid and the availability of student loans and financial aid in general.
5. Competition from colleges and universities located elsewhere in Massachusetts and throughout the United States, some of which enjoy public subsidies permitting lower tuition and fees than those which the

Institution is required to charge, and from alternative or substitute educational programs, may decrease enrollment at the Institution.

6. International events, including any acts of war and terrorism, which may have adverse effects on enrollment and investments.

7. Market conditions that negatively affect the Institution's investments and therefore may adversely affect its debt coverage and endowment spending.

8. Cybersecurity risks related to breaches of the Institution's information technology systems or computer viruses and inadvertent disclosure of confidential student and other information.

9. The Internal Revenue Code of 1986, as amended, places certain limitations on the ability of educational institutions to finance certain projects, invest bond proceeds and advance refund prior tax-exempt bond issues. These limitations may increase the interest costs and restrict the use of tax-exempt bonds for future borrowing by the Institution.

#### Market Factors

The financial condition of the Institution as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Institution's control. There can be no assurance that an adverse event will not occur which might affect the market price of and the market for the Bonds. If a significant event should occur in the affairs of the Institution, the market for and the market value of the Bonds could be adversely affected.

#### Changes in Federal and State Tax Law

From time to time, proposals are introduced in Congress that, if enacted into law, could have an adverse impact on the potential benefits of the exclusion from gross income for federal income tax purposes of the interest on the Series 2016-A Bonds, and thus on the economic value of the Series 2016-A Bonds. This could result from reductions in federal income tax rates, changes in the structure of the federal income tax rates, changes in the structure of the federal income tax or its replacement with another type of tax, repeal of the exclusion of the interest on the Series 2016-A Bonds from gross income for such purposes, or otherwise. It is not possible to predict whether any legislation having an adverse impact on the tax treatment of holders of the Series 2016-A Bonds may be proposed or enacted. See also "TAX MATTERS."

#### Realization of Value on Mortgaged Property

The Mortgaged Property is not comprised of general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it may be difficult to find a buyer or lessee for the Mortgaged Property if it were necessary to foreclose on the Mortgaged Property. In addition, the par amount of the Bonds being issued exceeds the value of the Mortgaged Property and the value of the Mortgaged Property to Bondowners could be further diluted by the issuance of additional parity indebtedness. As a result, the amount of the title policy obtained in connection with the Mortgaged Property is less than the par amount of the Bonds. Furthermore, the value of the Mortgaged Property may fluctuate over time. Thus, upon any default, it may not be possible to realize the outstanding interest on and principal on the Bonds from a sale or lease of the Mortgaged Property.

In addition, under applicable environmental law, in the event of any past or future releases of pollutants or contaminants on or near the Mortgaged Property, a lien superior to the lien of the Mortgages could attach to the Mortgaged Property to secure the costs of removing or otherwise treating such pollutants or contaminants. Such a lien would adversely affect the Trustee's ability to realize sufficient amounts to pay the Bonds in full. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Mortgaged Property, including an owner by foreclosure, for clean-up costs with respect to such pollutants and contaminants. No environmental assessment of the Mortgaged Property has been made prior to the issuance of the Bonds.

#### Miscellaneous

The Institution may be impacted by the cost and the limited availability and sufficiency of insurance for risks such as property damage and general liability.

The occurrence of natural disasters or other incidents may damage the facilities of the Institution, interrupt utility service to the facilities, or otherwise impair the operation of the Institution and the generation of revenues from the facilities. The facilities of the Institution are covered by general property insurance, subject to certain coverage exceptions, in an amount which the Institution considers to be sufficient to provide for the replacement of such facilities in the event of a natural disaster or other covered incident.

#### Enforceability of Remedies Generally

The remedies granted to the Trustee or the owners of the Bonds upon an Event of Default under the Agreement may be dependent upon judicial actions which are often subject to discretion and delay. Under existing law, the remedies specified in the Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the provisions of the Agreement by limitations imposed by state and federal laws, rulings and decisions affecting equitable remedies regardless of whether enforceability is sought in a proceeding at law or in equity and by bankruptcy, reorganization, insolvency, receivership or other similar laws affecting the rights of creditors generally.

### **CONTINUING DISCLOSURE**

No financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Bonds and the Issuer will not provide any such information. The Institution has undertaken all responsibilities for any continuing disclosure to owners of the Bonds as described below, and the Issuer shall have no liability to the owners of the Bonds or any other person with respect to such disclosures.

The Institution has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Institution (the “Annual Report”) within 180 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2016; to provide a quarterly construction update listing the amount of proceeds of the Bonds expended on the Julie Hall Project as of the date of such update (the “Construction Update”) within 15 business days after the end of each quarter (March 31, June 30, September 30 and December 31) until the Institution has received the certificate of occupancy for the Julie Hall Project; and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report, the Construction Update and the notices of material events will be filed by or on behalf of the Institution with the Municipal Securities Rulemaking Board. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). The Institution has complied in all material respects with its previous continuing disclosure undertakings for the last five years; however, the annual report for fiscal year ended June 30, 2015 did not include the following: information relating to the average grade point average of the incoming class, information regarding demographic distribution of student body, information regarding tuition for the graduate and professional programs and information relating to financial aid. The missing data has been subsequently filed.

On the date of delivery of the Bonds, the Institution and the Trustee will enter into the Continuing Disclosure Agreement substantially in the form attached hereto as APPENDIX E - “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

### **TAX MATTERS**

#### **Series 2016-A Bonds**

In the opinion of Hinckley Allen & Snyder LLP, Bond Counsel to the Issuer (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Series 2016-A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Series 2016-A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, however, such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2016-A Bonds.



The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2016-A Bonds. Failure to comply with these requirements may result in interest on the Series 2016-A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2016-A Bonds. The Issuer and the Institution have covenanted to comply with such requirements to ensure that interest on the Series 2016-A Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these covenants.

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2016-A Bonds and any profit on the sale of the Series 2016-A Bonds are exempt from Massachusetts personal income taxes and that the Series 2016-A Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other Massachusetts tax consequences arising with respect to the Series 2016-A Bonds. Prospective holders of the Series 2016-A Bonds should be aware, however, that the Series 2016-A Bonds are included in the measure of Massachusetts estate and inheritance taxes. Bond Counsel has not opined as to the taxability of the Series 2016-A Bonds or the income therefrom under the laws of any state other than Massachusetts.

To the extent the issue price of any maturity of the Series 2016-A Bonds is less than the amount to be paid at maturity of such Series 2016-A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2016-A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Series 2016-A Bonds which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2016-A Bonds is the first price at which a substantial amount of such maturity of the Series 2016-A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2016-A Bonds accrues daily over the term to maturity of such Series 2016-A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2016-A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2016-A Bonds. Holders of the Series 2016-A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2016-A Bonds with original issue discount, including the treatment of purchasers who do not purchase such Series 2016-A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2016-A Bonds is sold to the public.

Series 2016-A Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Series 2016-A Bonds, or, in some cases, at the earlier redemption date of such Series 2016-A Bonds (“Premium Bonds”), will be treated as having amortizable bond premium for federal income taxes purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Premium Bond holder’s basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such holder of Premium Bonds. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Prospective holders of the Series 2016-A Bonds should be aware that certain requirements and procedures contained or referred to in the Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2016-A Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2016-A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2016-A Bonds.

Prospective holders of the Series 2016-A Bonds should be aware that from time to time legislation is or may be proposed which, if enacted into law, could result in interest on the Series 2016-A Bonds being subject directly or indirectly to federal income taxation, or otherwise prevent holders of the Series 2016-A Bonds realizing the full benefit provided under current federal tax law of the exclusion of interest on the Series 2016-A Bonds from gross income. To date, no such legislation has been enacted into law. However, it is not possible to predict whether any such legislation will be enacted into law. Further, no assurance can be given that any pending or future

legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the market value and marketability of, or the tax status of interest on, the Series 2016-A Bonds. Prospective holders of the Series 2016-A Bonds are urged to consult their own tax advisors with respect to any such legislation, interpretation or development.

Although Bond Counsel is of the opinion that interest on the Series 2016-A Bonds is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2016-A Bonds may otherwise affect a Series 2016-A Bond holder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the holder of the Series 2016-A Bonds or the Bond holder's other items of income, deduction or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and holders of the Series 2016-A Bonds should consult with their own tax advisors with respect to such consequences.

### **Series 2016-B Bonds**

In the opinion of Bond Counsel, under existing law, interest on the Series 2016-B Bonds is included in the gross income of the owners thereof for federal income tax purposes under the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences related to the ownership or disposition of, or accrual or receipt of interest on, the Series 2016-B Bonds.

Bond Counsel is of the opinion that, under existing law, interest on the Series 2016-B Bonds and any profit from the sale of the Series 2016-B Bonds are exempt from Massachusetts personal income taxes and that the Series 2016-B Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other Massachusetts tax consequences arising with respect to the Series 2016-B Bonds. Prospective holders of the Series 2016-B Bonds should be aware, however, that the Series 2016-B Bonds and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the Series 2016-B Bonds or the income therefrom under the laws of any state other than Massachusetts.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to beneficial owners of the Series 2016-B Bonds that acquire their Series 2016-B Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not address all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to investors who may be subject to special taxing rules (regardless of whether or not such persons constitute U.S. Holders (as defined below)), such as certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors who hold their Series 2016-B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, the following discussion does not address (i) alternative minimum tax consequences, or (ii) the indirect effects on persons who hold equity interests in a beneficial owner of Series 2016-B Bonds. In addition, this summary generally is limited to investors who become beneficial owners of Series 2016-B Bonds pursuant to the initial offering for the issue price that is applicable to such Series 2016-B Bonds (i.e., the price at which a substantial amount of such Series 2016-B Bonds is first sold to the public) and who will hold their Series 2016-B Bonds as "capital assets" within the meaning of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2016-B Bond who for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust with respect to which a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to

control all substantial decisions of the trust (or a trust that has made a valid election under Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series 2016-B Bond (other than a partnership) who is not a U.S. Holder. If an entity classified as a partnership for U.S. federal income tax purposes is a beneficial owner of Series 2016-B Bonds, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partners in such partnerships should consult their own tax advisors regarding the tax consequences of an investment in the Series 2016-B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

### ***U.S. Holders***

*Interest.* Stated interest on the Series 2016-B Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

“Original issue discount” will arise for U.S. federal income tax purposes in respect of any Series 2016-B Bond if its stated redemption price at maturity exceeds its issue price by more than a *de minimis* amount (as determined for tax purposes). For any Series 2016-B Bonds issued with original issue discount, the excess of the stated redemption price at maturity of that Series 2016-B Bond over its issue price will constitute original issue discount for U.S. federal income tax purposes. The stated redemption price at maturity of a Series 2016-B Bond is the sum of all scheduled amounts payable on such Series 2016-B Bond other than qualified stated interest. U.S. Holders of Series 2016-B Bonds generally will be required to include any original issue discount in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders of Series 2016-B Bonds issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

“Premium” generally will arise for U.S. federal income tax purposes in respect of any Series 2016-B Bond to the extent its issue price exceeds its stated principal amount. A U.S. Holder of a Series 2016-B Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2016-B Bond.

*Disposition of the Series 2016-B Bonds.* Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Series 2016-B Bond will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder of a Series 2016-B Bond generally will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2016-B Bond which will be taxed in the manner described above under “Interest”) and (ii) the U.S. Holder’s adjusted tax basis in the Series 2016-B Bond (generally, the purchase price paid by the U.S. Holder for the Series 2016-B Bond, increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Series 2016-B Bond and decreased by any payments previously made on such Series 2016-B Bond, other than payments of qualified stated interest, or decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. Defeasance or material modification of the terms of any Series 2016-B Bond may result in a deemed reissuance thereof, in which event a beneficial owner of the defeased Series 2016-B Bonds generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner’s adjusted tax basis in the Series 2016-B Bond.

In the case of a non-corporate U.S. Holder of the Series 2016-B Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain may be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder’s holding period for the Series 2016-B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

*Medicare Tax on Unearned Income.* The Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) requires certain U.S. Holders that are individuals, estates or trusts to pay an additional 3.8% tax on, among other things, interest and gains from the sale or other disposition of the Series 2016-B Bonds for taxable years beginning after December 31, 2012. U.S. Holders that are individuals, estates or trusts should consult their tax

advisors regarding the effect, if any, of this legislation on their ownership and disposition of the Series 2016-B Bonds.

### ***Non-U.S. Holders***

The following discussion applies only to Non-U.S. Holders. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances. For example, special rules may apply to a Non U.S. Holder that is a “controlled foreign corporation” or a “passive foreign investment company,” and, accordingly, Non -U.S. Holders should consult their own tax advisors to determine the United States federal, state, local and other tax consequences of holding the Series 2016-B Bonds that may be relevant to them.

*Interest.* Subject to the discussion below under the heading “Information Reporting and Backup Withholding,” payments of principal of, and interest on, any Series 2016-B Bond to a Non -U.S. Holder, other than a bank that acquires such Series 2016-B Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, generally will not be subject to any U.S. withholding tax provided that the beneficial owner of the Series 2016-B Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

*Disposition of the Series 2016-B Bonds.* Subject to the discussion below under the heading “Information Reporting and Backup Withholding,” any gain realized by a Non -U.S. Holder upon the sale, exchange, redemption, retirement, reissuance or other disposition of a Series 2016-B Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, reissuance or other disposition and certain other conditions are met.

*U.S. Federal Estate Tax.* A Series 2016-B Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that at the time of such individual’s death, payments of interest with respect to such Series 2016-B Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

### ***Information Reporting and Backup Withholding - U.S. Holders and Non-U.S. Holders***

Interest on, and proceeds received from the sale of, a Series 2016-B Bond generally will be reported to U.S. Holders, other than certain exempt recipients, such as corporations, on IRS Form 1099. In addition, a backup withholding tax may apply to payments with respect to the Series 2016-B Bond if the U.S. Holder fails to furnish the payor with a correct taxpayer identification number or other required certification or fails to report interest or dividends required to be shown on the U.S. Holder’s federal income tax returns.

In general, a Non-U.S. Holder will not be subject to backup withholding with respect to interest payments on the Series 2016-B Bonds if such Non-U.S. Holder has certified to the payor under penalties of perjury (i) the name and address of such Non-U.S. Holder and (ii) that such Non-U.S. Holder is not a United States person, or, in the case of an individual, that such Non-U.S. Holder is neither a citizen nor a resident of the United States, and the payor does not know or have reason to know that such certifications are false. However, information reporting on IRS Form 1042-S may still apply to interest payments on the Series 2016-B Bonds made to Non-U.S. Holders not subject to backup withholding. In addition, a Non-U.S. Holder will not be subject to backup withholding with respect to the proceeds of the sale of a Series 2016-B Bond made within the United States or conducted through certain U.S. financial intermediaries if the payor receives the certifications described above and the payor does not know or have reason to know that such certifications are false, or if the Non-U.S. Holder otherwise establishes an exemption. Non-U.S. Holders should consult their own tax advisors regarding the application of information reporting and backup withholding in their particular circumstances, the availability of exemptions and the procedure for obtaining such exemptions, if available.

Backup withholding is not an additional tax, and amounts withheld as backup withholding are allowed as a refund or credit against a holder's federal income tax liability, provided that the required information as to withholding is furnished to the IRS.

THE FOREGOING SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR BENEFICIAL OWNER OF SERIES 2016-B BONDS IN LIGHT OF THE BENEFICIAL OWNER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO ANY TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF SERIES 2016-B BONDS, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D – "FORM OF OPINION OF BOND COUNSEL."

### **LEGALITY OF THE BONDS FOR INVESTMENT AND DEPOSIT**

The Act provides that the Bonds are securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all Massachusetts insurance companies, trust companies, savings banks, cooperative banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The Bonds, under the Act, are securities which may properly and legally be deposited with and received by any Commonwealth or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

### **RATING**

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Baa2" (negative outlook) to the Bonds. Such rating reflects only the view of Moody's, and an explanation of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Bonds.

### **COMMONWEALTH NOT LIABLE ON THE BONDS**

The Bonds are not a general obligation of the Issuer and shall not be deemed to constitute a debt or liability of the Commonwealth or any political subdivision thereof, or a pledge of the faith and credit of the Issuer or the Commonwealth or any such political subdivision, but shall be payable solely from and to the extent of the payments made by the Institution pursuant to the Agreement and any other funds held under the Agreement for such purpose. Neither the faith and credit of the Issuer or the Commonwealth nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Act does not in any way create a so-called moral obligation of the Commonwealth or of any political subdivision thereof to pay debt service in the event of default by the Institution. The Issuer has no taxing power under the Act.

### **UNDERWRITING**

Goldman, Sachs & Co., as underwriter (the "Underwriter"), has agreed to purchase the Bonds at an aggregate purchase price of \$205,306,446.85, reflecting the par amount of the Bonds plus original issue premium of \$17,944,175.70 less an Underwriter's discount of \$872,728.85, pursuant to a Purchase Contract entered into among the Underwriter, the Issuer and the Institution (the "Purchase Contract"). The Purchase Contract provides that the Underwriter will purchase all of the Bonds if any are purchased and also provides for certain indemnification by the Institution of the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices lower (or yields higher) than the public offering prices (or yields) stated on the inside cover page

hereof. The public offering prices set forth on the inside cover page hereof may be changed after the initial offering by the Underwriter.

The Underwriter has provided the following information to the Institution for inclusion in this Official Statement. The Underwriter and its 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. The Underwriter and its affiliates have provided, and may in the future provide, a variety of these services to the Institution and to persons and entities with relationships with the Institution, for which they received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded 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 Institution (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Institution. The Underwriter and its 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**

Causey Demgen & Moore, P.C., a firm of independent certified public accountants, will deliver to the Issuer and the Institution its report verifying the mathematical accuracy of (i) the arithmetical computations which establish the adequacy of the cash, the maturing principal amounts and the interest on the investment securities held pursuant to the Refunding Trust Agreement to pay, when due, the maturing principal of, interest on and redemption price of the Refunded Bonds, (ii) the computation of yield on the Series 2016-A Bonds, and (iii) the computation of yield on the escrow purchased with proceeds of the Series 2016-A Bonds to advance refund the Refunded Bonds.

Causey Demgen & Moore, P.C. will express no opinion on the reasonableness of the assumptions provided to them, the likelihood that the principal of and interest on the Bonds will be paid as described in the schedules provided to them, or the exclusions of the interest on the Series 2016-A Bonds from gross income for federal income tax purposes.

#### **LEGAL MATTERS**

Certain legal matters incidental to the authorization and issuance of the Bonds by the Issuer are subject to the approval of Hinckley, Allen & Snyder LLP, Boston, Massachusetts, Bond Counsel to the Issuer, whose opinion approving the validity and tax exempt status of the Bonds will be delivered with the Bonds. A copy of the proposed form of the opinion of Bond Counsel is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the Institution by its counsel, Ropes & Gray LLP, Boston, Massachusetts. Certain legal matters will be passed on for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

There is no litigation pending against the Issuer or, to the knowledge of the officers of the Issuer, threatened against the Issuer seeking to restrain or enjoin the issuance or delivery of the Bonds or in any way contesting the existence or the powers of the Issuer relating to the issuance of the Bonds.

See APPENDIX A - "CERTAIN INFORMATION ABOUT THE INSTITUTION" with respect to any material litigation affecting the Institution.

#### **MISCELLANEOUS**

The references to the Act and the Agreement are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to the Act and the Agreement for full and complete statements of such provisions. The agreements of the Issuer with the holders of the Bonds are fully set forth in the Agreement, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the Bondowners. So far as any statements are made in this Official Statement involving matters

of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the offices of the Issuer and of the Trustee.

Information relating to DTC and the book-entry system described herein under the heading “THE BONDS - Book-Entry-Only System” has been furnished by DTC and is believed to be reliable, but none of the Issuer, the Institution or the Underwriter makes any representations or warranties whatsoever with respect to such information.

The Issuer and the Underwriter have relied on the information contained in APPENDIX A - “CERTAIN INFORMATION ABOUT THE INSTITUTION” and in APPENDIX B - “FINANCIAL STATEMENTS OF THE INSTITUTION,” which includes the audited financial statements of the Institution for the fiscal year ended June 30, 2015. While the information contained therein is believed to be reliable, the Issuer and the Underwriter make no representations or warranties whatsoever with respect to the information contained therein except, as to the Underwriter, as set forth on page (i) hereof.

APPENDIX C - “DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE AGREEMENT” and APPENDIX D - “PROPOSED FORM OF OPINION OF BOND COUNSEL” have been prepared by Hinckley, Allen & Snyder LLP, Bond Counsel to the Issuer.

APPENDIX E - “FORM OF CONTINUING DISCLOSURE AGREEMENT” has been prepared by Orrick, Herrington & Sutcliffe LLP.

All appendices are incorporated as an integral part of this Official Statement.

#### **ISSUER NOT RESPONSIBLE FOR OFFICIAL STATEMENT**

The Issuer has consented to the use of this Official Statement. The Issuer is responsible only for the statements contained under the caption “THE ISSUER” and the information pertaining to the Issuer under the caption “LEGAL MATTERS,” and the Issuer makes no representation as to the accuracy, completeness or sufficiency of any other information contained herein. Except as otherwise stated herein, neither of the Issuer nor the Underwriter makes any representations or warranties whatsoever with respect to the information contained herein.

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## **APPENDIX A**

### **CERTAIN INFORMATION ABOUT THE INSTITUTION**

# EMMANUEL COLLEGE CAMPUS MAP



## 1. Administration Building

Academic Advising  
Academic Affairs  
Admissions  
Auditorium  
Business Office  
Campus Safety  
Chapel  
Communications Office  
Copy Center  
Counseling Center  
Fenway Room  
Finney Reception Room  
Human Resources  
Information Technology/Helpdesk  
International Programs  
Mailroom  
Mission + Ministry  
Muddy River Café  
President's Office

## 1. Administration Building (cont.)

Registrar  
Student Affairs Administration  
Student Financial Services  
Treasurer's Office

## 2. Maureen Murphy Wilkens Science Center

Admissions Reception

## 3. Cardinal Cushing Library

Academic Resource Center (ARC)  
Development + Alumni Relations  
Janet M. Daley Library Lecture Hall

## 4. Avenue Commons

## 5. Merck Research Laboratories - Boston

## 6. The Jean Yawkey Center and Marian Hall

Athletics  
Atrium Café  
Bookstore  
Career Center  
Fitness Center  
Graduate + Professional Programs  
Gymnasium  
Jean Yawkey Center for  
Community Leadership  
Conference Room  
Marian Hall Dining Room  
Maureen Murphy Wilkens Atrium

## 7. Julie Hall - Residence Hall

## 8. Saint Joseph Hall - Residence Hall

Fitness Center  
Health Services  
Student Government + Organizations

## 9. Saint Ann Hall - Residence Hall

Dean of Students  
Facilities  
New Student Engagement + Transition  
Residence Life  
Student Activities + Multicultural Programs

## 10. Loretto Hall - Residence Hall

## 11. Roberto Clemente Field

## 12. Notre Dame Campus

## APPENDIX A

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## **INTRODUCTION**

Massachusetts Development Finance Agency  
99 High Street  
Boston, Massachusetts 02110

June 9, 2016

Dear Members of the Agency:

In connection with the issuance by the Massachusetts Development Finance Agency (the “Agency” or “MassDevelopment”) of its Revenue Bonds, Emmanuel College Issue, Series 2016-A and Series 2016-B (Federally Taxable) (Green Bonds) (together, the “Series 2016 Bonds”), we submit the following information pertaining to The Trustees of Emmanuel College (“Emmanuel” or the “College”) for inclusion in this Official Statement. Unless otherwise indicated, all references to years are for the fiscal year ending June 30.

### **About Emmanuel College**

Emmanuel is a Catholic college located in the heart of Boston and in 2016 had an enrollment of more than 2,200 undergraduate and graduate students from 28 states and 52 countries. The College provides an array of opportunities for students to expand their worldview through rigorous coursework, collaborations with dedicated faculty and participation in a vibrant community. Emmanuel’s 17-acre residential campus is located in the Fenway neighborhood amid Boston’s educational, scientific and cultural communities, offering students close proximity to a host of internship and career opportunities. Emmanuel’s campus is part of the so-called Longwood Medical Area, a section of Boston that includes Harvard Medical School, four of its affiliated teaching hospitals, and other health and life sciences organizations. The same area contains the Museum of Fine Arts, the Isabella Stewart Gardner Museum, and other cultural organizations. Emmanuel’s more than 50 programs in the sciences and liberal arts foster engaging and substantive learning experiences that honor the College’s commitment to educate the whole person and to provide an ethical and relevant 21st-century education.

### **Historic Highlights**

Emmanuel College was founded in 1919 by the Sisters of Notre Dame de Namur as the first Catholic college for women in New England. Today, as the College prepares to celebrate its Centennial in 2019, it does so as a thriving, co-educational future-focused institution, still deeply committed to its Catholic educational mission.

In its early years, Emmanuel was a commuter college preparing women for professional fields such as business, law, medicine and education. The 1920s, 1930s and 1940s saw growth not only in the student population, academic programs and activities, but also in the physical campus, with additional land purchases on Brookline Avenue and Avenue Louis Pasteur. In 1949, the College completed the construction of Alumnae Hall; the science center, the first building constructed on campus after the original Administration Building, signified Emmanuel’s strength in the sciences, which continues today.

During the 1950s and 1960s, Emmanuel became a residential college, drawing students from throughout New England and the nation. New buildings included Marian Hall (residential, dining and student center), Julie Hall, St. Ann Hall, Loretto Hall and St. Joseph Hall. The Cardinal Cushing Library was also dedicated in 1965. By 1968, enrollment had grown to 1,500 students, 1,000 of whom lived on campus.

Over the years, the College has responded to shifting demographics in higher education and the world at large. In the 1970s, Emmanuel began to offer degree completion programs to adult learners and, in 1990, the College expanded its programs to include flexible accelerated formats, with programs in business and nursing offered at satellite centers.

In 2000, the College began to admit young men at the undergraduate level. In May 2001, the College entered into a unique partnership with Merck & Co., Inc. (“Merck”) whereby it leased certain parcels that it owned to Merck for construction of a research facility. In addition to making up-front rental payments, the Merck relationship includes regular on-campus seminars, as well as internship opportunities for the College’s students. Over the following decade, the College added new facilities including the Jean Yawkey Center, a modern student center featuring a new gymnasium, and the Maureen Murphy Wilkens Science Center, which includes 14 laboratories for scientific instruction and research. The College also completed a major renovation of Julie Hall (please see “PROJECT OVERVIEW” herein for a description of current plans to replace the existing Julie Hall). In 2009, the College partnered with the City of Boston to restore Roberto Clemente Field, across the street from the campus, to serve as Emmanuel’s home athletic field. In 2013, Emmanuel completed the restoration of the historic Administration Building, and shortly thereafter established the Notre Dame Campus in Roxbury to provide a living/learning environment for students focusing on urban engagement, social justice and spirituality. In addition, Emmanuel devoted resources to the appointment of new educators and to expanding opportunities for student-faculty research and collaboration. The College has invested in student and academic programs to enrich campus life. As a result, undergraduate enrollment has grown from 466 in 1999 before the decision to admit young men to approximately 1,792 in 2015.

In 1996, Emmanuel and four of its neighboring colleges – MCPHS University d/b/a/ Massachusetts College of Pharmacy and Health Sciences (“MCPHS”), Simmons College, Wentworth Institute of Technology and Wheelock College – joined in a consortium called “The Colleges of the Fenway.” In 1999, Massachusetts College of Art and Design became the sixth member of the collaboration. The consortium benefits students by offering cross-registration at no additional cost. In addition, students benefit from common social events and access to the academic resources and services of all six institutions. As a result, Emmanuel students enjoy the benefits of a small college environment while having access to the resources of the members of The Colleges of the Fenway. In addition, Emmanuel also is able to share with the other member of the consortium some of the costs of its insurance, transportation services, and IT services, among others.

## **Mission and Vision**

Amid changes, Emmanuel has remained committed to its Catholic educational mission and its core values, which emphasize intellectual inquiry and integrity, a commitment to justice and peace, and a strong sense of community. The College's curriculum is designed to immerse students in the humanities, the arts and the social and natural sciences and promote the development of critical, analytical and creative habits of mind along with outstanding written and oral communication skills. In these and other respects, the College believes the experience of today's students, in the classroom and beyond, holds true to the founding vision of the Sisters of Notre Dame de Namur and their conviction that education has the power to shape minds and hearts, open doors of professional opportunity and prepare young people, in the words of Emmanuel's vision statement, "for lives of leadership, professional achievement, global engagement and profound purpose."

## **Strategic Plan**

Emmanuel is currently at the mid-point of its comprehensive 2014-19 Strategic Plan. The plan identifies five strategic goals that represent the College's determination to capitalize on new and emerging opportunities consistent with its Catholic educational mission:

- Celebrate Emmanuel's Distinctive Mission and Heritage
- Strengthen the Rigor and Reach of the Educational Experience
- Elevate Emmanuel's Profile and Reputation
- Galvanize the Wider Emmanuel Community
- Improve Campus Resources, Systems and Practices

The College has made progress toward a number of these goals as generally described below:

### Undergraduate Enrollment

The College has exceeded its new student recruitment goals of 573 undergraduate students for Fall 2016. As of May 2016, the College has received 623 deposits for first-time freshmen spots plus 30 transfer students. Based upon prior experience, some students will chose not to enroll and the actual matriculation number may be less. However, it is still anticipated that the number of incoming students for Fall 2016 will be more than those in Fall 2015. In Fall 2015, there were a total of 589 incoming students, including 555 first-time freshmen and 34 transfer students. They represented 19 U.S. states, including all the New England states, as well as California, Tennessee, Florida, North Carolina and Texas and 52 countries, including China, Nicaragua, Pakistan, Spain and the United Kingdom.

Throughout the 2015-16 academic year, the Admissions team focused on executing a multi-faceted recruitment plan to attract and enroll the Class of 2020 and transfers – the students who would ultimately enroll in the fall of 2016. This enrollment plan has included: expanded outreach to prospective students, families and guidance counselors through travel to high schools and participation in national and regional college fairs; a comprehensive communication/messaging sequence (via mail and email/social media);

advertising; and open house and campus visit programs, including special visit programs for guidance counselors.

During the Spring 2016 semester, several hundred accepted students attended two “EC Incoming” programs, while others have visited campus for tours, classroom observations and meetings with faculty members and athletic coaches. In addition, the College has partnered with Hardwick Day to assist in the financial aid and merit awarding process, and with the College’s branding firms, Kor Group and Libretto, Inc., to develop a new suite of communications to increase yield.

### Curricular Innovation

In response to student interest and evolving career/market opportunities, Emmanuel has continued to establish new majors and academic concentrations, including, most recently, new majors in neuroscience and economics.

### Scholarly Awards and Distinctions

Emmanuel and its students and faculty have received the following scholarly awards and distinctions:

- In March 2016, the U.S. State Department’s Bureau of Cultural Affairs released an announcement noting that Emmanuel produced more Fulbright faculty scholars in 2015-16 than any other bachelor’s institution in New England.
- In April 2016, an Emmanuel senior was selected for a Fulbright U.S. Student Award to Morocco, making 2016 the sixth consecutive year that Emmanuel students have received this honor.
- In recent years, Emmanuel faculty members have also received research grants from funding organizations including the Fulbright Program, the National Science Foundation and the National Institutes of Health.
- Since 2012, the College has been awarded a total of \$1.1 million in federal grants to underwrite student-faculty research.

### Success of Graduates

Based on information collected by the College as of June 2015, 99% of the Class of 2014 is currently employed or enrolled in graduate school. Just six months after their graduation, 83% of the Class of 2015 reported being employed or pursuing an advanced degree.

### Institutional Profile and Reputation

In order to increase its profile, in 2015, the College engaged a team of Boston-area agencies as part of a Brand Advancement Initiative. The aims are to raise awareness of Emmanuel on the national level; convey the value and distinctiveness of an Emmanuel education with greater impact in a crowded and competitive marketplace; and increase the engagement of the College’s audiences. In the area of enrollment, this includes prospective students and parents, guidance counselors, rankings organizations and



opinion leaders. In fundraising, it encompasses alumni of all generations, current parents, and a widening circle of friends and corporate and foundation funders. The overall goal is to create a “virtuous cycle” whereby a strong brand generates greater engagement, which leads to improved results in enrollment, retention and fundraising, which redounds to the overall vibrancy of the educational experience and the success of students and alumni.

The College completed the research and messaging phases of the project in 2015 and is now developing an enhanced visual identity system, including a new logotype; a new line of student-recruitment communications; strengthened fundraising appeals and a planning framework for the Centennial Celebration in 2019.

## **Overview**

### Arts and Sciences

- Approximately 1,800 undergraduate students
- 50+ majors, minors and concentrations
- 94 full-time faculty members; 0 teaching assistants
- 13:1 student-faculty ratio
- 15 academic honor societies
- 92% of first-year students live on campus
- More than 80% of students participate in community service
- More than 45,000 hours of volunteer service annually
- Nearly 90% of students participate in an internship
- 52 countries and 28 states and territories represented on campus
- 16 Division III varsity athletic teams
- 100+ clubs, organizations and activities on campus
- Study abroad opportunities are available through more than 500 programs in over 70 countries
- Degrees awarded: Bachelor of Arts, Bachelor of Fine Arts and Bachelor of Science
- 2016-2017 Tuition: \$37,280
- 2016-2017 Room + Board (double room): \$14,270

### Graduate and Professional Programs (including adult continuing education)

- Graduate programs in management, education and nursing
- Specialized tracks in management for human resource management and research administration
- Undergraduate program in nursing (for RNs)
- Online programs in management, human resource management and research administration

## **GOVERNANCE**

### **Board of Trustees**

The College is governed and managed by the Board of Trustees (the “Board”). The Board convenes three times each academic year and annually in September to deliberate on the business and policies of the College. Additional meetings are scheduled as necessary.

The Board is currently composed of 24 trustees. Members of the Board serve for three-year terms, which are renewable. New trustees are elected through a nominating process led by the Nominating Committee of the Board.

There are seven standing committees of the Board: Academic Affairs, Development, Finance (including an Audit sub-committee), Enrollment Management & Student Affairs, Nominating, Mission & Catholic Identity and Executive Committee. The Executive Committee, comprised of the Chairperson, the President, and four or more other trustees, as may be determined from time to time by vote of a majority of the trustees then in office, meets as necessary throughout the year and may exercise all of the powers of the Board during intervals between meetings of the trustees, except as otherwise limited by law.

2015-2016 BOARD OF TRUSTEES		Commencement of Term
<b>Christopher Borges '10</b>	T Cell Scientist, Editas Medicine	2015
<b>John F. Burke</b>	Senior Vice President, Chief Culture Officer, Staples	2000
<b>Sister Anne Mary Donovan, SND '62</b>	Vice President of Finance/Treasurer (Chief Financial Officer), Emmanuel College	1984
<b>Sister Janet Eisner, SND '63</b>	President, Emmanuel College	Ex-officio since 1978
<b>James L. Elcock</b>	Executive Vice President and Managing Partner, Colliers International	2001
<b>Elaine El-Khawas</b>	Professor Emerita of Education Policy, The George Washington University	1986
<b>Sister Mary M. Farren, SND '69</b>	Provincial Leadership Team, Sisters of Notre Dame – East-West Province	1998
<b>Sister Kathleen Gallivan, SND '69</b>	Director of Chaplaincy Services, Brigham and Women's Hospital	2007
<b>Sheilah Shaw Horton, Ph.D. '81</b>	Vice President for Student Development & Dean of Students, Loyola University, Maryland	2004
<b>Megan Shannahan Hovsepian '83</b>	Community Volunteer	2015
<b>Thomas J. Hynes, Jr. Chair of the Board</b>	Co-Chairman and Chief Executive Officer, Colliers International	2007 (prior term from 1978-1991)
<b>William F. Kennedy, Jr., Esq.</b>	Partner, Nutter McClennen & Fish LLP	2011
<b>Nancy Kleniewski, Ph.D. '70</b>	President, State University of New York at Oneonta	2009
<b>John H. MacKinnon</b>	Partner, Pricewaterhouse Coopers LLP (retired)	1995
<b>Leslie F. McCafferty '76</b>	Community Volunteer	1992
<b>Margaret L. McKenna '83</b>	Executive Vice President, Relationship Mgmt., Workplace Investing, Fidelity Investments	2011
<b>Maryann E. Murphy</b>	Partner, Pricewaterhouse Coopers LLP (retired)	2012
<b>Robert F. Muse, Esq.</b>	Partner, Cunningham Levy Muse LLP	2011
<b>Alexandra Oliver-Dávila '92</b>	Executive Director, Sociedad Latina	2013
<b>Donna Rapaccioli, Ph.D.</b>	Dean of Business Faculty & Dean of the Gabelli School of Business, Fordham University	2010
<b>M. Andrea Ryan, Esq. '66</b>	Former Vice President & Associate General Counsel, Intellectual Property Warner Lambert (Morris Plains, NJ)	2011
<b>Eleanor Mulvaney Seamans '71</b>	Chief Executive Officer, Seamans Capital Management, LLC	2009
<b>Richard Syron</b>	Former Chairman & Chief Executive Officer, Freddie Mac	2010
<b>Kathleen E. Walsh</b>	President & Chief Executive Officer, Boston Medical Center	2006

## **Administration**

The President of Emmanuel is responsible for administration of the College. Assisting the President in this task are: the Vice President of Finance/Treasurer (CFO), the Vice President of Academic Affairs and Dean, the Vice President of Marketing and Communications, the Vice President of Student Affairs, the Dean of Enrollment, the Vice President of Mission and Ministry and Associate Treasurer.

### ***Sister Janet Eisner, SND, President of Emmanuel College***

A Sister of Notre Dame de Namur, Sister Janet Eisner has served as President of Emmanuel College since 1979. In addition to her responsibilities at Emmanuel, Sister Janet Eisner currently serves on the Board of Trustees at The Catholic University of America; the Advisory Board at The College of the Holy Cross; the Executive Committees of the Medical Academic and Scientific Community Organization, Inc. (MASCO); and The Colleges of the Fenway. Sister Janet Eisner received her B.A. from Emmanuel College, an M.A. from Boston College, and a Ph.D. in English from the University of Michigan. Sister Janet Eisner has received several awards and degrees in recognition of her accomplishments including honorary doctoral degrees from Boston College, The College of the Holy Cross and Northeastern University. During her presidency, she has served on the boards of many regional and national organizations and commissions.

### ***Sister Anne Mary Donovan, SND, Vice President of Finance/Treasurer (CFO)***

Sister Anne Donovan has served as Treasurer of Emmanuel College since 1982. In 1997, she assumed an expanded role with responsibility for oversight of capital investments and the institutional master plan. In 2013, she was appointed Vice President of Finance/CFO, overseeing the College's financial affairs, business operations, information technology, human resources, campus safety, facilities and contract services. She served as Treasurer of the Boston Province, and then as Treasurer of the international congregation of the Sisters of Notre Dame de Namur from 1982 to 1997. Sister Anne Donovan is a graduate of Emmanuel College, holds an M.A. in History from the University of New Hampshire and an M.B.A. from the Boston College Carroll School of Management. She currently serves on the Board of Directors for Por Cristo, a nonprofit Catholic agency serving medical and nutrition needs in Ecuador and the Dominican Republic and on the Board of the Notre Dame Academy of Worcester.

### ***William Leonard, Vice President of Academic Affairs and Dean***

Dr. William Leonard was appointed Vice President of Academic Affairs and Dean in July 2015. He has served for 16 years on the faculty in the History Department and for the past six years as Dean of Arts and Sciences. Dr. Leonard has served on numerous academic and College-wide committees, including serving as co-chair of the NEASC Steering Committee during Emmanuel's recent accreditation process. Dr. Leonard received a B.A./B.S. from University of Massachusetts at Lowell, an M.A. from Northeastern University and a Ph.D. from Boston College.

### ***Robert McDonald, Vice President of Marketing and Communications***

Mr. McDonald joined Emmanuel in March 2016. In this new role, Mr. McDonald provides leadership and direction for the College's marketing, communications and branding efforts, as well as a strategy and framework for the production of compelling, effective narratives that reflect Emmanuel's institutional messaging platform. He previously served as chief marketing officer in Babson College's division of Executive Education from 2010 to 2016. Prior to Babson

College, he managed integrated marketing communications for Harvard Business School from 2008 to 2010. He holds a B.A. in English and Communications from Boston College and received his MBA from Babson College.

***Patricia A. Rissmeyer, Vice President of Student Affairs***

Dr. Rissmeyer joined the College administration in 1996 as Dean of Students. In 2001, she was promoted to her current position as Vice President of Student Affairs. She came to Emmanuel from Canisius College in New York where she served as Dean of Students from 1988 to 1996. From 1983 to 1988, she served as Director of Residence Life and Housing at Saint Mary's College in Notre Dame, Indiana. Dr. Rissmeyer holds a B.S. from the University of Hartford, a M.Ed. from the University of Massachusetts at Amherst, and a Ph.D. from the State University of New York at Buffalo.

***Sandra M. Robbins, Dean of Enrollment***

Ms. Robbins came to Emmanuel College in 2000. Prior to her appointment at Emmanuel in 2000, she served as the Dean of Admissions at Pine Manor College. From 1979 to 1999, she served in several capacities at Fisher College, most recently as the Director of Enrollment Management. She holds a B.S. in Management from Bentley College.

***Rev. John Spencer, S.J., Vice President of Mission and Ministry/Chaplain***

Fr. Spencer was appointed as Director of Campus Ministry and College Chaplain in 2011. In 2013, Fr. Spencer was appointed Associate Vice President, with oversight of both the Department of Campus Ministry and the Center for Mission Engagement and in 2015, he assumed responsibilities as Vice President of Mission and Ministry. Fr. Spencer, a Jesuit, holds a B.A. from Boston College, a M. Div. from Weston Jesuit School of Theology and M.S.W. from Boston University School of Social Work.

***Patricia Tower, Associate Treasurer***

Ms. Tower joined the administration in 1996. She has served in various roles since that time, including Vice President of Finance and Administration and in her current positions as Finance Director of the Boston Province of the Sisters of Notre Dame de Namur and Associate Treasurer at the College. She came to Emmanuel from Price Waterhouse LLP where she had served as an audit manager in the investment company special practice unit from 1992 to 1995. She holds a B.A. in Economics from Boston College and has served on various boards, including the Principled Equity Market Fund, Notre Dame Education Center and Sisters of Notre Dame advisory and finance committee boards.

## **PROJECT OVERVIEW**

The project consists of the construction and equipping of a new U-shaped 267,500 square foot, 692-bed student residence hall (“New Julie Hall” or the “Project”) with connected six-story and 18-story towers, to be located on the edge of the College’s 11.4-acre main campus. The Project fronts directly on Brookline Avenue, the main thoroughfare through the Longwood Medical Area, and has a street address of 300 Brookline Avenue.

The Longwood Medical Area of Boston (the “LMA”) hosts 110,800 commuters and visitors daily according to the Medical Academic and Scientific Community Organization (“MASCO”). By 2030, the commerce in the LMA is projected to grow by 13,200 employees and by 6.86 million in gross square feet according to MASCO. There are currently over \$2.5 billion of construction projects underway in the LMA, which also has fifteen LEED-certified buildings according to MASCO. Twelve academic institutions are currently located in the surrounding area.

The Project will replace the existing Julie Hall, a four story, 222-bed building, which will be demolished.

New Julie Hall will feature apartment style units, with most units featuring a two bedroom, two bath configuration with a kitchen and living area included in each apartment. A small number of the apartments will feature one bedroom layouts with a kitchen and bathroom. The apartments will be designed so that they could be leased as market rate units if needed.

The College has signed a lease with MCPHS to lease, on a long-term basis, 260 of the 692 beds. The lease term is 12 years with three (3) five-year options to renew. The lease will provide immediate cash flow to support the Project and over time could represent more than 55% of the debt service requirement to support the anticipated financing. See also the forepart of this Official Statement under “THE PROJECT AND PLAN OF FINANCING” for more information regarding the lease.

The Project has a total estimated cost of approximately \$132.2 million. Emmanuel has entered into a construction agreement with John Moriarty & Associates, Inc., the general contractor, with a guaranteed maximum price of \$120,862,561. The architect for the project, Elkus Manfredi Architects, has completed 100% of the construction documents. Site work is expected to begin in June 2016, with substantial completion by August 2018. The Project was approved by the Boston Redevelopment Authority in January 2016. Management believes that all permits necessary for completion of the project have been obtained or will be obtained in the ordinary course.

New Julie Hall is located on a 1.4 acre parcel of property which is distinct from the rest of the College’s campus and will be separately mortgaged as security for the Series 2016 Bonds. See the forepart of this Official Statement under “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – The Mortgage.”

Proceeds of the Series 2016-A Bonds also will be used to advance refund all of the outstanding Massachusetts Health and Educational Facilities Authority Revenue Bonds, Emmanuel College Issue, Series 2007 (the “Series 2007 Bonds”). See also the forepart of this Official Statement

under “THE PROJECT AND PLAN OF FINANCING” for more information regarding the lease, the Project and the refunding.

## **PROJECT RATIONALE**

The colleges and universities located in greater Boston have struggled for decades to find appropriate housing for their ever-growing student population. Land is scarce in the LMA, and the lack of student housing has put pressure on affordable housing across the City, thus creating ongoing discourse between the students, the academic institutions, the City of Boston and its residents. The ability to maintain the student populations on campus reinforces school identity and sense of community, allows for a more effective delivery of academic and other services, creates economic benefits for the local community and provides a safer environment for students to learn and develop. Currently, only 70% of the College’s students are able to be housed in Emmanuel facilities on campus. The Project will increase that number to approximately 81%.

In addition, the College believes the Project will lead to greater cost control over housing and more certainty regarding housing for Emmanuel’s students. The Project will also enable the College to increase its equity by trading variable lease payments on off-campus housing for fixed rate debt service payments to be made on the Bonds.

Management believes that with the introduction of the New Julie Hall, Emmanuel will enhance its ability to attract and retain students in a highly competitive market.



## **PLANT ASSETS AND FACILITIES**

Located in the Longwood Medical Area of Boston, Emmanuel's campus consists of approximately 17 acres. The main Emmanuel College campus consists of nine buildings, comprising more than 560,000 square feet of space. This urban location affords many academic and extra-curricular opportunities to students while still offering the comfort of a self-contained campus.

Emmanuel views its location as a core strategic asset of the College and regards its real estate as consisting of two different but adjacent components, the 4.3-acre "Endowment Campus" which serves as investment opportunities for the College, as opposed to the "Academic Campus" where the College's educational mission is fulfilled. Emmanuel's Endowment Campus currently consists of Parcels A, B and C (collectively, the "Endowment Campus" and each as hereinafter defined). The Endowment Campus has assisted the College in increasing its endowment through leasing revenues received by the College pursuant to lease agreements with third parties. Parcel A is currently used by the College as a parking lot ("Parcel A") and may be used for future leasing or development. Parcel B is currently leased to Merck for a period of 75 years which commenced in May 2001 and is currently used as a research facility ("Parcel B"). Parcel C is currently leased to Brigham & Women's Hospital ("Parcel C") for a period of 80 years which commenced in July 2010. Please see below under "STEWARDSHIP FOR REAL ESTATE ASSETS" for a history of the Endowment Campus.

Over the past twelve years, Emmanuel has invested approximately \$210 million in order to maintain and improves its facilities.



Provided below is an overview of the existing campus buildings (excluding the one acre Notre Dame campus):

	<b>Year Built</b>	<b>Square Footage</b>	<b># of Beds</b>	<b>Purpose</b>
<b><i>ACADEMIC BUILDINGS</i></b>				
Administration Building	1914	119,353	0	Administration, chapel, academic, dining
Cardinal Cushing Library	1964	51,782	0	Library, academic
Marian Hall	1954	46,646	0	Academic, dining
Jean Yawkey Student Center	2004	41,231	0	Student life, recreation, administration, athletics, parking
Maureen Murphy Wilkens Science Center	2009	46,800	0	Academic, dining
<b>TOTAL</b>		<b>305,812</b>		
<b><i>RESIDENTIAL BUILDINGS</i></b>				
St. Ann Hall	1962	49,803	246	Student residential
Loretto Hall	1964	57,190	303	Student residential
St. Joseph Hall	1966	94,450	423	Student residential
Julie Hall*	1958	53,826	222	Student residential
<b>TOTAL</b>		<b>255,269</b>	<b>1,194</b>	
<b><i>LEASED PROPERTY/ ENDOWMENT CAMPUS</i></b>				
Parcel A				Parking lot – currently not leased
Parcel B	2002	360,000	0	Research facility – land leased to Merck for 75 years
Parcel C	1948	52,211	0	Alumnae Hall – land leased to Brigham & Women’s Hospital for 80 years
<b>TOTAL</b>		<b>412,211</b>		

\* Julie Hall will be demolished and reconstructed as the New Julie Hall with 267,500 square feet and 692 beds as part of the Project discussed herein. The New Julie Hall, located at 300 Brookline Avenue, will be the only property mortgaged as security for the Series 2016 Bonds.

In addition to the main campus, the College acquired the Notre Dame Campus, a one acre parcel used for a student residence in the historic Fort Hill area of Boston, approximately a mile and a half from the main campus. There are 45 beds located at the Notre Dame Campus.

## **STEWARDSHIP OF REAL ESTATE ASSETS**

Over the years, Emmanuel College has been able to enhance its academic offerings and modernize its physical plant by actively managing its real estate holdings. As reflected below, Emmanuel has raised over \$140 million in capital through selective leasing transactions with the proceeds redeployed to either build its endowment or be used to support further expansion of the campus. There can be no assurance that Emmanuel will continue to be able to raise capital through such transactions in the future.

## **Development Initiatives**

- 2001** The College entered into a partnership with Merck. The College leased Parcel A and B of its endowment campus to Merck.
- 2002** The College bought Julie Hall (a 222-bed residence hall) from Beth Israel Hospital for \$14.7 million. That same year, the College renovated the building for \$9 million.
- 2004** The College renovated Marian Hall and built the Jean Yawkey Student Center which included a new gymnasium, student center, and major renovations, including a new dining common, at a cost of \$40 million.
- 2007** The College built a new science center called the Maureen Wilkens Science Center and completed a complete renovation of the 100 year old Administration Building on 400 The Fenway, Boston at a cost of \$78 million.
- 2012** The College leased Parcel C of its Endowment Campus to Brigham & Women's Hospital for a term of 80 years.
- 2012** The College bought back the lease on Parcel A from Merck for \$30 million. Parcel A is currently used as a parking lot and may be further developed in the future.
- 2012** The College bought a 1-acre residential campus in the Fort Hill section of Roxbury for \$3.1 million. This property was previously owned by the Sisters of St. Margaret and is now the Notre Dame Campus.
- 2016** The College plans to build a 692 bed, high-rise residence hall (the New Julie Hall) to replace the existing Julie Hall, beginning the summer of 2016.

Since 2011, Emmanuel stepped back from the building programs which have reshaped the academic and administrative portion of the campus over the previous five years, to evaluate and plan for the next phase of investment and mission development. As part of this process, the College has tried to stabilize expense growth and maintain positive revenue growth while retaining a sense of “affordability” for students and families. While academic resources have increased, student facilities have not.

The College believes that a constraint on future growth is the availability of a modern living and learning campus that will distinguish the College by helping students take advantage of the unique opportunities offered by its location in the heart of the Longwood Medical Area. In 2012, the College acquired the Notre Dame Campus, a one acre student residence in the historic Fort Hill area of Boston, within a mile and a half of the main campus. The acquisition was, in part to offer a specialized living and learning environment for students. This experiment in integrating mission with residential life in a unique setting was the first step in creating a new residential experience for the Emmanuel community. The New Julie Hall is a critical next step in addressing the College's student housing needs.

## DESCRIPTION OF ACADEMIC PROGRAMS

### Educational Programs

Emmanuel's undergraduate curriculum promotes investigation across a breadth of disciplines, with a goal of helping students develop a multidimensional understanding of the liberal arts, natural sciences, and business that expands their worldview, sharpens their critical thinking, and prepares them to master the challenges they will encounter at graduate school and in their careers. Programs aim to challenge students to synthesize complex concepts, explore ideas, and develop skills employers will value. Small class sizes with engaged faculty members foster a learning community focused on linking theory with practice. Management believes that mentorship, participation in faculty-led research, and an internship program are all hallmarks of the Emmanuel experience that position students to help them embark on rewarding careers.

Virtually all (99%) students engage in internships and other types of experiential learning during their time at Emmanuel.

The liberal arts and sciences programs award Bachelor of Arts, Bachelor of Fine Arts and Bachelor of Science degrees. The College offers the following majors in liberal arts and sciences disciplines and in interdisciplinary areas: Accounting, American Studies, Art, Biology, Biostatistics, Chemistry, Economics, Education, English and Communications, Graphic Design, History, International Studies, Management, Mathematics, Philosophy, Political Science, Psychology, Sociology, Spanish, Studio Art, Theology and Religious Studies, and various individualized majors.

Emmanuel also offers Graduate and Professional Programs for adult students in evening and weekend programs in accelerated formats (this includes continuing education programs). By synthesizing practical knowledge and real-world training, students in Emmanuel's graduate-level management, nursing, and education programs progress to the next stages of their careers while performing valuable work that benefits themselves, their families, and their communities. Students enrolled in Graduate and Professional Programs may earn the following degrees and certificates:

- Bachelor of Science in Nursing
- Master of Science in Management
- Master of Arts in Teaching
- Master of Science in Human Resource Management
- Master of Science in Management with specialization in Research Administration
- Master of Science in Nursing
- Graduate Certificate in Human Resource Management
- Graduate Certificate in Management and Leadership
- Graduate Certificate in Research Administration
- Graduate Certificate in Nursing Education
- Graduate Certificate in Nursing Management

## **Accreditations and Memberships**

Emmanuel is accredited by the New England Association of Schools and Colleges, Inc. (NEASC). In 2013, Emmanuel successfully underwent its 10-year re-accreditation study.

Individual College departments are accredited by separate discipline-based accrediting organizations, including such organizations as the National League for Nursing and the Massachusetts Department of Education. Emmanuel is a member of the following educational associations: The Colleges of the Fenway; Association of Independent Colleges and Universities of Massachusetts; American Library Association, American Council on Education, Boston Higher Education Partnership, Council for the Advancement and Support of Education, Eastern College Athletic Conference, The Fenway Alliance, Fenway Library Consortium, Association for Catholic Colleges and Universities, and the Council for Higher Education.

## **FACULTY AND STAFF**

For the academic year of 2015-2016, the College faculty includes 94.5 full-time equivalent (“FTE”) faculty. Of this faculty, 93 FTE and the 3½ half-time faculty teach primarily in the liberal arts and sciences undergraduate programs. 43 faculty members, representing 46% of the full-time faculty, are tenured. 17 faculty members hold the rank of professor, 29 hold the rank of associate professor, 32 hold the rank of assistant professor, and 15 hold the rank of instructor. The College’s strategic plan anticipates the hiring of several faculty members over the next five years in response to anticipated retirements and to provide additional staff for programmatic expansion.

The full-time faculty in the undergraduate liberal arts and sciences program is augmented as needed by part-time faculty. During the fall of calendar 2015, the College employed 98 part-time faculty, who provided the equivalent of 32.6 full time faculty positions.

In the graduate and professional programs of the College, adjunct faculty account for the majority of the faculty. During the fall of calendar 2015, graduate and professional programs employed 20 adjunct faculty members. Of these, seven taught in the nursing program, five in graduate programs in education, and eight in the graduate management program.

Among the full-time faculty in the liberal arts and sciences program, approximately 88% possess the terminal degree in their field. Of the graduate and professional programs faculty, 14% in the nursing program, 41% in the education programs, and 50% in the graduate management program possess the terminal degree in their field.

As of December 1, 2015, the College employed 186 full-time and 83 part-time administrative, professional, and support staff. Employees of Emmanuel are not represented by labor unions. Management is not aware of any organizing activities and considers its relations with its employees to be good.

## STUDENT ENROLLMENT AND APPLICATIONS

### Enrollment

The following table shows Emmanuel's fall semester undergraduate and graduate headcount enrollments and the FTE student enrollments. Undergraduate FTEs are calculated based on 16 credit hours per semester. Meanwhile, graduate FTEs are based on nine credit hours per semester for Fall 2011 – Fall 2014 and six credit hours per semester for Fall 2015, when the College changed the criteria for full-time enrollment for graduate students to better reflect the accelerated course delivery of the graduate programs.

#### Student Enrollment – Academic Years 2011 - 2015

	Undergraduate Liberal Arts (Traditional)		Continuing Education (Adult Learners)		Graduate		Total	
Fall	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
2011	1,795	1,842.0	247	93.9	284	175.3	2,519	2,161.5
2012	1,832	1,887.3	236	92.4	290	181.0	2,488	2,195.1
2013	1,862	1,935.9	178	63.0	260	159.6	2,436	2,193.7
2014	1,836	1,895.1	134	44.1	229	135.3	2,311	2,104.2
2015	1,792	1,845.0	82	30.0	215	184.0	2,201	2,089.3

Source: College Records

The "Total" Headcount and FTE counts above also include Non-Emmanuel students who cross-register at Emmanuel (including, The Colleges of the Fenway students, Fenway High School students and international exchange students typically fewer than 100). Fenway High School students attend free of charge.

As of May 2016, the projected undergraduate liberal arts enrollment is 1,850, and the projected total FTE enrollment is 1,942 for the Fall 2016.

Emmanuel is in the process of improving and expanding its online graduate program offerings to satisfy current student preferences and needs. The College is also located in close proximity to many health care facilities whose employees may need opportunities for graduate level health care, scientific and business training, and Emmanuel is continually adjusting and monitoring its curriculum to best meet this identifiable market need.

*Selected Measures of Student Quality.* Provided below are various measures of student quality based on the enrolled students SAT scores and average GPA.

#### Selected Measures of Student Quality

	2011	2012	2013	2014	2015
<b>Median Entrance Exam Score (e.g. SAT – only math and verbal)</b>	1,087	1,100	1,102	1,095	1,122
<b>Average GPA of incoming first year class</b>	3.50	3.58	3.60	3.63	3.65

Source: College Records

*Geographic Distribution and Increased Representation.* The geographic distribution for traditional arts and sciences undergraduate students enrolled for the 2011 through 2015 academic years is as follows:

**Change in Geographic Distribution – Academic Years 2011 - 2015**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Massachusetts</b>	60.5%	60.5%	57.9%	55.2%	54.4%
<b>Other New England States</b>	27.2%	28.5%	31.0%	32.8%	34.0%
<b>Other US</b>	11.4%	10.0%	10.3%	11.2%	10.2%
<b>Foreign</b>	0.9%	1.0%	0.8%	0.9%	1.4%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%

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Source: College Records

**Applications, Acceptances and Admissions**

The following table indicates the College's application, acceptance and matriculation statistics from the fall semester of 2011 to the fall semester of 2015:

**Undergraduate (Traditional Full Time 18-25 year olds)**

<b>Selected Admission Statistics – Fall 2011 – Fall 2015</b>					
	<b>Fall 2011</b>	<b>Fall 2012</b>	<b>Fall 2013</b>	<b>Fall 2014</b>	<b>Fall 2015</b>
<b>Applications</b>	6,640	7,851	6,623	5,899	6,515
<b>Acceptances</b>	3,701	3,926	4,006	4,041	4,461
<b>Acceptance Rate</b>	56%	50%	60%	69%	69%
<b>Enrollments</b>	552	554	515	524	555
<b>Matriculation Rate</b>	15%	14%	13%	13%	12%

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Source: College Records

Emmanuel's success over the past decade has resulted not only in an increase in enrollment – but the College was also able to meet its goal of increasing the academic profile of applicants and incoming students. As a result, Management believes that Emmanuel is now competing with more selective college and universities. Management believes that this increased competition and greater selectivity has contributed to the declining matriculation rate for admitted students.

As part of its Strategic Plan, the College and the Admissions Office are implementing a number of strategies to increase the matriculation rates including: 1) brand initiative focused on effectively communicating the College's value proposition and elevating the institution's profile and reputation; 2) insuring academic programs are in place that attract today's students and that support the educational mission; 3) increasing yield activities for admitted students both off-campus and on campus and; 4) building the New Julie Hall, which the College hopes will enhance the College's competitive position and provide a residential educational experience which students have come to expect.

### **Competing Institutions**

The institutions that the College considers its primary competitors are: Assumption College, Boston University, Simmons College, Stonehill College, Suffolk University and University of Massachusetts Amherst and Boston. To distinguish itself from its principal competitors, Emmanuel has emphasized its Catholic mission, its location in Boston for both scholastic and extracurricular enrichment, a committed faculty and small class size. The College also seeks to distinguish itself in terms of its ability to provide personalized academic advising and professional counseling for both undergraduate and graduate students. The College attempts to attract students seeking a professional course of study with a strong core curriculum in liberal arts and helps interested students obtain external internship opportunities.

## TUITION AND FEES

For the academic years 2011 – 2016, Emmanuel’s full time undergraduate (traditional) tuition and fees are listed below:

### Undergraduate (Traditional Full Time 18-25 year olds)

Schedule of Tuition, Room and Board						
	2011	2012	2013	2014	2015	2016
<b>Tuition</b>	\$32,100	\$33,450	\$34,450	\$35,312	\$36,284	\$37,280
<b>Per Student Room Rates</b>	12,750	12,990	13,315	13,580	13,920	14,270
<b>General Student Fees per year</b>	200	200	220	220	220	260
<b>Total</b>	<u>\$45,050</u>	<u>\$46,640</u>	<u>\$47,985</u>	<u>\$49,112</u>	<u>\$50,424</u>	<u>\$51,810</u>
<b>Increase from previous year</b>	4.51%	3.52%	2.88%	2.34%	2.67%	2.74%

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Source: College Records

For the academic years 2011 – 2016, Emmanuel’s adult (continuing education) and graduate tuition and fees are listed below:

Schedule of Tuition Per Course, Per Semester (Non-Traditional)						
	2011	2012	2013	2014	2015	2016
<b>Undergraduate*</b>	\$ 1,330	\$1,370	\$ 1,404	\$1,404	\$ 1,404	\$ 1,404
<b>Nursing</b>	1,720	1,772	1,816	1,816	1,816	1,816
<b>Graduate</b>	2,076	2,139	2,192	2,192	2,192	2,192
<b>Graduate Nursing</b>	2,445	2,518	2,581	2,581	2,581	2,581

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Source: College Records

\* Bachelor of Science or Bachelor of Arts consisting of non-traditional student (continuing education).



## FINANCIAL AID

The College demonstrates its commitment to student financial accessibility by channeling considerable financial resources into financial aid programs. During the past five academic years, an average of 81% of students applied for and received need-based financial aid. A chart showing financial aid awarded in recent academic years is set forth below:

<b>Financial Aid* - Five Year Summary</b>					
<b>Fiscal Year Ended June 30</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Grants &amp; Scholarships</b>					
<b>Emmanuel College Funded**</b>	\$22,159,917	\$22,967,515	\$24,979,273	\$26,913,446	\$27,925,411
<b>Other Grants and Scholarships</b>	<u>4,860,206</u>	<u>5,145,727</u>	<u>5,120,378</u>	<u>4,924,118</u>	<u>4,853,589</u>
<b>Total Grants and Scholarships</b>	\$27,020,123	\$28,113,242	\$30,099,651	\$31,837,564	\$32,779,000
<b>Student Employment</b>					
<b>Emmanuel College Funded</b>	\$893,469	\$1,048,685	\$1,121,148	\$1,059,069	\$1,104,956
<b>Other Funding</b>	<u>144,891</u>	<u>153,104</u>	<u>151,084</u>	<u>127,838</u>	<u>145,813</u>
<b>Total Student Employment</b>	\$1,038,360	\$1,201,789	\$1,272,232	\$1,186,907	\$1,250,769
<b>Loans</b>					
<b>Student Loans</b>	\$16,157,107	\$15,964,838	\$17,166,847	\$16,497,444	\$15,837,059
<b>Parent Loans</b>	<u>7,982,253</u>	<u>9,167,358</u>	<u>8,552,723</u>	<u>9,447,252</u>	<u>9,578,527</u>
<b>Total Loans</b>	\$24,139,360	\$25,132,196	\$25,719,570	\$25,944,696	\$25,415,586

Source: College Records

\*Certain forms of financial aid (i.e., federal and state aid) are not recorded in the College's financial statements, but are recorded in this chart.

\*\*Includes endowed and restricted scholarships.

## FINANCIAL OPERATIONS

### Management's Discussion of Recent Financial Performance

As of June 30, 2015, the College's total assets were \$320.6 million, up \$78.7 million or 32.6% over year end June 30, 2011. Total net assets as of June 30, 2015 were \$124.4 million, up \$15.1 million or 13.8% since June 2011.

For the fiscal year ending June 30, 2015, Emmanuel's \$97.3 million in long-term investments represented an increase of \$32.8 million, or 50.9% since fiscal year 2011.

During the period from fiscal year June 30, 2015 to March 31, 2016, the College had an additional increase in long-term investments of \$30.8 million. This increase was primarily attributable to a \$42 million cash payment from Brigham & Women's Hospital, representing the second and final payment due on the long term lease of Parcel C. In October 2015, the College used a portion of the Brigham & Women's Hospital payment to repay a note payable in the amount of \$14.7 million to TD Bank. As of March 31, 2016, the College had over \$135 million of cash and investments.

During the five year period ended June 30, 2015, the College's total revenues increased from \$56.7 million to \$63.6 million, or by 12.2%, while total expenses increased by approximately the same percentage (12.1%).

Emmanuel has achieved positive operating performance in each of the last five years. From 2011 to 2015, the College has experienced a 2.9% operating expense compounded average growth rate, and an average operating margin of 2.3%. The expense growth rate was reduced to 0.7% in 2015 by carefully reviewing all operating costs.

The Board of Trustees has set tuition levels to remain competitively priced with peer institutions and other select local regional colleges and universities. Since 2011, the tuition and fees increases have averaged approximately 2.5%.

A significant and growing cost to the College is financial aid, which has grown from 43.5% to 46.5% from 2011 to 2015. The College's aid strategy is designed to maximize net tuition revenue and residence hall occupancy and to complement other recruitment efforts to enroll a diverse population of academically qualified students who will be successful at Emmanuel. From the most recent publicly available information from the U.S. Department of Education College Scorecard / Integrated Postsecondary Education Data System (IPEDS) College Navigator, the College has a lower discount than most peers. Emmanuel's freshman discount rate for fall 2015 is 50% and the overall discount rate is 46.5%.

Emmanuel's balance sheet includes \$99.4 million of deferred revenue liabilities from lease transactions for which Emmanuel received cash upfront but is recognizing the gains over the respective terms of the leases. The lease revenues are not subject to a clawback.

The Condensed Schedule of Financial Position and Schedule of Activities presented below have been derived from the audited financial statements of the College.

**EMMANUEL COLLEGE**  
Statement of Financial Position  
As of June 30

	2011	2012	2013	2014	2015
<b>Assets</b>					
Cash and cash equivalents	\$2,092,460	\$4,797,595	\$11,730,102	\$3,538,732	\$3,508,734
Student accounts receivable, net	1,233,978	1,216,455	996,791	596,045	666,779
Contributions receivable, net	1,625,970	883,875	877,168	693,267	734,188
Other assets	2,059,051	2,445,989	43,657,924	44,050,888	44,216,421
Student loans receivable, net	2,241,179	2,221,789	2,150,019	2,253,161	2,398,970
Long-term investments	64,500,600	64,684,513	72,774,482	96,495,556	97,348,222 <sup>(1)</sup>
Land, buildings, and equipment, net	168,086,456	167,796,760	178,804,764	173,701,790	171,713,908
<b>Total assets</b>	<u>\$241,839,694</u>	<u>\$244,046,976</u>	<u>\$310,991,250</u>	<u>\$321,329,439</u>	<u>\$320,587,222</u>
<b>Liabilities and Net Assets:</b>					
Accounts payable and accrued expenses	\$5,491,883	\$8,831,705	\$5,598,202	\$5,978,514	\$6,962,275
Student deposits and deferred revenue	1,246,268	1,402,437	789,652	838,020	790,323
Notes payable	-	-	14,950,000	14,800,000	14,650,000 <sup>(2)</sup>
Long-term debt, net	79,209,376	77,556,516	75,828,655	74,020,794	72,212,934
Refundable U.S. government grants	2,062,469	2,093,356	2,136,917	2,159,024	2,196,798
	88,009,996	89,883,014	99,303,426	97,796,352	96,802,330
Deferred lease revenue	44,473,011	43,783,506	102,081,457	100,720,031	99,358,606
<b>Total liabilities, including deferred lease revenue</b>	<u>\$132,483,007</u>	<u>\$133,666,520</u>	<u>\$201,384,883</u>	<u>\$198,516,383</u>	<u>\$196,160,936</u>
Net assets:					
Unrestricted	\$87,011,892	\$89,215,168	\$87,730,303	\$98,049,740	\$99,299,297
Temporarily restricted	11,052,968	10,204,345	10,637,670	13,330,639	13,073,351
Permanently restricted	11,291,827	10,960,943	11,238,394	11,432,677	12,035,638
<b>Total net assets</b>	<u>\$109,356,687</u>	<u>\$110,380,456</u>	<u>\$109,606,367</u>	<u>\$122,813,056</u>	<u>\$124,426,286</u>
Commitments					
<b>Total liabilities and net assets</b>	<u>\$241,839,694</u>	<u>\$244,046,976</u>	<u>\$310,991,250</u>	<u>\$321,329,439</u>	<u>\$320,587,222</u>

(1) As of March 31, 2016, long-term investments are \$128,123,095

(2) Amount due to TD Bank fully repaid as of October 2015.

**EMMANUEL COLLEGE**  
Statement of Activities  
For the Years Ended June 30

	2011	2012	2013	2014	2015
<b>Revenues:</b>					
Tuition and fees	\$ 57,119,573	\$ 60,516,239	\$ 63,998,112	\$ 66,576,892	\$ 65,593,156
Auxiliary operations	14,426,261	15,499,771	16,733,111	17,136,788	16,993,373
Less scholarships, grants and other aid	<u>(23,043,558)</u>	<u>(23,923,452)</u>	<u>(25,845,456)</u>	<u>(27,739,883)</u>	<u>(28,134,940)</u>
<b><i>Net tuition and fees</i></b>	<b><u>\$ 48,502,276</u></b>	<b><u>\$ 52,092,558</u></b>	<b><u>\$ 54,885,767</u></b>	<b><u>\$ 55,973,797</u></b>	<b><u>\$ 54,451,589</u></b>
Contributions	1,978,094	3,069,840	2,997,558	1,553,167	1,000,239
Government and other private grants	1,021,871	1,239,349	1,171,599	665,725	1,266,385
Investment earnings authorized for operations	778,801	671,092	1,280,247	1,885,120	3,502,092
Leases and contracts	2,930,313	3,505,566	1,692,666	1,436,076	1,427,025
Other income	<u>1,497,376</u>	<u>2,031,694</u>	<u>1,752,653</u>	<u>1,674,552</u>	<u>1,974,754</u>
<b><i>Total revenues</i></b>	<b><u>\$ 56,708,731</u></b>	<b><u>\$ 62,610,099</u></b>	<b><u>\$ 63,780,490</u></b>	<b><u>\$ 63,188,437</u></b>	<b><u>\$ 63,622,084</u></b>
<b>Expenses:</b>					
Instruction	\$ 15,444,260	\$ 16,598,138	\$ 17,277,160	\$ 17,233,321	\$ 18,079,793
Academic support	5,684,825	6,379,623	5,968,295	5,474,339	5,243,596
Student services	10,052,706	11,082,231	11,204,951	11,641,412	11,457,777
Institutional support	11,540,597	12,197,705	12,116,385	11,539,642	12,270,764
Fundraising	2,267,879	2,722,957	2,659,878	2,790,701	2,507,251
Auxiliary operations	<u>11,682,396</u>	<u>12,357,736</u>	<u>14,407,642</u>	<u>14,448,967</u>	<u>13,990,282</u>
<b><i>Total expenses</i></b>	<b><u>\$ 56,672,663</u></b>	<b><u>\$ 61,338,390</u></b>	<b><u>\$ 63,634,311</u></b>	<b><u>\$ 63,128,382</u></b>	<b><u>\$ 63,549,463</u></b>
<b><i>Change in net assets from operating activities</i></b>	<b><u>\$ 36,068</u></b>	<b><u>\$ 1,271,709</u></b>	<b><u>\$ 146,179</u></b>	<b><u>\$ 60,055</u></b>	<b><u>\$ 72,621</u></b>
<b>Non operating:</b>					
Contributions	\$ 2,109,281	\$ 479,424	\$ 934,079	\$ 420,520	\$ 790,085
Contributions - change in donor's intent	-	(650,000)	-	-	-
Investment earnings reinvested/designated for current operations	8,848,347	(77,364)	6,071,791	12,726,114	750,524
Loss on disposal of fixed asset	(698,439)	-	-	-	-
Land rights reacquisition payment	<u>-</u>	<u>-</u>	<u>(7,926,138)</u>	<u>-</u>	<u>-</u>
<b><i>Total non operating activities</i></b>	<b><u>\$ 10,259,189</u></b>	<b><u>\$ (247,940)</u></b>	<b><u>\$ (920,268)</u></b>	<b><u>\$ 13,146,634</u></b>	<b><u>\$ 1,540,609</u></b>
<b><i>Change in net assets</i></b>	<b><u>\$ 10,295,257</u></b>	<b><u>\$ 1,023,769</u></b>	<b><u>\$ (774,089)</u></b>	<b><u>\$ 13,206,689</u></b>	<b><u>\$ 1,613,230</u></b>
<b>Net assets as of beginning of year</b>	<b><u>\$ 99,061,430</u></b>	<b><u>\$ 109,356,687</u></b>	<b><u>\$ 110,380,456</u></b>	<b><u>\$ 109,606,367</u></b>	<b><u>\$ 122,813,056</u></b>
<b>Net assets as of end of year</b>	<b><u>\$ 109,356,687</u></b>	<b><u>\$ 110,380,456</u></b>	<b><u>\$ 109,606,367</u></b>	<b><u>\$ 122,813,056</u></b>	<b><u>\$ 124,426,286</u></b>

## Budget and Financial Plan

The development of the College's annual operating budget begins in the winter of the preceding academic year. The process involves collaboration among academic and administrative department heads; vice presidents and deans; the Faculty Budget Committee; the President's Executive Committee and the Board of Trustees.

Later in the spring, a preliminary budget is presented to the President, the Executive Committee, the Board's Finance Committee and the Faculty Budget Committee for review. The Board generally grants final approval to the new budget in April of each year.

In addition to the development of the annual operating budget to monitor College financial operations, the College has a five-year financial plan. The five-year financial plan assists the College in its strategic decision making process. It is the College's goal to review and update this plan at least twice annually.

## Fundraising

The total philanthropic support to Emmanuel for the period 2011 through 2015 was \$15.3 million. The following table indicates total contributions, including cash and pledges, made to the College for fiscal years 2011 through 2015.

<b>Emmanuel College – Fundraising Fiscal Years 2011 - 2015</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Unrestricted</b>	\$1,978,094	\$3,069,840	\$2,997,558	\$1,553,167	\$1,000,239
<b>Temporarily Restricted</b>	441,975	160,308	205,732	226,237	169,124
<b>Permanently Restricted</b>	1,667,306	319,116	728,347	194,283	620,961
<b>Total</b>	<u>4,087,375</u>	<u>3,549,264</u>	<u>3,931,637</u>	<u>1,973,687</u>	<u>1,790,324</u>

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Source: College Records

Certain fundraising efforts spiked from 2011-2013 due to donations made for new facilities, for gifts made in honor of Sr. Janet Eisner's 30<sup>th</sup> anniversary as President and in relation to several bequests. The College is beginning preparations for new fundraising initiatives related to its 100<sup>th</sup> year anniversary.

## Investments

The investment accounts of the College are managed by an independent investment advisory firm, F.L. Putnam Investment Management Company of Newton, Massachusetts. The Finance Committee of the Board meets periodically with the investment manager to discuss and review investment strategy and policies as well as asset allocation. Under the Institution's current long-term investment spending policy, up to 5% of the average fair value of the prior three years of its endowment funds can be appropriated for spending. This rate may be changed at the discretion of the finance committee of the Board. Over the past five years, the College's investment accounts have increased 10.5%, which performance exceeds that of the National Association of College and University Business Officers benchmarks.

As of May 2016, approximately 83% of its investments are unrestricted.

Provided below is a table of investment balances by investment type for the years 2011-2015 and balance as of March 31, 2016:

	2011	2012	2013	2014	2015	March 31, 2016
<b>Long-term investment strategies:</b>						
<b>Fixed Income</b>	\$23,089,307	\$24,005,651	\$15,592,872	\$24,130,429	\$33,249,844	\$49,677,999
<b>Domestic equities</b>	29,593,795	34,100,406	40,102,085	55,648,100	55,445,386	64,538,199
<b>Global (ex-U.S.) fixed income</b>	-	-	-	1,791,840	534,633	1,219,716
<b>Global (ex-U.S.) equities</b>	5,089,866	3,440,450	2,903,068	4,201,429	4,446,768	4,682,105
<b>Cash and cash equivalents</b>	<u>6,727,632</u>	<u>3,138,006</u>	<u>14,176,457</u>	<u>10,723,758</u>	<u>3,671,591</u>	<u>8,005,077</u>
<b>Total</b>	<u>\$ 64,500,600</u>	<u>\$ 64,684,513</u>	<u>\$ 72,774,482</u>	<u>\$ 96,495,556</u>	<u>\$ 97,348,222</u>	<u>\$ 128,123,095</u>

## **Outstanding Indebtedness**

As of June 30, 2015, the College's outstanding debt was as follows:

	<b>2015</b>
Massachusetts Health and Educational Facilities Authority Revenue Bonds, Emmanuel College Issue, Series 2007, due serially through 2037	\$71,050,000

The Series 2007 Bonds will be advance refunded with a portion of the proceeds of the Series 2016-A Bonds. The College currently has no other long-term debt outstanding other than the subordinated commitment with the Sisters of Notre Dame, Inc., as described below.

## **Commitments and Contingencies**

Prior to September 1, 2002, the Notre Dame Training School and U.S. East-West Province (f/k/a Boston Province) of the Sisters of Notre Dame, Inc. (the "Sisters") provided teaching and administrative services to the College for which they were not fully compensated. The excess of the fair value of the services performed over the amount paid to the Sisters is a contingent liability of the College. As of June 30, 2015, this contingent liability is \$9,174,000 and is represented by a note which becomes payable on demand under limited circumstances. The note is secured by a mortgage on the College's campus excluding the Endowment Campus, Julie Hall and certain other portions of the College's campus as specified in the mortgage. The payment obligations under the note and the rights granted to the Sisters under the mortgage are subordinated to any qualified, institutional financings incurred by the College, including the Series 2016 Bonds.

## **Retirement Plans**

The College participates in programs with the Teachers Insurance and Annuity Association for the benefit of its employees. The College maintains a defined contribution retirement plan for all qualified (as defined in the plan) benefit-eligible employees. Eligible employees may contribute 5% of their base annual salary, in which case the College contributes 9% of each eligible employee's base annual salary. The College's expenses for this plan were approximately \$1.6 million for the year ended June 30, 2015.

## **Litigation**

The College is not aware of any litigation pending or threatened wherein any unfavorable decision would adversely affect its ability to meet its financial obligations or would have a material adverse impact on the financial condition of the College.

## Insurance

The College carries insurance policies, including real and personal property, general comprehensive liability, educator's legal liability, worker's compensation, and employer's liability as well as automobile insurance, umbrella liability, limited professional liability and athletic insurance. The College maintains group property insurance with an aggregate limit of \$900 million covering all members of The Colleges of the Fenway. The College also maintains umbrella insurance with limits of \$25 million.

The College is insured as part of a joint program with other colleges in The Colleges of the Fenway for some of its insurance.

This letter and the information herein are submitted for inclusion in the Agency's Official Statement relating to the Agency's Revenue Bonds, Emmanuel College Issue, Series 2016-A and Series 2016-B (Federally Taxable) (Green Bonds). The use of this letter in connection with the initial sale and offering of the Series 2016 Bonds, and its execution and delivery by the undersigned officers of Emmanuel, have been duly authorized by the Board of Trustees of Emmanuel.

THE TRUSTEES OF EMMANUEL COLLEGE

By: /s/ Sr. Janet Eisner, SND  
Sr. Janet Eisner, SND  
President

By: /s/ Sr. Anne Mary Donovan, SND  
Sr. Anne Mary Donovan, SND  
Vice President of Finance/Treasurer (CFO)





**EMMANUEL COLLEGE**

Financial Statements

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)



**KPMG LLP**  
Two Financial Center  
60 South Street  
Boston, MA 02111

## **Independent Auditors' Report**

The Board of Trustees  
Emmanuel College:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Emmanuel College (the College), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 auditors consider 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 Emmanuel College as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**KPMG LLP**

October 1, 2015

**EMMANUEL COLLEGE**  
**Statements of Financial Position**  
June 30, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	\$ 3,508,734	3,538,732
Student accounts receivable, net (note 3)	666,779	596,045
Contributions receivable, net (note 3)	734,188	693,267
Other assets (note 8)	44,216,421	44,050,888
Student loans receivable, net (notes 3 and 13)	2,398,970	2,253,161
Long-term investments (notes 4 and 5)	97,348,222	96,495,556
Land, buildings, and equipment, net (note 6)	171,713,908	173,701,790
Total assets	\$ 320,587,222	321,329,439
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 6,962,275	5,978,514
Student deposits and deferred revenue	790,323	838,020
Notes payable (note 7)	14,650,000	14,800,000
Long-term debt, net (note 7)	72,212,934	74,020,794
Refundable U.S. government grants (note 13)	2,186,798	2,159,024
	96,802,330	97,796,352
Deferred lease revenue (note 8)	99,358,606	100,720,031
Total liabilities, including deferred lease revenue	196,160,936	198,516,383
Net assets:		
Unrestricted	99,299,297	98,049,740
Temporarily restricted (note 10)	13,073,351	13,330,639
Permanently restricted (note 11)	12,053,638	11,432,677
Total net assets	124,426,286	122,813,056
Commitments (notes 7 and 14)		
Total liabilities and net assets	\$ 320,587,222	321,329,439

See accompanying notes to financial statements.

# EMMANUEL COLLEGE

## Statement of Activities

Year ended June 30, 2015

	2015			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues:				
Tuition and fees	\$ 65,593,156	—	—	65,593,156
Auxiliary operations	16,993,373	—	—	16,993,373
Less scholarships, grants, and other aid	(28,134,940)	—	—	(28,134,940)
Net tuition and fees	54,451,589	—	—	54,451,589
Contributions	1,000,239	—	—	1,000,239
Government and other private grants	1,264,995	1,390	—	1,266,385
Investment earnings authorized for operations (notes 4 and 5)	2,437,062	1,065,030	—	3,502,092
Leases and contracts (note 8)	1,427,025	—	—	1,427,025
Other income, net	1,974,754	—	—	1,974,754
Net assets released from restrictions (note 12)	1,345,655	(1,345,655)	—	—
Total revenues	63,901,319	(279,235)	—	63,622,084
Expenses:				
Instruction	18,079,793	—	—	18,079,793
Academic support	5,243,596	—	—	5,243,596
Student services	11,457,777	—	—	11,457,777
Institutional support	12,270,764	—	—	12,270,764
Fundraising	2,507,251	—	—	2,507,251
Auxiliary operations	13,990,282	—	—	13,990,282
Total expenses	63,549,463	—	—	63,549,463
Change in net assets from operating activities	351,856	(279,235)	—	72,621
Nonoperating:				
Contributions	—	169,124	620,961	790,085
Investment earnings reinvested/ designated for current operations	897,701	(147,177)	—	750,524
Total nonoperating activities	897,701	21,947	620,961	1,540,609
Change in net assets	1,249,557	(257,288)	620,961	1,613,230
Net assets as of beginning of year	98,049,740	13,330,639	11,432,677	122,813,056
Net assets as of end of year	\$ 99,299,297	13,073,351	12,053,638	124,426,286

See accompanying notes to financial statements.

# EMMANUEL COLLEGE

## Statement of Activities

Year ended June 30, 2014

	2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues:				
Tuition and fees	\$ 66,576,892	—	—	66,576,892
Auxiliary operations	17,136,788	—	—	17,136,788
Less scholarships, grants, and other aid	(27,739,883)	—	—	(27,739,883)
Net tuition and fees	55,973,797	—	—	55,973,797
Contributions	1,553,167	—	—	1,553,167
Government and other private grants	620,873	44,852	—	665,725
Investment earnings authorized for operations (notes 4 and 5)	1,885,120	—	—	1,885,120
Leases and contracts (note 8)	1,436,076	—	—	1,436,076
Other income, net	1,674,552	—	—	1,674,552
Net assets released from restrictions (note 12)	—	—	—	—
Net assets released from restriction for capital items (note 12)	1,267,700	(1,267,700)	—	—
	25,000	(25,000)	—	—
Total revenues	64,436,285	(1,247,848)	—	63,188,437
Expenses:				
Instruction	17,233,321	—	—	17,233,321
Academic support	5,474,339	—	—	5,474,339
Student services	11,641,412	—	—	11,641,412
Institutional support	11,539,642	—	—	11,539,642
Fundraising	2,790,701	—	—	2,790,701
Auxiliary operations	14,448,967	—	—	14,448,967
Total expenses	63,128,382	—	—	63,128,382
Change in net assets from operating activities	1,307,903	(1,247,848)	—	60,055
Nonoperating:				
Contributions	—	226,237	194,283	420,520
Investment earnings reinvested (notes 4 and 5)	9,011,534	3,714,580	—	12,726,114
Total nonoperating activities	9,011,534	3,940,817	194,283	13,146,634
Change in net assets	10,319,437	2,692,969	194,283	13,206,689
Net assets as of beginning of year	87,730,303	10,637,670	11,238,394	109,606,367
Net assets as of end of year	\$ 98,049,740	13,330,639	11,432,677	122,813,056

See accompanying notes to financial statements.

# EMMANUEL COLLEGE

## Statements of Cash Flows

Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,613,230	13,206,689
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,458,838	7,247,065
Amortization of bond premium	(68,338)	(68,338)
Amortization of deferred lease revenue	(1,361,426)	(1,361,426)
Net realized and unrealized (gains) on investments	(2,122,569)	(13,051,271)
Contributions restricted for long-term investment	(421,484)	(383,265)
Change in student accounts receivable, net	(70,734)	400,746
Change in contributions receivable, net	(40,921)	183,901
Change in other assets	(220,213)	(447,644)
Change in accounts payable and accrued expenses	388,824	238,707
Change in student deposits and deferred revenue	(47,696)	48,368
Net cash provided by operating activities	<u>5,107,511</u>	<u>6,013,532</u>
Cash flows from investing activities:		
Sales of investments	32,104,109	30,881,080
Purchases of investments	(30,834,206)	(41,550,883)
Additions to land, buildings, and equipment	(4,805,861)	(1,932,329)
Increase in student loans receivable, net	(145,809)	(103,142)
Net cash used in investing activities	<u>(3,681,767)</u>	<u>(12,705,274)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	421,484	383,265
Payments on long-term debt	(1,905,000)	(1,905,000)
Increase in refundable U.S. government grants	27,774	22,107
Net cash used in financing activities	<u>(1,455,742)</u>	<u>(1,499,628)</u>
Net change in cash and cash equivalents	(29,998)	(8,191,370)
Cash and cash equivalents as of beginning of year	<u>3,538,732</u>	<u>11,730,102</u>
Cash and cash equivalents as of end of year	<u>\$ 3,508,734</u>	<u>3,538,732</u>
Supplemental disclosure:		
Cash paid for interest	\$ 3,865,244	3,943,024
Change in accounts payable for land, building and equipment	\$ (594,940)	(141,605)

See accompanying notes to financial statements.

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

#### (1) Organization

Emmanuel College (the College), located in Boston, Massachusetts, educates students in a dynamic co-educational learning environment shaped by a liberal arts and sciences curriculum that emphasizes career development. As a Catholic college, the College prepares students with the skills to succeed in tomorrow's world and the social conscience to make a difference in that world. The College's education is rooted in strong human values and continues to reflect the founding educational mission of the Sisters of Notre Dame de Namur (the Sisters) who opened the College in 1919.

#### (2) Summary of Significant Accounting Policies

##### (a) *Basis of Financial Statement Presentation*

The accompanying financial statements are presented on the accrual basis of accounting and 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. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* represent those assets that the College may use at its discretion.

*Temporarily restricted net assets* result from contributions and other inflows of assets whose use by the College is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the College pursuant to those stipulations. Net appreciation (depreciation) of permanently restricted long-term investments is recognized within the temporarily restricted net asset category until such monies are available for expenditure under the College's spending policy and a qualifying expenditure is incurred.

*Permanently restricted net assets* result from contributions and other inflows of assets whose use by the College is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the College.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows, discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as revenue until such time as the conditions are substantially met. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a qualifying expenditure occurs or a time restriction expires, temporarily restricted assets are recognized in unrestricted net assets as "net assets released from restrictions" in the statement of activities. However, if a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as an unrestricted contribution.

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

Furthermore, dividends, interest, and realized and unrealized gains on long-term investments are reported as follows:

- Increases in permanently restricted net assets if the terms of the contribution require these to be added to the principal;
- Increase in temporarily restricted net assets if the terms of the contribution, or the College's interpretation of relevant state law, imposes restrictions on the use of the income and gains; and
- Increase in unrestricted net assets in all other cases.

#### **(b) Operations**

The statements of activities report the change in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the College's academic programs and auxiliary enterprises. Tuition revenues are reported net of the discount attributable to reductions in the amounts charged to students, whether as unrestricted college financial aid or reductions from endowment funds or government grants awarded to students by the College.

Appropriated endowment income, including gains, of the College's restricted endowment used in support of current year operations are reported as operating revenue. All other investment income is reported as nonoperating revenue. Contributions that are not expended for operations in the year received are reported as nonoperating revenue; all other unrestricted contributions including those for the acquisition of capital assets are reported as operating revenue.

#### **(c) Cash and Cash Equivalents**

The College considers highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

#### **(d) Investments**

All long-term investments have been reported in the financial statements at their current fair value. The fair value of publicly traded securities is based upon quotes from the principal exchanges on which the security is traded. The net increase in realized and unrealized appreciation in the fair value of such investments has been included in the statement of activities in the appropriate net asset classification.

#### **(e) Student Deposits and Deferred Revenue**

Student deposits, along with advance payments for tuition, room, and board related to the next semester, have been deferred and will be reported as unrestricted revenue when realized.

#### **(f) Income Taxes**

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.

ASC 740, Income Taxes, permits an entity 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. In evaluating whether a tax position has met the recognition threshold, the College



## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. ASC 740 also provides guidance on the recognition, measurement and classification of income tax uncertainties, along with any related interest or penalties. 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, defined by the statutes of limitations, for all major jurisdictions. Open tax years are those that are open for exam by taxing authorities. Major jurisdictions for the College include Federal and the state of Massachusetts. As of June 30, 2015, open Federal and Massachusetts tax years for the College include the tax years ended June 30, 2010, through June 30, 2015. The College has no examinations in progress. The College believes it has no significant uncertain tax positions.

**(g) *Use of Estimates***

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

**(h) *Land, Buildings, and Equipment***

Land, buildings, major plant renovations and major repairs, and equipment are stated at cost at the date of acquisition or renovation, or at fair value as of the date of donation in the case of a contribution. Minor renovations and repairs are charged to operations and maintenance as incurred. Depreciation of plant and equipment is computed on a straight-line basis over the expected lives of the respective assets.

Interest expense on debt used to finance construction has been added to the cost of the asset, net of any income earned on temporarily invested debt proceeds during construction.

**(i) *Allocations***

The College adheres to the AICPA’s *Not-for-Profit Organizations Audit and Accounting Guide* in reporting expenses by their functional classification. Accordingly, depreciation, interest, and operations and maintenance expenses have been allocated to functional classifications based on square footage utilized.

**(j) *Bond Discount, Premiums, and Issuance Costs***

Unamortized bond discounts, premiums, and issuance costs are being amortized through the final maturity date of the respective bond issue.

**(k) *Asset Retirement Obligations***

The fair value of a liability for legal obligations associated with asset retirements is recognized in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligations is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities.

#### **(l) Fair Value of Financial Instruments**

The College discloses fair value information about all financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Cash and cash equivalents, accounts and contribution receivable, and accounts payable are carried at net realizable value, which approximates fair value. The fair values of all other financial assets and liabilities are disclosed in the accompanying notes.

#### **(m) Fair Value Measurement**

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Levels are determined based on the aforementioned hierarchy.

### **(3) Receivables**

#### **(a) Student Accounts and Student Loans**

Student accounts receivable are net of an allowance for uncollectible accounts of \$397,986 and \$291,908 as of June 30, 2015 and 2014, respectively.

Student loans receivables are net of an allowance for uncollectible loans of \$181,000 as of June 30, 2015 and 2014.

**EMMANUEL COLLEGE**  
Notes to Financial Statements  
June 30, 2015 and 2014

**(b) Contributions**

Contributions receivable as of June 30 are composed of the following:

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 309,643	270,523
One to five years	622,860	521,060
Greater than five years	75,000	75,000
	<u>1,007,503</u>	<u>866,583</u>
Less present value discount and allowance for uncollectible pledges	<u>(273,315)</u>	<u>(173,316)</u>
Contributions receivable, net	<u>\$ 734,188</u>	<u>693,267</u>

Contributions receivable have been discounted at rates ranging from 4% to 4.5%.

**(4) Long-Term Investments**

***Basis of Reporting***

Investments are reported at estimated fair value. If an investment is held directly by the College and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Reported fair values for shares in mutual funds registered with the U.S. Securities and Exchange Commission are based on share prices reported by the funds as of the last business day of the College's fiscal year. Investments are redeemable daily on one to seven days' notice.

The following tables summarize the College's investments and other assets by major category in the fair value hierarchy as of June 30, 2015 and 2014, as well as related strategy, liquidity and funding commitments:

	<u>June 30, 2015</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Long-term investment strategies:			
Fixed income	\$ 30,789,566	2,460,278	33,249,844
Global (ex-U.S.) fixed income	534,633	—	534,633
Domestic equities	55,445,386	—	55,445,386
Global (ex-U.S.) equities	4,446,768	—	4,446,768
Cash and cash equivalents	<u>3,671,591</u>	<u>—</u>	<u>3,671,591</u>
Total investments	<u>\$ 94,887,944</u>	<u>2,460,278</u>	<u>97,348,222</u>

# EMMANUEL COLLEGE

## Notes to Financial Statements

June 30, 2015 and 2014

	June 30, 2014		
	Level 1	Level 2	Total
Long-term investment strategies:			
Fixed income	\$ 21,371,876	2,758,553	24,130,429
Global (ex-U.S.) fixed income	1,791,840	—	1,791,840
Domestic equities	55,648,100	—	55,648,100
Global (ex-U.S.) equities	4,201,429	—	4,201,429
Cash and cash equivalents	10,723,758	—	10,723,758
Total investments	\$ 93,737,003	2,758,553	96,495,556

The following summarizes the investment return for the years ended June 30:

	<b>2015</b>	<b>2014</b>
Realized net gains	\$ 4,069,921	3,492,326
Unrealized net (losses)/gains	(1,947,352)	9,558,945
Interest and dividends	<u>2,130,047</u>	<u>1,559,963</u>
Total return	<u>\$ 4,252,616</u>	<u>14,611,234</u>

Following is a reconciliation of total investment return to amounts reported in the statements of activities for the years ended June 30:

	<b>2015</b>	<b>2014</b>
Long-term investment return utilized – operating activities	\$ 3,502,092	1,885,120
Long-term investment return in excess of amounts utilized – nonoperating activities	<u>750,524</u>	<u>12,726,114</u>
Total return	<u>\$ 4,252,616</u>	<u>14,611,234</u>

Total investment management and advisory fees were \$413,347 and \$347,025 for the years ended June 30, 2015 and 2014, respectively.

### (5) Endowment

The College's endowment consists of 90 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowment. Net assets associated with endowment funds, including funds designated by the Board of

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

Trustees to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Relevant Law**

Effective June 30, 2009, the Uniform Prudent Management of Institutional Funds Act (UPMIFA) was adopted by the Commonwealth of Massachusetts. This replaces a previous law, UMIFA, the Uniform Management of Institutional Funds Act. Under UMIFA, spending below the historic-dollar-value of an endowment was not permitted; the accounting definition of permanently restricted funds was the historic-dollar-value of a donor-restricted gift to endowment.

Under UPMIFA, the historic-dollar-value threshold is eliminated, and the governing board has discretion to determine appropriate expenditures of a donor-restricted endowment fund in accordance with a robust set of guidelines about what constitutes prudent spending. UPMIFA permits the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established. Seven criteria are to be used to guide the College in its yearly expenditure decisions: 1) duration and preservation of the endowment fund; 2) the purposes of the College and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the College; and, 7) the investment policy of the College.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic-dollar-value. There is an expectation that, over time, the permanently restricted amount will remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be utilized on a temporary basis.

In accordance with appropriate accounting standards, the College classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets, is classified as temporarily restricted net assets, until appropriated for spending by the Board of Trustees.

# **EMMANUEL COLLEGE**

## Notes to Financial Statements

June 30, 2015 and 2014

Endowment net asset composition by type of fund consists of the following at June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds:				
Instruction	\$ —	1,035,730	2,214,872	3,250,602
Capital Projects	—	1,252,057	—	1,252,057
Student aid	—	7,694,291	9,623,600	17,317,891
Other	—	60,959	12,390	73,349
	—	10,043,037	11,850,862	21,893,899
Board-designated endowment funds	<u>75,454,323</u>	<u>—</u>	<u>—</u>	<u>75,454,323</u>
Total endowed net assets	<u>\$ 75,454,323</u>	<u>10,043,037</u>	<u>11,850,862</u>	<u>97,348,222</u>

Changes in endowment net assets for the year ended June 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2014	\$ 74,871,622	10,194,556	11,429,378	96,495,556
Investment return:				
Investment income, net	1,699,022	431,025	—	2,130,047
Net gains	<u>1,635,741</u>	<u>486,828</u>	<u>—</u>	<u>2,122,569</u>
Total investment return	<u>3,334,763</u>	<u>917,853</u>	<u>—</u>	<u>4,252,616</u>
Contributions/addition	—	—	421,484	421,484
Fees	(319,342)	—	—	(319,342)
Appropriation of endowment assets for expenditure	(2,437,062)	(1,065,030)	—	(3,502,092)
Underwater transfer	<u>4,342</u>	<u>(4,342)</u>	<u>—</u>	<u>—</u>
Endowment net assets, June 30, 2015	<u>\$ 75,454,323</u>	<u>10,043,037</u>	<u>11,850,862</u>	<u>97,348,222</u>

# EMMANUEL COLLEGE

## Notes to Financial Statements

June 30, 2015 and 2014

Endowment net asset composition by type of fund consists of the following at June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds:				
Instruction	\$ —	914,630	2,211,097	3,125,727
Student aid	(4,342)	8,023,480	9,205,890	17,225,028
Other	—	1,256,446	12,391	1,268,837
	(4,342)	10,194,556	11,429,378	21,619,592
Board-designated endowment funds	74,875,964	—	—	74,875,964
Total endowed net assets	<u>\$ 74,871,622</u>	<u>10,194,556</u>	<u>11,429,378</u>	<u>96,495,556</u>

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2013	\$ 54,063,438	7,512,510	11,198,534	72,774,482
Investment return:				
Investment income, net	1,211,234	348,729	—	1,559,963
Net gains	9,685,421	3,365,850	—	13,051,271
Total investment return	10,896,655	3,714,579	—	14,611,234
Contributions/addition	153,849	—	230,844	384,693
Fees	(260,720)	—	—	(260,720)
Appropriation of endowment assets for expenditure	(852,587)	(1,032,533)	—	(1,885,120)
Transfer from operations	10,870,987	—	—	10,870,987
Endowment net assets, June 30, 2014	<u>\$ 74,871,622</u>	<u>10,194,556</u>	<u>11,429,378</u>	<u>96,495,556</u>

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

**(b) *Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Deficiencies of this nature are reported as reductions in unrestricted net assets and were \$4,342 as of June 30, 2014. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets.

**(c) *Return Objectives and Risk Parameters***

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. The primary investment objectives of the management of the endowment fund are: (1) to maintain the fund's real value at levels required to satisfy liquidity covenants related to outstanding bonds and (2) to grow the fund's real value by generating average annual real returns that meet or exceed the spending rate, after inflation, management fees and administrative costs. Consistent with this goal, the Board of Trustees and the Finance Committee intend that the endowment fund be managed with an intention to maximize total returns consistent with prudent levels of risk and reduce portfolio risk through asset allocation and diversification.

Under this policy, as approved by the Finance Committee, the endowment assets are invested in a manner that is intended to produce results that meet or exceed the price and yield results of benchmarks composed of the Standard and Poor's 500 index for equities and Barclays Capital Intermediate Government/Credit Bond Index for fixed income securities while assuming a prudent level of investment risk.

**(d) *Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Finance Committee is responsible for establishing an asset allocation policy. The asset allocation policy is designed to attempt to achieve diversity among capital markets and within capital markets, by investment discipline and management style. The Committee designs a policy portfolio in light of the endowment's needs for liquidity, preservation of purchasing power and risk tolerances.

The College targets a diversified asset allocation that places emphasis on investments in equities and fixed income securities that conform to the College's Ethical and Social Justice Policy for Investments. The asset allocation on a fully invested target is 60% equities and 40% fixed income excluding any cash and cash equivalents. The Finance Committee periodically reviews the policy portfolio's asset allocation for possible rebalancing.



# EMMANUEL COLLEGE

## Notes to Financial Statements

June 30, 2015 and 2014

### (e) *Spending Policy and How the Investment Objectives Relate to Spending Policy*

Under the College's current long-term investment spending policy, 5% of the average fair value of the prior three years of its permanently restricted endowment funds and up to 5% of the average fair value of the prior three years of its unrestricted endowment funds can be appropriated for spending. In addition, when considering appropriation of board designated endowment balances, the Trustees consider the need to maintain unrestricted net assets at levels needed to meet liquidity covenants related to outstanding bonds.

In establishing these policies, the College considered the intent of the donor-restricted endowment, the expected return on its endowment and its programming needs. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power by growing at a rate greater than planned payouts. Additional real growth will be provided through new gifts and any excess investment return or additions authorized by the Board of Trustees.

### (6) **Land, Buildings, and Equipment**

Land, buildings, and equipment as of June 30 are as follows:

	<b>Estimated useful lives</b>		<b>2015</b>	<b>2014</b>
Land and improvements	0–20 years	\$	20,764,355	20,524,193
Buildings and improvements	35–45 years		202,696,784	199,715,786
Furniture and equipment	5 years		31,235,335	29,055,710
Collection of art	—		119,492	119,492
			<u>254,815,966</u>	<u>249,415,181</u>
Less accumulated depreciation			<u>(83,102,058)</u>	<u>(75,713,391)</u>
Land, buildings, and equipment, net		\$	<u><u>171,713,908</u></u>	<u><u>173,701,790</u></u>

Depreciation expense charged to operations was \$7,388,683 and \$7,176,906 for the years ended June 30, 2015 and 2014, respectively.

# **EMMANUEL COLLEGE**

## Notes to Financial Statements

June 30, 2015 and 2014

### **(7) Long and Short-Term Debt**

Long-term debt as of June 30 is as follows:

	<u>2015</u>	<u>2014</u>
Massachusetts Health and Educational Facilities Authority		
Bonds of 2007, due serially through 2037 starting		
July 1, 2008	\$ 71,050,000	72,805,000
Less underwriter's discount	<u>(340,495)</u>	<u>(355,972)</u>
	70,709,505	72,449,028
Unamortized premium	<u>1,503,429</u>	<u>1,571,766</u>
Long-term debt, net	<u>\$ 72,212,934</u>	<u>74,020,794</u>

On August 21, 2007, the College entered into a Loan and Trust Agreement with Massachusetts Health and Educational Facilities Authority (MHEFA) in order to finance various construction projects and repayment of other indebtedness. In connection with the Agreement, MHEFA issued a par amount of \$82,830,000 of MHEFA, Fixed Rate Revenue Bonds, Emmanuel College Issue, Series 2007. An original issue premium of \$2,050,130 was incurred on the issuance of the Series 2007 Bond and will be amortized over the life of the bond. The bond is backed by a bond insurance policy issued by National Public Finance Guarantee (formally MBIA Insurance Corporation). The Series 2007 Bonds had an underwriter's discount of \$464,311 and bond issuance costs of \$1,640,410 upon issuance. Bond issuance costs are \$1,257,647 and \$1,312,328 as of June 30, 2015 and 2014, respectively, and are included in other assets on the statement of financial position.

The bonds carry an effective fixed interest rate of 4.97% and are repayable over a 30-year period. The principal payments for these bonds are as follows:

Year ending June 30:	
2016	\$ 1,845,000
2017	1,935,000
2018	2,035,000
2019	2,135,000
2020	2,245,000
Thereafter	<u>60,855,000</u>
	<u>\$ 71,050,000</u>

The College's bonds trade periodically in a limited market. Utilizing available market pricing information provided by a third party, the College estimated that the aggregate fair value of these bonds is \$74.1 million at June 30, 2015. The fair value of long-term debt is based on significant observable inputs and is categorized as Level 2 for purposes of valuation disclosure. The College further determined that the differences between the carrying values and estimated fair values of its other financial assets and liabilities at June 30, 2015 and 2014 were not material. The College believes it was in compliance with its debt covenants as of June 30, 2015.

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

#### *Notes Payable*

Notes payable at June 30, 2015 consisted of two short-term loans dated January 17, 2013 and March 20, 2013 in the amount of \$7,500,000 each. Interest due is equal to the current 30 day LIBOR plus 180 basis points. Both notes expire on November 2, 2015. Total outstanding principal on these notes payable was \$14,650,000 and \$14,800,000 at June 30, 2015 and 2014, respectively.

#### *Operating Lease*

The College has entered into a number of operating leases, primarily for residence. Total lease expense for the years ended June 30, 2015 and 2014 amounted to \$1,520,201 and \$1,927,284, respectively.

The College's minimum lease obligations through the end of the lease terms are as follows:

Year ending June 30:	
2016	\$ 1,092,515

#### **(8) Deferred Lease Revenue**

In connection with the College's land leases (Parcel A and Parcel B) entered into in June and May 2001, respectively, the lessee agreed to pay the College a total of \$55.5 million upon inception of the leases. Legal and other related costs, in the amount of \$3.8 million, were deducted from this amount. The remaining amount received by the College, \$51.7 million, has been deferred and is being amortized to unrestricted revenue on a straight-line basis over the 75 year term of the leases.

In August 2012, the College agreed to an early termination of the ground lease on Parcel A to reacquire the land rights by paying the lessee \$30 million. At the time of lease termination, approximately \$22 million in deferred revenue from the Parcel A lease remained unamortized. The amount of the termination payment in excess of the remaining deferred revenue (\$7.9 million) was charged to non operating activities in the Statement of Activities. Reacquiring the use of Parcel A provided an opportunity to regain control of this property for the College's future use.

Also in August 2012, the College executed an 80-year ground lease with a third party lessee for Parcel C. Under the terms of the agreement, the lessee agreed to prepay all rent due to the College at the inception of the lease. The College received the prepaid amount in a combination of cash and a \$42 million no-interest note receivable due in November 2015. The total prepayment amount has been deferred and is being amortized into unrestricted revenue on a straight-line basis over the life of the lease.

#### **(9) Retirement Plan**

Through its membership in the Teachers Insurance and Annuity Association, the College has a discretionary contribution retirement plan for all qualified (as defined) full-time employees. The College's contribution in 2015 and 2014 was equal to 9% of each eligible employee's basic annual salary. The expense of this plan was \$1,592,964 and \$1,614,466 for the years ended June 30, 2015 and 2014, respectively.

**EMMANUEL COLLEGE**

Notes to Financial Statements

June 30, 2015 and 2014

**(10) Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Purpose restrictions:		
Academic support	\$ 106,151	184,505
Student aid	7,782,491	8,163,769
Instruction	1,142,732	992,175
Capital projects	1,262,058	85,000
Other	2,248,507	3,215,221
Contributions receivable, net	<u>531,412</u>	<u>689,969</u>
	<u>\$ 13,073,351</u>	<u>13,330,639</u>

Unspent long-term investment gains on permanently restricted net assets were \$5,767,365 and \$5,940,871 as of June 30, 2015 and 2014, respectively. These unspent gains are classified as temporarily restricted until the College appropriates and spends such sums in accordance with the terms of the underlying contributions, at which time they will be released to unrestricted revenues.

**(11) Permanently Restricted Net Assets**

Permanently restricted net assets as of June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Assets for which earnings are restricted as to purpose:		
Student aid	\$ 9,623,600	9,205,891
Instruction	2,214,871	2,211,097
Other	12,391	12,391
Contributions receivable, net	<u>202,776</u>	<u>3,298</u>
	<u>\$ 12,053,638</u>	<u>11,432,677</u>

## EMMANUEL COLLEGE

### Notes to Financial Statements

June 30, 2015 and 2014

#### (12) Net Assets Released from Restrictions

Net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors are as follows:

	2015	2014
Purpose restrictions:		
Capital projects	\$ —	25,000
Other	1,324,655	1,267,700
	<u>\$ 1,324,655</u>	<u>1,292,700</u>

#### (13) Student Loans

Student loans include funds advanced to the College by the U.S. government under the Federal Perkins Loan Program (the Program). Student loans under the Program are subject to significant restrictions. Such funds are reloaned by the College after collection, but in the event that the College no longer participates in the Program, the amounts are generally refundable to the U.S. government.

#### (14) Commitments and Contingencies

Since the inception of the College, the Sisters have provided services for which they have not been fully compensated. Prior to 1982, the amount of the aggregate uncompensated services was reflected in the College's financial statements as noninterest bearing indebtedness payable to the Sisters. A change in accounting for the indebtedness payable to the Sisters was effected as of July 1, 1982, reclassifying the indebtedness because of the contingent nature of the College's liability to the Sisters.

Beginning on July 1, 1982, the calculation of aggregate contingent liability has been increased by the annual amount of the uncompensated services of the Sisters. As of August 31, 2002, the total contingent liability of the College under the terms of its liability to the Sisters was \$9,174,000 (the liability). Beginning September 1, 2002, the College began fully compensating the Sisters for their services. The liability may become payable on demand in certain circumstances, including among other things termination of operations, merger with another institution, dissolution of the Board of Trustees, and bankruptcy. The liability is represented by a note, which is secured by a mortgage on certain property, a portion of which is subordinated to the MHEFA Series 2007 Bonds.

#### (15) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2015 and through October 1, 2015, the date on which the financial statements were issued.

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## DEFINITIONS OF CERTAIN TERMS

In addition to terms defined elsewhere in the Agreement, the following terms have the following meanings in the Loan and Trust Agreement dated as of June 1, 2016 (the “Agreement”) among the Issuer, the Institution and the Trustee, unless the context otherwise requires:

“Act” has the meaning set forth in the Agreement.

“Additional Indebtedness” means Indebtedness of the Institution incurred in accordance with the Agreement, which is secured equally and ratably with the Bonds.

“Authorized Officer” means (i) in the case of the Issuer, each of the President and Chief Executive Officer; the Treasurer, Chief Financial Officer and Executive Vice President, Finance & Administration; the Executive Vice President, Legislative and Defense Sector Initiatives; the Executive Vice President for Real Estate; the Executive Vice President for Finance Programs; the General Counsel; the Secretary; or the Senior Vice President for Investment Banking, and when used with reference to an act or document of the Issuer also means any other person authorized to perform the act or execute the document; (ii) in the case of the Institution, the Chairman or other presiding officer of the Board of Trustees, the President, Director or other chief executive or administrative officer, any Vice President or Vice Chairman, the Treasurer or other chief financial officer or any Assistant Treasurer, and when used with reference to an act or document of the Institution, also means any other person authorized to perform the act or execute the document; and (iii) in the case of the Trustee, the President, and Vice President, any Assistant Vice President, any Corporate Trust Officer, any Trust Officer or any Assistant Trust Officer, and when used with reference to an act or document of the Institution, also means any other person authorized to perform the act or execute the document.

“Bond Counsel” means Hinckley, Allen & Snyder LLP or any attorney at law or firm of attorneys selected by the Institution and satisfactory to the Issuer of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

“Bond Year” means each one year period (or shorter period from the date of issue of the Bonds) ending on June 30.

“Bondowners” or “Owners” means the registered owners of the Bonds from time to time as shown in the books kept by the Trustee as bond registrar and transfer agent.

“Bonds” means the \$137,970,000 Massachusetts Development Finance Agency Revenue Bonds, Emmanuel College Issue, Series 2016-A (the “Series 2016-A Bonds”) dated the date of original delivery, the \$50,265,000 Massachusetts Development Finance Agency Revenue Bonds, Emmanuel College Issue, Series 2016-B (Federally Taxable) (Green Bonds) (the “Series 2016-B Bonds”) dated the date of original delivery, any additional Bonds issued under the Agreement, and any Bond or Bonds duly issued in exchange or replacement therefor.

“Business Day” means a day on which banks in the city in which the principal office of the Trustee is located is not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of the date of issuance of each series of Bonds between the Institution and the dissemination agent as defined therein as originally executed and as it may be amended from time to time in accordance with its terms.

“Government or Equivalent Obligations” means (i) obligations issued or guaranteed by the United States; (ii) certificates evidencing ownership of the right to the payment of the principal of and interest on obligations described in clause (i), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee or the Issuer, as the case may be, in a special account separate from the general assets of such custodian; (iii) shares of any open-end or closed-end management type investment company or trust registered under 15 U.S.C. §80(a)-1 et seq., provided that the portfolio of such investment company or trust is limited to obligations

## APPENDIX C

described in clause (i) and repurchase agreements fully collateralized by such obligations, and provided further that such investment company or trust shall take custody of such collateral either directly or through a custodian satisfactory to the Trustee or the Issuer and (iv) tax exempt obligations of any state or instrumentality, agency or political subdivision thereof, which are fully secured by, or payment of principal and interest on which shall be made from, obligations described in clause (i) above.

“Indebtedness” shall mean all obligations of the Institution for borrowed money, or installment sale and capitalized lease obligations, incurred or assumed, including guaranties, long-term Indebtedness, short-term indebtedness, subordinated Indebtedness or any other obligation of the Institution for payments of principal and interest with respect to money borrowed.

“IRC” means the Internal Revenue Code of 1986, as it may be amended and applied to each series of Bonds from time to time.

“Lease Agreement” means the Lease Agreement dated as of May 23, 2016 between the Institution and MCPHS University.

“Lien” means any mortgage or pledge of, security interest in or lien or encumbrance on any of the Mortgaged Property which secures any Indebtedness or any other obligation of the Institution, or which secures any obligation of any person other than an obligation to the Institution.

“Make-Whole Redemption Price” means the greater of (1) 100% of the principal amount of the Series 2016-B Bonds to be redeemed; and (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016-B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2016-B Bonds are to be redeemed, discounted to the date on which the Series 2016-B Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the Treasury Rate plus 30 basis points for the serial Series 2016-B Bonds maturing October 1, 2019 through October 1, 2021 and plus 35 basis points for the term Series 2016-B Bonds maturing October 1, 2030, plus, in each case, accrued and unpaid interest on the Series 2016-B Bonds to be redeemed on the redemption date.

“MCPHS University” means MCPHS University.

“Moody’s” means Moody’s Investors Service, Inc., or any successor rating agency

“Mortgage” means the Mortgage dated as of June 16, 2016 by the Institution in favor of the Trustee.

“Mortgaged Property” means the premises described on Exhibit A attached to the Agreement, generally comprising of Julie Hall. In addition, “Mortgaged Property” includes all rights and easements to such premises and all buildings, structures, fixtures and improvements on such premises, whether in existence on the date hereof or later coming into existence and whether owned by the Institution on the date hereof or acquired hereafter.

“Opinion of Bond Counsel” means an opinion of Bond Counsel to the effect that the matter or action in question will not have an adverse impact on the tax-exempt status of the Bonds for federal income tax purposes.

“Outstanding,” when used to modify Bonds, refers to Bonds issued under the Agreement, excluding: (i) Bonds that have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment or a sinking fund installment; (ii) Bonds that have been paid; (iii) Bonds that have become due and for the payment of which moneys have been duly provided; and (iv) Bonds for which there have been irrevocably set aside sufficient funds, or Government or Equivalent Obligations described in clause (i) or (ii) of the definition thereof bearing interest at such rates, and with such maturities as will provide sufficient funds, to pay or redeem them, provided, however, that if any such Bonds are to be redeemed prior to maturity, the Issuer shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Agreement or irrevocable instructions so to mail shall have been given to the Trustee.



“Project” means the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of furnishings and equipment, or any combination of the foregoing, in connection with the following at the Institution’s campus located at 400 The Fenway, Boston, MA 02115 (the “Campus”) and as otherwise noted below:

(A) Existing Part of the Project: refinancing the Refunded Bonds, which:

i. refinanced the Massachusetts Health and Educational Facilities Authority’s Variable Rate Revenue Bonds, Emmanuel College Issue, Series 2003, which financed and refinanced the following:

1. miscellaneous computer, academic and building systems equipment and miscellaneous improvements to various buildings located on the Campus;
2. the replacement of windows and building systems equipment, installation of an elevator and renovations to the Institution’s main administrative building on the Campus;
3. the renovation and equipping of Marian Hall (“Marian Hall”) located on the Campus;
4. the construction of an approximately 52,400 square-foot gymnasium and student center located on the Campus, including the construction of dining facilities and an underground parking garage;
5. infrastructure improvements to the existing portions of Marian Hall;
6. the renovation of St. Joseph’s Residence Hall located on the Campus, including the renovation of common areas, the creation of a new fitness center, the replacement of all windows, infrastructure improvements and the purchase of new furniture; and
7. routine capital construction, renovations and equipping of various facilities located on the Campus; and

ii. financed:

1. the renovation, furnishing and equipping of the Institution’s Administration Building located on the Campus (the “Administration Building”), including two new elevators, two new stairwells, classrooms, faculty offices, administrative offices, student meeting spaces and an approximately 160-seat lecture hall;
2. the demolition of the St. James Hall portion of the Administration Building and the construction, furnishing and equipping of an approximately 49,000 square foot plus mechanical space addition to the Administration Building, to be known as the Academic & Science Center, containing classrooms, laboratories, laboratory preparation space, faculty offices, meeting spaces and mechanical spaces (including related fixtures and equipment);
3. the construction, furnishing and equipping of a three-level, approximately 120-car parking garage under the Academic & Science Center; and
4. routine capital expenditures for construction, renovation and equipping of the Institution’s facilities in the area bound by Brookline Avenue, the Fenway, Avenue Louis Pasteur and the properties of Beth Israel Deaconess Medical Center, Inc. and Harvard Medical School, all in Boston.

(B) New Part of the Project: (I) With respect to the Series 2016-A Bonds, financing the (A) planning, construction, expansion, renovation, addition, furnishing and equipping of a portion of a 267,500 square-foot residence hall (to be called “Julie Hall”) including the demolition of the existing Julie Hall and the construction of a new replacement Julie Hall on the existing space and the surrounding undeveloped space; and (B) costs of issuance;

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and (II) with respect to the Series 2016-B Bonds, financing the (A) planning, construction, expansion, renovation, addition, furnishing and equipping of a portion of Julie Hall; and (B) costs of issuance.

The word “Project” also refers to the facilities that result or have resulted from the foregoing activities. The scope of the Project may be increased or decreased upon certification by the Project Officer on behalf of the Institution to the Trustee and the Issuer describing the change, estimating the resulting increase or decrease in the cost of the Project and stating that the amendment will not cause the Project to violate any applicable building, zoning, land use, environmental protection, historical, sanitary, safety or educational laws, rules and regulations or applicable grant, reimbursement or insurance requirements or the provisions of the Agreement. The signers of the certificate may rely, as to conclusions of law, on an opinion of counsel furnished to the Issuer and referred to in the certificate. The scope of the Project may be increased only upon receipt by the Trustee of an Opinion of Bond Counsel regarding the increase in scope.

“Project Costs” means the costs of issuing the Bonds and carrying out the Project, including repayment of external loans and internal advances for the same to the extent permitted by the Agreement and the Tax Certificate, working capital expenditures directly related to the Project to the extent permitted by the IRC, and interest prior to, during and for up to one year after construction is substantially complete, but excluding general administrative expenses, overhead of the Institution and interest on internal advances.

“Project Officer” means the Chief Financial Officer or an alternate or successor appointed by the Institution.

“Property” means any and all of the Institution’s rights, titles and interests in and to any and all property, whether real or personal, tangible or intangible and wherever situated including, without limitation, accounts, accounts receivable, contract rights and general intangibles, and all proceeds of all of the foregoing, whether cash or non-cash.

“Rebate Year” means the one year period (or shorter period beginning on the date of issue) ending on June 30.

“Refunded Bonds” means the outstanding Massachusetts Health and Educational Facilities Authority, Emmanuel College Issue, Series 2007, dated November 12, 2007.

“Refunding Trust Agreement” means the Refunding Trust Agreement dated as of June 1, 2016 among the Issuer, the Institution and U.S. Bank National Association, as trustee for the Refunded Bonds.

“Revenues” means all rates, payments, rents, fees, charges, and other income and receipts, including proceeds of insurance, eminent domain and sale, and including proceeds derived from any security provided hereunder, payable to the Issuer or the Trustee under the Agreement, excluding administrative fees of the Issuer, fees of the Trustee, reimbursements to the Issuer or the Trustee for expenses incurred by the Issuer or the Trustee, and indemnification of the Issuer and the Trustee.

“Tax Certificate” means each Tax Certificate and Agreement between the Issuer and the Institution dated the date of original issuance of each series of tax-exempt Bonds, as supplemented from time to time.

“UCC” means the Massachusetts Uniform Commercial Code.

Words importing persons include firms, associations and corporations, and the singular and plural form of words shall be deemed interchangeable wherever appropriate.

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## SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AND TRUST AGREEMENT

*The following is a brief summary, prepared by Hinckley, Allen & Snyder LLP, Bond Counsel, of certain provisions of the Loan and Trust Agreement dated as of June 1, 2016 (the "Agreement") among the Issuer, the Institution and the Trustee pertaining to the Bonds. This summary does not purport to be complete, and reference is made to the Agreement for full and complete statements of such and all provisions.*

### Assignment and Pledge of Revenues: Funds.

The Issuer assigns and pledges to the Trustee in trust upon the terms thereof (a) all Revenues to be received from the Institution or derived from any security provided thereunder, (b) all rights to receive such Revenues and the proceeds of such rights, (c) all funds and investments held from time to time in the funds established under the Agreement and (d) all of its right, title and interest in the Agreement, including enforcement rights and remedies but excluding certain rights of indemnification and to reimbursement of certain expenses as set forth therein. This assignment and pledge does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; (ii) the right of the Issuer to any payment or reimbursement pursuant to the Agreement; or (iii) the powers of the Issuer as stated therein to enforce the rights set forth in subclauses (i) and (ii) of this sentence. As additional security for its obligations to make payments to the Debt Service Fund, the Redemption Fund and the Rebate Fund, and for its other payment obligations under the Agreement, the Institution grants to the Trustee a security interest in its interest in the moneys and other investments held from time to time in the funds established under the Agreement, other than the Rebate Fund. (Section 201)

### Defeasance.

When there are in the Debt Service Fund and Redemption Fund sufficient funds, or Government or Equivalent Obligations described in clause (i) or (ii) of the definition thereof in such principal amounts, bearing interest at such rates and with such maturities as will provide sufficient funds to pay or redeem the Bonds in full, and when all the rights thereunder of the Issuer and the Trustee have been provided for, upon written notice from the Institution to the Issuer and the Trustee, the Bondowners shall cease to be entitled to any benefit or security under the Agreement except the right to receive payment of the funds deposited and held for payment and other rights which by their nature cannot be satisfied prior to or simultaneously with termination of the lien thereof, the security interests created by the Agreement (except in such funds and investments) shall terminate, and the Issuer and the Trustee shall execute and deliver such instruments as may be necessary to discharge the lien and security interests created thereunder; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Issuer shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Agreement or irrevocable instructions so to mail shall have been given to the Trustee. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full shall be irrevocably set aside for that purpose, subject, however, to the Agreement thereof, and moneys held for defeasance shall be invested only as provided above in this section. In connection with the defeasance of the Bonds, the Trustee may rely upon a verification report and/or defeasance opinion, if requested. Any funds or property held by the Trustee and not required for payment or redemption of the Bonds in full shall, after satisfaction of all the rights of the Issuer and the Trustee and after allowance for payment into the Rebate Fund, be distributed to the Institution upon such indemnification, if any, as the Issuer or the Trustee may reasonably require. (Section 202)

### Debt Service Fund.

Within the Debt Service Fund there shall be established a "Capitalized Interest Account" into which Bond proceeds described in the Agreement shall be deposited. In addition, within the Debt Service Fund, there shall be established a "MCPHS Account" into which the lease payments paid by MCPHS University to the Institution as further described in the Lease Agreement shall be deposited as described in the Lease. All other moneys to be deposited in the Debt Service Fund shall be deposited outside either the Capitalized Interest Account or the MCPHS Account. The moneys in the Debt Service Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of the principal (including sinking fund installments, if any), redemption premium, if any, and interest on the Bonds. Promptly after October 1 of each Bond Year, if the amount deposited by the Institution in the Debt Service Fund during the preceding Bond Year pursuant

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to the Agreement was in excess of the amount required to be so deposited, the Trustee shall transfer such excess to the Institution unless there is then an Event of Default known to the Trustee with respect to payments to the Debt Service Fund or Rebate Fund or to the Trustee or the Issuer, in which case the excess shall be applied to such payments. (Section 303)

### Redemption Fund.

The moneys in the Redemption Fund and any investments held as a part of such Fund shall be held in trust and, except as otherwise provided, shall be applied by the Trustee on behalf of the Issuer solely to the redemption of Bonds. The Trustee may, and upon written direction of the Institution for specific purchases shall, apply moneys in the Redemption Fund to the purchase of Bonds for cancellation at prices not exceeding the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not within the forty-five (45) days preceding a redemption date.

If on any date the amount in the Debt Service Fund is less than the amount then required to be applied by the Trustee to pay the principal (including sinking fund installments, if any) and interest then due on the Bonds or if on any date the amount in the Rebate Fund is less than the amount then required to be paid to the United States as provided in the Agreement, the Trustee shall apply the amount in the Redemption Fund (other than any sum irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) first, to the Rebate Fund, and second, to the Debt Service Fund to the extent necessary to meet the deficiency. The Institution shall remain liable for any sums which it has not paid into the Debt Service Fund or Rebate Fund and any subsequent payment thereof shall be used to restore the funds so applied.

If any moneys in the Redemption Fund are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay the redemption price of Bonds called for redemption in accordance with the Agreement, then the Institution shall immediately supply the deficiency. (Section 305)

### Rebate Fund.

A Rebate Fund shall be established by the Trustee for the purpose of complying with IRC Section 148(1) and the regulations thereunder (the "Rebate Provision"). Amounts in the Rebate Fund shall not be available to pay principal, interest, or redemption premium on the Bonds. If on any rebate payment date the amount in the Rebate Fund will be insufficient to pay the amount required to be paid under the Rebate Provision, the Institution shall pay the amount of such deficiency to the Trustee for deposit into the Rebate Fund prior to the rebate payment date. (Section 306)

### Expense Fund.

The moneys in the Expense Fund and any amounts therein and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Issuer or the Trustee, as applicable, at the written direction of the Institution solely to the payment or reimbursement of the costs of issuing the applicable series of Bonds. To the extent the Expense Fund is insufficient to pay any of the above costs, the Institution shall be liable for the deficiency and shall pay such deficiency as directed by the Issuer. (Section 307)

### Application of Moneys.

If available moneys in the Debt Service Fund after any required transfers from the Redemption Fund are not sufficient on any day to pay all principal (including sinking fund installments, if any), redemption price or Make-Whole Redemption Price and interest on the Outstanding Bonds then due or overdue, such moneys (other than any sum in the Redemption Fund irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) shall, after payment of all charges and disbursements of the Trustee in accordance with the Agreement, be applied (in the order such Funds are named in this section) first to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest which became due at the same time) and second to the payment of principal (including

sinking fund installments, if any) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due). For this purpose interest on overdue principal shall be treated as coming due on the first day of each month. Whenever moneys are to be applied pursuant to this section, such moneys shall be applied at such times, and from time to time, as the Trustee in its 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. (Section 308)

#### Payments by the Institution.

Not later than the opening of business on the Business Day next preceding the date on which a payment of principal or interest is due on the Bonds, the Institution shall pay to the Trustee for deposit in the Debt Service Fund an amount equal to such payment less the amount, if any, in the Debt Service Fund and available therefor.

The Trustee shall deposit into the MCPHS Account of the Debt Service Fund an amount equal to the lease payments made by MCPHS University under the Lease Agreement.

At any time when any principal (including sinking fund installments, if any) of the Bonds is overdue, the Institution shall also have a continuing obligation to pay to the Trustee for deposit in the Debt Service Fund an amount equal to interest on the overdue principal but the installment payments required under this section shall not otherwise bear interest. Redemption premiums shall not bear interest.

Payments by the Institution to the Trustee for deposit in the Debt Service Fund under the Agreement shall discharge the obligation of the Institution to the extent of such payments; provided, that if any moneys are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay principal (including sinking fund installments, if any) and interest on the Bonds when due, the Institution shall supply the deficiency. (Section 309)

#### Unconditional Obligation.

To the extent permitted by law, the obligation of the Institution to make payments to the Issuer and the Trustee under the Agreement shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, shall not be subject to setoff, recoupment or counterclaim and shall be a general obligation of the Institution to which the full faith and credit of the Institution are pledged. (Section 310)

#### Investments.

(a) Pending their use under the Agreement, moneys in the Funds and Accounts established pursuant to the Agreement may be invested by the Trustee or the Issuer, as the case may be, in Permitted Investments (as defined below) maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Institution if there is not then an Event of Default known to the Trustee or the Issuer, as appropriate, provided that the Institution shall not request, authorize or permit any investment that would cause any Series 2016-A Bonds to be classified as “arbitrage bonds” as defined in IRC Section 148. Notwithstanding the foregoing, any amount of moneys deposited in the Series 2016-A Account of the Project Fund pursuant to the Agreement that has not been expended within three (3) years of the date of closing shall be invested only in Permitted Investments with a yield not more than 1/8% higher than the yield on the tax-exempt Bonds or in Permitted Investments described in clause (c)(B) below, unless otherwise permitted by an Opinion of Bond Counsel. Any investments pursuant to this subsection shall be held by the Trustee or the Issuer, as applicable, as a part of the applicable Fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Fund, subject to the notice provisions of Section 9-611 of the UCC to the extent applicable.

(b) Except as set forth below, any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for this purpose include net profit and are after deduction of net loss) on the Expense Fund shall be transferred to the Project Fund not less often than quarterly. Earnings on the

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Redemption Fund shall be transferred to the Debt Service Fund and credited against payments otherwise required to be made thereto not less often than quarterly.

(c) The term “Permitted Investments” means (A) Government or Equivalent Obligations; (B) “tax exempt bonds” as defined in IRC § 150(a)(6), other than “specified private activity bonds” as defined in IRC § 57(a)(5)(C), rated at least “AA” or “Aa2” by S&P and Moody’s, respectively, or the equivalent by any other nationally recognized rating agency, at the time of acquisition thereof, or shares of a so-called money market or mutual fund that do not constitute “investment property” within the meaning of IRC Section 148(b)(2), provided either that the fund has all of its assets invested in such “tax exempt bonds” of such rating quality or, if such obligations are not so rated, that the fund has comparable creditworthiness through insurance or otherwise and which fund is rated “Aam” or “AAm-G” if rated by S&P, at the time of acquisition thereof; (C) Obligations of any state or political subdivision thereof rated at least “AA-” and “Aa3” by S&P and Moody’s, respectively, at the time of acquisition thereof; (D) negotiable certificates of deposit maturing not more than two years after the date of purchase, and interest-bearing deposit accounts of a national association or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank, which (i) has assets of not less than \$1,000,000,000, provided that the senior debt obligations of the issuing institution are rated in the highest category by Moody’s or S&P at the time of acquisition thereof, or (ii) funds are guaranteed by the Federal Deposit Insurance Corporation, or (iii) funds are fully collateralized by Government or Equivalent Obligations; (E) bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers acceptances), provided that such bankers acceptances may not exceed 180 days maturity, and provided further that the accepting bank has the highest short-term letter and numerical rating as provided by Moody’s or S&P at the time of acquisition thereof; (F) Repurchase Agreements; (G) (i) the Massachusetts Development Finance Agency Short Term Asset Reserve (STAR) Fund (formerly known as the Massachusetts Health and Educational Facilities Authority Short Term Asset Reserve (STAR) Fund), or any other similar fund established by, or on behalf of, the Issuer, which is rated “AAAm-G,” “AAAm” or “AAm” by S&P at the time of acquisition thereof, and (ii) money market funds which have a rating of “AAAm-G,” “AAAm” or “AAm” by S&P at the time of acquisition thereof, provided that the fund is registered under the Federal Investment Company Act of 1940 and whose shares are registered under the Federal Securities Act of 1933; (H) investment agreements with providers rated not lower than the second highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that if the provider is downgraded by one or more nationally recognized rating agency to below the second highest category, the agreement shall (i) be fully collateralized at 104% by Government or Equivalent Obligations or 105% by securities outlined in clause (1) of this definition of permitted investments, or (ii) terminate; (I) collateralized investment agreements with providers rated not lower than the third highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that in all cases such rating requirements shall apply only at the time the investment agreement is executed; (J) forward purchase and sale agreements with providers rated not lower than the third highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that in all cases such rating requirements shall apply only at the time the investment agreement is executed; (K) senior debt obligations and participation certificates issued by an agency or instrumentality established by an act of Congress, including but not limited to the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank System, Student Loan Marketing Association, World Bank or Federal Agricultural Mortgage Corporation (“Federal Agency Securities”), in each case rated not lower than the second highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency; (L) commercial paper that is rated at the time of purchase at least “A-1+” by S&P or “P-1” by Moody’s at the time of acquisition thereof and that matures not more than 270 days after the date of purchase; and (M) notes issued by corporate entities rated at least “AA-” and “Aa3” by S&P and Moody’s, respectively, at the time of acquisition thereof. The term “Repurchase Agreement” shall mean a written agreement under which a bank or trust company which has a capital and surplus of not less than \$50,000,000 or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York sells to, and agrees to repurchase from the Issuer or the Trustee obligations issued or guaranteed by the United States; provided that the market value of such obligations is at the time of entering into the agreement at least one hundred and three percent (103%) of the

repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain which is not later than one (1) year after such agreement is entered into and shall expressly authorize the Trustee or the Issuer, as the case may be, to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase such obligations or the commencement against such party of a case under the federal Bankruptcy Code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code. Any such investments may be purchased from or through the Trustee.

(d) The Trustee may hold undivided interests in Permitted Investments for more than one Fund (for which they are eligible) and may make interfund transfers in kind. (Section 312)

#### Unclaimed Moneys.

Except as may otherwise be required by applicable law, in case any moneys deposited with the Trustee for the payment of the principal of, or interest or premium, if any, on any Bond remain unclaimed for three (3) years after such principal, interest or premium has become due and payable, the Trustee may and upon receipt of a written request of the Institution shall pay over to the Institution the amount so deposited in immediately available funds, without additional interest, and thereupon the Trustee and the Issuer shall be released from any further liability with respect to the payment of principal, interest or premium and the Owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Institution as an unsecured creditor for the payment thereof. (Section 313)

#### Project Fund.

The Issuer shall establish a Project Fund to be held by the Issuer. The balance of the proceeds of the sale of the Bonds after distribution as set forth in the Agreement shall be promptly deposited in the Project Fund. The moneys in the Project Fund and accounts therein and any investments held as part of such Fund or accounts shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Issuer solely to the payment or reimbursement of Project Costs. If there is an Event of Default known to the Issuer with respect to payments to the Rebate Fund, Debt Service Fund or to the Issuer or the Trustee, the Issuer may use the Project Fund without requisition to make up the deficiency, and the Institution shall restore the funds so used.

Disbursements from the Project Fund shall be made by the Issuer to pay directly or to reimburse the Institution for Project Costs or to make deposits to the Rebate Fund as directed by requisitions signed on behalf of the Institution by the Project Officer.

Any balance in such Fund not then needed to pay Project Costs may be used to reimburse sums deposited in the Project Fund by the Institution pursuant to the Agreement other than any amounts derived from gifts, grants or bequests received or expected to be received for the purposes of the Project, and the remainder thereafter shall be transferred to the Redemption Fund. (Section 401)

#### Additional Indebtedness.

(a) The Institution may issue Additional Indebtedness under the Agreement to complete the Project, or to refund Indebtedness previously issued thereunder.

(b) (i) Additional Indebtedness may be issued as additional series of Bonds pursuant to a supplement to the Agreement executed and delivered by the Institution, the Issuer and the Trustee prior to the delivery of such additional Bonds, which supplement shall provide for the details of the additional Bonds, including the application of the proceeds thereof, substantially in accordance with the provisions thereof relating to the Bonds of the initial series. The supplemental agreement shall require payments by the Institution at such times and in such manner as shall be necessary to provide for full payment of the debt service on the additional Bonds as it becomes due. The supplemental agreement may also amend any other provision of the Agreement, provided that it will not

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have a material adverse effect upon the security for the Bonds and any other Additional Indebtedness other than that implicit in the authorization of parity Indebtedness.

(ii) Additional Indebtedness also may be issued in any other form pursuant to a separate agreement executed and delivered by the Institution, the Issuer and a trustee named therein prior to the delivery of such Additional Indebtedness. Such agreement shall provide for the details of the Additional Indebtedness, including the application of the proceeds thereof. The agreement shall require payments by the Institution at such times and in such manner as shall be necessary to provide for full payment of the debt service on the Additional Indebtedness as it becomes due. The agreement may also amend any other provision of the Agreement, provided that it will not have a material adverse effect upon the security for the Bonds and any other Additional Indebtedness other than that implicit in the authorization of parity Indebtedness, provided that at the time of delivery of the agreement, there is also delivered to the Issuer the opinion of Bond Counsel.

(c) The parties to the Agreement may enter into a supplemental agreement amending the Agreement to provide for the incurring of Additional Indebtedness by the Institution in accordance with the provisions of this section. Such supplemental agreement may provide, among other things, for the appointment of a security agent to act on behalf of the Issuer and the Trustee with respect to the recovery and application of insurance proceeds, for notices from the Trustee and the Issuer to the alternative lender and the Additional Indebtedness trustee regarding defaults by the Institution, the duties and limitations of duties of the Trustee, the security agent and/or the Issuer to pursue remedies and the sharing of the rights of the Bondowners and the owners of other Additional Indebtedness to control the exercise of remedies with the holders of Additional Indebtedness. (Section 501)

### Default by the Institution.

“Event of Default” in the Agreement means any one of the events set forth below and “default” means any Event of Default without regard to any lapse of time or notice.

(a) Debt Service. Any principal or interest or redemption premium or Make-Whole Redemption Price on the Bonds, as applicable, shall not be paid when due.

(b) Other Obligations. The Institution shall fail to make any other payment to the Trustee (other than Trustee fees and expenses) and such failure is not remedied within seven (7) days after written notice thereof is given by the Trustee or the Issuer to the Institution; or the Institution shall fail to observe or perform any of its other agreements, covenants or obligations under this Agreement and such failure is not remedied within sixty (60) days after written notice thereof is given by the Trustee or the Issuer to the Institution.

(c) Warranties. There shall be a material breach of warranty made therein by the Institution as of the date it was intended to be effective and the breach is not cured within sixty (60) days after written notice thereof is given by the Trustee or the Issuer to the Institution.

(d) Voluntary Bankruptcy. The Institution shall commence a voluntary case under the federal bankruptcy laws, or shall become insolvent or unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors, or shall apply for, consent to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property.

(e) Appointment of Receiver. A trustee, receiver, custodian or similar official or agent shall be appointed for the Institution or for any substantial part of its property and such trustee or receiver shall not be discharged within sixty (60) days.

(f) Involuntary Bankruptcy. The Institution shall have an order or decree for relief in an involuntary case under the federal bankruptcy laws entered against it, or a petition seeking reorganization, readjustment, arrangement, composition, or other similar relief as to it under the federal bankruptcy laws or any similar law for the relief of debtors shall be brought against it and shall be consented to by it or shall remain undismissed for sixty (60) days.



(g) Breach of Other Agreements. A breach shall occur (and continue beyond any applicable grace period) with respect to a payment by the Institution of debt service on Additional Indebtedness (irrespective of the amount borrowed) or with respect to the payment of other Indebtedness of the Institution for borrowed money with respect to loans exceeding \$10,000,000, or with respect to the performance of any agreement securing Additional Indebtedness or such other Indebtedness or pursuant to which the same was issued or incurred, or an event shall occur with respect to provisions of any such agreement relating to matters of the character referred to in this section, so that a holder or holders of such Indebtedness or a trustee or trustees under any such agreement accelerates any such Indebtedness; but an Event of Default shall not be deemed to be in existence or to be continuing under this clause if (A) the Institution is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings, or (B) such breach or event is remedied and the acceleration is wholly annulled. The Institution shall notify the Issuer and the Trustee of any such breach or event immediately upon the Institution's becoming aware of its occurrence and shall from time to time furnish such information as the Issuer or the Trustee may reasonably request for the purpose of determining whether a breach or event described in this clause has occurred.

Waiver. If the Trustee determines that a default has been cured before the entry of any final judgment or decree with respect to it, the Trustee may waive the default and its consequences, including any acceleration, by written notice to the Institution and shall do so, with the written consent of the Issuer, upon written instruction of the Owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds. (Section 601)

#### Remedies for Events of Default.

If an Event of Default occurs and is continuing:

(a) Acceleration. The Trustee may by written notice to the Institution and the Issuer declare immediately due and payable the principal amount of the Outstanding Bonds and the payments to be made by the Institution therefor, and accrued interest on the foregoing, whereupon the same shall become immediately due and payable without any further action or notice.

(b) Rights as a Secured Party; Mortgagee. The Trustee and the Issuer, as appropriate, may exercise all of the rights and remedies of a secured party under the UCC with respect to securities in the Debt Service Fund, Redemption Fund, Rebate Fund, Project Fund and Expense Fund, including the right to sell or redeem such securities and the right to retain the securities in satisfaction of the obligations of the Institution thereunder. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Institution at least seven (7) days before an event under UCC Sections 9-610 and 9-611, or any successor provision of law shall constitute reasonable notification of such event. For the avoidance of doubt, the Trustee may exercise all of the rights and remedies of a mortgagee with respect to the Mortgage, as set forth therein. (Section 602)

#### Court Proceedings.

The Trustee may enforce the obligations under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained therein, whether or not an Event of Default exists, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach of the provisions of the Agreement, including (to the extent the Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations thereunder. (Section 603)

#### Revenues after Default.

The proceeds from the exercise of the rights and remedies under "Remedies for Events of Default" shall be remitted to the Trustee upon receipt and in the form received. After payment or reimbursement of the reasonable expenses of the Trustee and the Issuer in connection therewith, the same shall be allocated between the Bonds and Additional Indebtedness in accordance with the agreement between the Institution and the Alternative Lender referred to in the Additional Indebtedness Section of the Agreement. The portion allocable to the Bonds shall be applied, first to the remaining obligations of the Institution under the Agreement (other than obligations to make

## APPENDIX C

payments to the Issuer for its own use) in such order as may be determined by the Trustee, and second, to any unpaid sums due the Issuer for its own use. Any surplus thereof shall be paid to the Institution. (Section 604)

### Remedies Cumulative.

The rights and remedies under the Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Institution or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance by the Institution or of the right to exercise any remedy for the violation. (Section 605)

### Resignation or Removal of the Trustee.

The Trustee may resign on not less than thirty (30) days' notice given in writing to the Issuer, the Bondowners and the Institution, but such resignation shall not take effect until a successor has been appointed. The Trustee will promptly certify to the Issuer that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. The Trustee may be removed (i) by written notice from the Owners of a majority in principal amount of the Outstanding Bonds to the Trustee, the Issuer and the Institution; (ii) with or without cause by the Institution with the approval of the Issuer if the Institution is not in default or (iii) with cause by the Issuer. (Section 704)

### The Issuer.

The Issuer makes no other representations or warranties, either express or implied, of any nature or kind, including, without limitation, a representation or warranty that interest on the Bonds is or will continue to be exempt from federal or state income taxation.

The Issuer covenants that it will promptly pay or cause to be paid the principal of, interest, premium, if any, and other charges, if any, on the Bonds at the place, on the dates and in the manner provided therein and in the Bonds, provided, however, that the Bonds do not now and shall never constitute a general obligation of the Issuer or a debt or pledge of the faith and credit of the Commonwealth, and all covenants and undertakings by the Issuer under the Agreement and under the Bonds to make payments are special obligations of the Issuer payable solely from the revenues and funds pledged thereunder. (Sections 801 and 802)

### Rights and Duties of the Issuer.

Remedies of the Issuer. Notwithstanding any contrary provision in the Agreement, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, directors, employees and agents and for collection or reimbursement of moneys due to it under the Agreement for its own account. The Issuer may enforce its rights under the Agreement that have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained therein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Institution of its obligations to the Issuer under the Agreement, including court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

Limitations on Actions. Without limiting the generality of Subsection 803(c), the Issuer shall not be required to monitor the financial condition of the Institution and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it thereunder.

Responsibility. The Issuer and its officers, directors, employees and agents shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken or omitted to be taken in good faith in reliance on such advice. They may rely conclusively on any communication or other document furnished to them under the Agreement and reasonably believed by them to be genuine. No such person shall be liable for any action (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (ii) in good faith omitted to be taken by it because reasonably believed to be beyond the

discretion or powers conferred upon it, (iii) taken by it pursuant to any direction or instruction by which it is governed under the Agreement or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person except its own directors, officers and employees. When any consent or other action by the Issuer is called for by the Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. It shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is provided for any expense or liability to be incurred thereby. It shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the “prime rate” of the Trustee, as announced from time to time (or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations thereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act shall be construed as a requirement to act; and no delay in the exercise of any such right or power shall affect the subsequent exercise of that right or power. The Issuer shall not be required to take notice of any breach or default by the Institution under the Agreement except when given notice thereof by the Trustee. No recourse shall be had by the Institution, the Trustee or any Bondowner for any claim based on the Agreement, the Bonds or any agreement securing the same against any director, officer, agent or employee of the Issuer alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in the Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity, and no person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Without limiting the generality of the foregoing, the Institution acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service with respect to the Series 2016-A Bonds or the exclusion of interest thereon from the gross income of the holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Institution agrees to respond promptly and thoroughly to the satisfaction of the Issuer to such examination, inquiry or related action on behalf of and at the direction of the Issuer. The Institution further agrees to pay all costs of counsel selected by the Issuer to represent the Issuer in connection with such examination, inquiry or related action. The Institution shall indemnify and hold harmless the Issuer against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service, including any settlement thereof by the Issuer. The Institution agrees to promptly give the Issuer and applicable bond counsel copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Issuer and applicable bond counsel apprised of the status with respect to such examination, inquiry or related action. The Issuer agrees to request that bond counsel promptly give the Institution copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Institution apprised of the status with respect to such examination, inquiry or related action.

Financial Obligations. Nothing contained in the Agreement is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of the Agreement or from the exercise of the Issuer’s rights thereunder other than moneys received for its own purposes. (Section 803)

#### Action by Bondowners.

Any request, authorization, direction, notice, consent, waiver or other action provided by the Agreement to be given or taken by Bondowners may be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Bondowners or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Agreement (except as otherwise herein expressly provided) if made in the following manner, but the Issuer or the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

## APPENDIX C

The fact and date of the execution by any Bondowner or its attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Issuer or to the Trustee or of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the state in which he or she purports to act, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondowner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books for the Bonds maintained by the Trustee.

Any request, consent or vote of the Owner of any Bond shall bind all future Owners of such Bond. Bonds owned or held by or for the account of the Issuer or the Institution shall not be deemed Outstanding Bonds for the purpose of any consent or other action by Bondowners. (Section 901)

### Proceedings by Bondowners.

No Bondowner shall have any right to institute any legal proceedings for the enforcement of the Agreement or any applicable remedy thereunder, unless the Bondowners have directed the Trustee to act and furnished the Trustee indemnity as provided in the Agreement and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter fail or refuse to take such action.

Subject to the foregoing, any Bondowner may by any available legal proceedings enforce and protect its rights under the Agreement and under the laws of the Commonwealth. (Section 902)

### Corporate Organization; Authorization and Powers.

The Institution represents and warrants that it is a corporation duly organized, validly existing and in good standing under the laws of The Commonwealth of Massachusetts, with the power to enter into and perform the Agreement, that it is a nonprofit educational institution within the Commonwealth authorized by law to provide a program of education beyond the high school level and that by proper corporate action it has duly authorized the execution and delivery of the Agreement. The Institution further represents and warrants that the execution and delivery of the Agreement and the consummation of the transactions contemplated therein will not conflict with or constitute a breach of or default under any bond, indenture, note or other evidence of Indebtedness of the Institution, the charter or by-laws of the Institution, any gifts, bequests or devises pledged to or received by the Institution, or any contract, lease or other instrument to which the Institution is a party or by which it is bound or cause the Institution to be in violation of any applicable statute or rule or regulation of any governmental authority. (Section 1001)

### Tax Matters.

The Institution shall not take or omit to take any action if such action or omission would (i) cause the Series 2016-A Bonds to be “arbitrage bonds” under Section 148 of the IRC, including, without limitation, as a result of computing the yield on any investment acquired with the Series 2016-A Bond proceeds other than on the basis of the “fair market value” (within the meaning of Treas. Reg. § 1.148-5(d)(6) of such investment at the time of acquisition, (ii) cause the Series 2016-A Bonds to not meet any of the requirements of Section 149 of the IRC, or (iii) cause the Series 2016-A Bonds to cease to be “qualified 501(c)(3) bonds” under Section 145 of the IRC. Without limiting the foregoing, the Institution shall not permit the \$150,000,000 nonhospital bond limitation of IRC § 145(b) to be exceeded. To the extent consistent with its status as a nonprofit educational institution, the Institution agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of such federal income tax status of the Institution.

Partly in furtherance of the foregoing, the Issuer and the Institution are entering into the Tax Certificate with respect to matters of federal tax law pertaining to the Series 2016-A Bonds issued under the Agreement. (Section 1002)

Securities Law Status.

The Institution represents and warrants that it is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit; and that no part of its net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended. The Institution shall not take any action or omit to take any action if such action or omission would change its status as set forth in this section. (Section 1003)

Annual Reports and Other Current Information.

The Institution shall from time to time render such other reports concerning the condition of the Project or compliance with the Agreement as the Issuer or the Trustee may reasonably request. Within one hundred and eighty (180) days after the close of each fiscal year, the Institution shall furnish to the Trustee and the Issuer, and to Bondowners requesting the same, copies of its audited financial statements unless such audited financial statements are available for public access on the Electronic Municipal Market Access (“EMMA”) website or the Institution’s website. If such statements are not so available, then copies of the reports and statements required to be filed with the Trustee and this section shall be filed with the Trustee in sufficient quantity to permit the Trustee to retain at least one copy for inspection by Bondowners and to permit the Trustee to mail a copy to each Bondowner who requests it. The Trustee shall maintain a list of Bondowners who have made such a request. The Institution shall furnish to the agencies rating the Bonds such information as they may reasonably require for current reports to their subscribers. The Institution shall furnish to the Issuer and to the Trustee, within sixty (60) days after the close of each fiscal year, a certificate signed by its chief operating officer or an Authorized Officer stating that the Institution has caused its operations for the year to be reviewed and that in the course of that review, no default under the Agreement has come to its attention or, if such a default has appeared, a description of the default. (Section 1005)

Maintenance of Corporate Existence.

The Institution shall maintain its existence as a nonprofit corporation qualified to do business in Massachusetts and shall not dissolve, dispose of or spin off all or substantially all of its assets, or consolidate with or merge into another entity or entities, or permit one or more other entities to consolidate with or merge into it, except that it may consolidate with or merge into one or more other entities or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to one or more other entities (and thereafter dissolve or not dissolve as it may elect), if (a) the surviving, resulting or transferee entity or entities each is a corporation having the status and powers set forth in the Agreement, (b) the transaction does not result in a conflict, breach or default referred to in the section of the Agreement captioned “Corporate Organization; Authorization and Powers”, (c) the surviving, resulting or transferee entity or entities each (i) assumes by written agreement with the Issuer and the Trustee all the obligations of the Institution thereunder, (ii) notifies the Issuer and the Trustee of any change in the name of the Institution, and (iii) executes, delivers, registers, records and files such other instruments as the Issuer or the Trustee may reasonably require to confirm, perfect or maintain the security granted thereunder. (Section 1006)

Limitation on Creation of Liens.

The Institution agrees that it will not create or suffer to be created or exist any Lien upon the Mortgaged Property other than Permitted Liens.

Permitted Liens shall consist of Liens which are described in one or more of the following clauses:

- (i) The Mortgage;
- (ii) The Lease Agreement, and any other leases, subleases or occupancy agreements permitted by the Agreement or the Lease Agreement;

## APPENDIX C

- (iii) Any judgment lien or notice of pending action against the Institution so long as such judgment or pending action is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed;
- (iv) (A) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any Mortgaged Property, to (1) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Mortgaged Property or materially and adversely affect the value thereof, or (2) purchase, condemn, appropriate or recapture, or designate a purchaser of, such Mortgaged Property; (B) any liens on any Mortgaged Property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Mortgaged Property, which are not due and payable or which are not delinquent or which, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen, and laborers, have been due for less than 60 days; (C) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances, and irregularities in the title to any Mortgaged Property which do not materially impair the use of such Mortgaged Property or materially and adversely affect the value thereof; (D) rights reserved to or vested in any municipality or public authority to control or regulate any Mortgaged Property or to use such Mortgaged Property in any manner, which rights do not materially impair the use of such Mortgaged Property or materially and adversely affect the value thereof; (E) easements hereafter granted to governmental bodies and utility companies in connection with existing or future improvements to the Mortgaged Property and (F) easements required for the maintenance and use of certain buildings and improvements located on the Mortgaged Property but which are specifically excluded from the description of the Mortgaged Property;
- (v) Any Lien described in Exhibit A to the Agreement, provided that no such Lien (or the amount of Indebtedness secured thereby) may be increased, extended, renewed or modified to apply to any Mortgaged Property not subject to such Lien on such date, unless such Lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Lien thereunder;
- (vi) Purchase money security interests and security interests existing on any Mortgaged Property prior to the time of its acquisition through purchase, merger, consolidation or otherwise, or placed upon Mortgaged Property to secure a portion of the purchase price thereof, or lessor's interests in leases required to be capitalized in accordance with generally accepted accounting principles; provided that the aggregate principal amounts secured by any such interests shall not exceed at the time of incurrence or assumption the lesser of the cost or fair market value of such Mortgaged Property;
- (vii) Liens arising by reason of good faith deposits in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;
- (viii) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers' compensation, unemployment insurance, pension or profit-sharing plans or other similar arrangements, or to share in the privileges or benefits required for companies participating in such arrangements;
- (ix) Liens on Mortgaged Property received by the Institution through gifts, grants or bequests, up to the fair market value of such Mortgaged Property;

- (x) Liens for taxes or special assessments not then delinquent or which are being contested;
- (xi) Any Lien created or permitted by the Agreement;
- (xii) Any Lien on Mortgaged Property securing Indebtedness provided that at the time of granting such Lien, a parity Lien on such Mortgaged Property is granted in favor of the Trustee for the benefit of Bondowners securing the Bonds equally and ratably;
- (xiii) Any Lien on Mortgaged Property which is subordinate to the Lien granted to the Trustee pursuant to clause (x); and
- (xiv) Any Lien upon Mortgaged Property, provided that the Trustee shall have received a certificate of an Authorized Officer of the Institution to the effect that the loss of the Mortgaged Property would not have any material adverse effect upon (1) the security for the Bonds or (2) the operations of the Mortgaged Property. (Section 1007)

Release of Mortgage upon Sale of Mortgaged Property.

In the event that the Institution sells the Mortgaged Property, the Mortgage may be released so long as the Mortgaged Property was sold at fair market value based upon an MAI appraisal and all net proceeds of such sale are applied equally and ratably to defease or redeem Bonds, including the payment of any optional redemption price or Make-Whole Redemption Price, as applicable. (Section 1008)

Continuing Disclosure.

The Institution hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. The Issuer shall have no liability to the Owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of the Agreement, failure of the Institution to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Owner (including a Beneficial Owner) of Bonds may seek specific performance of the Institution's obligations to comply with its obligations under the Continuing Disclosure Agreement or this section and not for money damages in any amount.

Indemnification by the Institution.

The Institution, regardless of any agreement to maintain insurance, will indemnify the Issuer against: (a) any and all claims by any person related to the participation of the Issuer in the transactions contemplated by the Agreement, including without limitation claims arising out of (i) any condition of the Project or the construction, use, occupancy or management thereof; (ii) any accident, injury or damage to any person occurring in or about or as a result of the Project; (iii) any breach by the Institution of its obligations under the Agreement; (iv) any act or omission of the Institution or any of its agents, contractors, servants, employees or licensees; or (v) the offering, issuance, sale or any resale of the Bonds to the extent permitted by law, and (b) all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer by reason of any such claim, the Institution will defend the same at its expense upon notice from the Issuer, and the Issuer will cooperate with the Institution, at the expense of the Institution, in connection therewith. The Institution shall indemnify the Trustee against: (a) the claims of any person arising out of any condition of the Project, the construction, use, occupancy or management thereof, or any accident, injury or damage to any person occurring in or about the Project; and (b) any and all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Trustee by reason of any such claim, the Institution upon notice from the Trustee shall defend the same and the Trustee shall cooperate with the Institution, at the expense of the Institution, in connection therewith. This indemnification shall survive the termination or defeasance of the Agreement. (Section 1010)

## APPENDIX C

### Amendment.

This Agreement may be amended by the parties without Bondowner consent for any of the following purposes: (a) to provide for the issuance of additional Bonds or the incurring of Additional Indebtedness pursuant to the section of the Agreement captioned “Additional Indebtedness”, (b) to subject additional property to the lien of the Agreement, (c) to provide for the establishment or amendment of a book entry system of registration for any series of Bonds through a securities depository (which may or may not be DTC), (d) to add to the covenants and agreements of the Institution or to surrender or limit any right or power of the Institution, or (e) to cure any ambiguity or defect, or to add provisions which are not inconsistent with the Agreement and which do not impair the security for the Bonds.

Except as provided in the foregoing paragraph, the Agreement may be amended only with the written consent of the Owners of at least a majority in principal amount of the Outstanding Bonds; provided, however, that no amendment of the Agreement may be made without the unanimous written consent of the affected Bondowners for any of the following purposes: (i) to extend the maturity of any Bond, (ii) to reduce the principal amount or interest rate of any Bond, (iii) to make any Bond redeemable other than in accordance with its terms, (iv) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) to reduce the percentage of the Bonds required to be represented by the Bondowners giving their consent to any amendment.

Any amendment of the Agreement shall be accompanied by an opinion of Bond Counsel to the effect that the amendment (i) is permitted by the Agreement and (ii) will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. (Section 1101)

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## APPENDIX D

## [PROPOSED FORM OF BOND COUNSEL OPINION]

[Delivery Date of Bonds]

Massachusetts Development Finance Agency  
99 High Street, 11<sup>th</sup> Floor  
Boston, MA 02110

\$137,970,000

Massachusetts Development Finance Agency  
Revenue Bonds, Emmanuel College Issue, Series 2016-A  
(the “Series 2016-A Bonds”)  
Dated their Date of Delivery

and

\$50,265,000

Massachusetts Development Finance Agency  
Revenue Bonds, Emmanuel College Issue, Series 2016-B (Federally Taxable) (Green Bonds)  
(the “Series 2016-B Bonds” and together with the Series 2016-A Bonds, the “Bonds”)  
Dated their Date of Delivery

We have acted as bond counsel to The Trustees of Emmanuel College (the “Institution”) in connection with the issuance of the above-referenced bonds (the “Bonds”) by the Massachusetts Development Finance Agency (the “Agency”). In such capacity, we have examined the law and such certified proceedings and other papers as deemed necessary to render this opinion, including the Loan and Trust Agreement dated as of June 1, 2016 (the “Agreement”) among the Agency, the Institution and U.S. Bank National Association, as trustee (the “Trustee”).

As to questions of fact material to our opinion we have relied upon representations and covenants of the Agency and the Institution contained in the Agreement and in the certified proceedings and other certifications of public officials furnished to us, and certifications of officials of the Institution and others, without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to the Agreement. The Bonds are payable solely from funds to be provided therefor by the Institution pursuant to the Agreement. Under the Agreement, the Institution has agreed to make payments sufficient to pay when due the principal (including sinking fund installments) and purchase or redemption price (or Make-Whole Redemption Price) of and interest on the Bonds. Such payments and other moneys payable to the Agency or the Trustee under the Agreement, including proceeds derived from any

## APPENDIX D

security provided thereunder (collectively the “Revenues”), and the rights of the Agency under the Agreement to receive the same (excluding, however, certain administrative fees, indemnification and reimbursements), are pledged and assigned by the Agency as security for the Bonds. The Bonds are payable solely from the Revenues.

We express no opinion with respect to compliance by the Institution with applicable legal requirements with respect to the Agreement or in connection with the operation of the Project (as defined in the Agreement) being financed and refinanced by the Bonds.

Reference is made to an opinion of even date of Ropes & Gray LLP, counsel to the Institution, with respect to, among other matters, the corporate existence of the Institution, the power of the Institution to carry out the Project (as defined in the Agreement), the power of the Institution to enter into and perform its obligations under the Agreement, the authorization, execution and delivery of the Agreement by the Institution and the current qualification of the Institution as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”). We note that such opinion is subject to the limitations and conditions described therein. Failure of the Institution to maintain its status as an organization described in Section 501(c)(3) of the Code or to use the Project in activities of the Institution that do not constitute unrelated trades or businesses of the Institution within the meaning of Section 513 of the Code may result in interest on the Series 2016-A Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2016-A Bonds.

Based on our examination, we are of the opinion, under existing law, as follows:

1. The Agency is a duly created and validly existing body corporate and politic and a public instrumentality of The Commonwealth of Massachusetts with the power to enter into and perform the Agreement and to issue the Bonds.
2. The Agreement has been duly authorized, executed and delivered by the Agency and is a valid and binding obligation of the Agency enforceable against the Agency. As provided in Chapter 23G of the General Laws of The Commonwealth of Massachusetts, the Agreement creates a valid lien on the Revenues and on the rights of the Agency or the Trustee on behalf of the Agency to receive Revenues under the Agreement (except certain rights to indemnification, reimbursements and fees).
3. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency, payable solely from the Revenues.
4. Interest on the Series 2016-B Bonds is included in the gross income of the owners of the Series 2016-B Bonds for federal income tax purposes. Interest on the Series 2016-A Bonds is excluded from the gross income of the owners of the Series 2016-A Bonds for federal income tax purposes. In addition, interest on the Series 2016-A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Agency and the Institution with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2016-A Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The Institution and, to the extent necessary, the

Agency have covenanted in the Agreement to comply with all such requirements. Failure by the Agency or the Institution to comply with certain of such requirements may cause interest on the Series 2016-A Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2016-A Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

5. Interest on the Bonds is exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Massachusetts.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds and the Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

HINCKLEY, ALLEN & SNYDER LLP

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) is made and entered into as of June 16, 2016, between U.S. Bank National Association, as Disclosure Agent (defined below), and The Trustees of Emmanuel College (the “Obligated Party”).

RECITALS

WHEREAS, this Agreement is being executed and delivered in connection with the issuance by Massachusetts Development Finance Agency (the “Issuer”) of its \$137,970,000 aggregate principal amount of Revenue Bonds Emmanuel College Issue, Series 2016-A (the “Series 2016-A Bonds”) and its \$50,265,000 aggregate principal amount of Revenue Bonds Emmanuel College Issue, Series 2016-B (Federally Taxable) (Green Bonds) (the “Series 2016-B Bonds” and, together with the Series 2016-A Bonds, the “Bonds”). The Bonds are being issued pursuant to a Loan and Trust Agreement dated as of June 1, 2016 (the “Agreement”) among the Obligated Party, the Issuer and U.S. Bank National Association, as trustee (the “Trustee”).

WHEREAS, the Obligated Party and Disclosure Agent are entering into this Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”) as defined below.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Rule, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions; Scope of this Agreement.

(a) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Rule, as amended and supplemented from time to time. Notwithstanding the foregoing, the term “Disclosure Agent” shall initially mean U.S. Bank National Association; any such successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto pursuant to Section 4(e). The following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean a copy of the annual audited financial information prepared by the Obligated Party in accordance with generally accepted accounting principles, provided, however, that the Obligated Party may change the accounting principles used for preparation of such financial information so long as the Obligated Party includes, as information provided to the public, a statement to the effect that different accounting principles are being used.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any holder of the Bonds and any Beneficial Owner thereof.

“Construction Update” shall mean the amount of Bonds expended on the Julie Hall Project (as defined in the Offering Document) as of such date.

“Disclosure Agent” shall mean the initial Disclosure Agent, which is U.S. Bank National Association, or any successor Disclosure Agent designated in writing by the Obligated Party and which has filed with the Obligated Party, the Trustee, and the Issuer a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access (“EMMA”) system, or its successor as designated by the MSRB.

“Event” shall mean any of the Events listed in items (1) through (14) below, the occurrence of which the Obligated Party obtains knowledge, which Events shall be reported to the Disclosure Agent for further reporting to EMMA. To the extent any Event requires a materiality determination, such determination shall be made by the Obligated Party:

1. principal and interest payment delinquencies;
2. non-payment-related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the 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 rights of holders of the Bonds, if material;
8. bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an Event);
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 Obligated Party;

Note to clause (12): For the purposes of this Event, the Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Party in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Party, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Party;

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

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

The SEC requires the listing of (1) through (14) although some of such Events may not be applicable to the Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Offering Document” shall mean the Official Statement, dated June 9, 2016.

“Operating Data” shall mean an update of the following information contained in the Offering Document: student enrollment and application statistics of the kind set forth in the charts provided in Appendix A to the Offering Document (“Appendix A”) under the headings “STUDENT ENROLLMENT AND APPLICATIONS – Student Enrollment,” “– Selected Measures of Student Quality,” “– Change in Geographic Distribution,” and “– Applications, Acceptances and Admissions – Undergraduate (*Traditional Full Time 18-25 year olds*)”; tuition and fees statistics of the kind set forth in the charts provided in Appendix A under the headings “TUITION AND FEES – Undergraduate (*Traditional Full Time 18-25 year olds*)” and “– Schedule of Tuition Per Course, Per Semester (Non-Traditional)”; and student financial aid statistics of the kind set forth in the chart provided in Appendix A under the headings “FINANCIAL AID,” “FINANCIAL OPERATIONS – Fundraising,” and “– Investments.”

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the Commonwealth of Massachusetts.

(b) The Disclosure Agent shall have no obligation to disclose information about the Bonds except as expressly provided herein. The fact that the Disclosure Agent or any affiliate thereof may have any fiduciary or banking relationship with the Obligated Party, apart from the relationship created by the Rule shall not be construed to mean that the Disclosure Agent has actual knowledge of any event or condition except as may be provided by written notice from the Obligated Party.

## SECTION 2. Disclosure of Information.

(a) General Provisions: This Agreement governs the Obligated Party’s direction to the Disclosure Agent, with respect to information to be made public. In its actions under this Agreement, the Disclosure Agent is acting as the Obligated Party’s agent.

(b) Information Provided to the Public: Except to the extent this Agreement is modified or otherwise altered in accordance with Section 3 hereof, the Obligated Party shall make or cause to be made public the information set forth in subsections (b)(1), (b)(2), (b)(3) and (b)(4) of this Section 2.

1. Annual Financial Information and Operating Data: The Obligated Party shall make public or cause to be made public Annual Financial Information, the Construction Update and Operating Data within 180 days after the end of each fiscal year, commencing with the fiscal year ended June 30, 2016. If the Obligated Party is unable to provide the audited Annual Financial Information within such period, the Obligated Party shall make public or cause to be made public unaudited annual financial information within such period, and shall make public or cause to be made public the audited Annual Financial Information once available. Any or all of the Annual Financial Information and Operating Data may be incorporated by reference from other documents, including Offering Documents of debt issues of the Obligated Party or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB’s website or filed with the SEC.

2. Construction Update: The Obligated Party shall make public or cause to be made public the Construction Update within 15 business days after the end of each fiscal quarter (March 31, June 30, September 30 and December 31), commencing with the fiscal quarter ended September 30, 2016 and ending once the Obligated Party receives the certificate of occupancy for the Julie Hall Project (as defined in the Offering Document).

3. Event Notices: The Obligated Party shall make public or cause to be made public, notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

4. Failure to Provide Annual Financial Information, Operating Data or Construction Update: The Obligated Party shall make public or cause to be made public notice of the failure of the Obligated Party to provide the Annual Financial Information, Operating Data or Construction Update by the respective dates in subsections (b)(1) and (b)(2) of this Section 2.

(c) Information Provided by Disclosure Agent to the Public:

1. Notwithstanding anything to the contrary contained in this Agreement, in order to expedite the transmission to the MSRB, the Obligated Party shall have the option, but shall not be obligated, to submit the information set forth in subsection (b) of this Section 2 directly to the MSRB. Subject to the foregoing sentence, the Obligated Party hereby directs the Disclosure Agent on its behalf to make public in accordance with subsection (d) of this Section 2 and within the time frame set forth in clause (3) below, and the Disclosure Agent agrees to act as the Obligated Party's agent in so making public, the information set forth in subsection (b) of this Section 2, along with such other information as the Obligated Party shall determine to make public through the Disclosure Agent and shall provide to the Disclosure Agent in the form required by subsection (c)(2) of this Section 2. If the Obligated Party chooses to include any information in any Annual Financial Information and Operating Data report, any Construction Update or any notice of occurrence of an Event, in addition to that which is specifically required by this Agreement, the Obligated Party shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Operating Data report, Construction Update or notice of occurrence of an Event.

2. The Disclosure Agent shall make public the Annual Financial Information, unaudited annual financial information, as applicable, Operating Data, Construction Update and Event occurrences within the following time periods:

(a) with respect to Annual Financial Information, unaudited annual financial information, as applicable, Operating Data, and Construction Update, five (5) business days upon receipt by the Disclosure Agent of the disclosure from the Obligated Party,

(b) with respect to Event occurrences, two (2) business days upon receipt by the Disclosure Agent of the Event disclosure from the Obligated Party.

If, on any such date, information required to be provided by the Obligated Party to the Disclosure Agent has not been provided as required per this Agreement, the Disclosure Agent shall make such information public as soon thereafter as it is provided to the Disclosure Agent.

(d) Means of Making Information Public:

1. Information shall be deemed to be made public by the Obligated Party or the Disclosure Agent under this Agreement if it is transmitted as provided in subsection (d)(2) of this Section 2 by the following means:

(a) to the Bondholders of outstanding Bonds, by the method prescribed by the Rule;

(b) to the MSRB in a word searchable portable document format (PDF) as required by the Rule, or other applicable document or agreement, accompanied by identifying information as prescribed by the MSRB (a description of such format and information is included in Exhibit A hereto) and/or;

(c) to the SEC by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Obligated Party or



the Disclosure Agent is authorized to transmit information to the SEC by whatever means are mutually acceptable to the Disclosure Agent or the Obligated Party, as applicable, and the SEC.

2. Information shall be transmitted to the following:

(a) information to be provided to the public in accordance with subsection (b) of this Section 2 shall be transmitted to the MSRB;

(b) all information described in clause (a) of this subsection shall be made available to any Bondholder upon request, but need not be transmitted to the Bondholders who do not so request;

(c) to the extent the Obligated Party is obligated to file any Annual Financial Information and Operating Data with the MSRB pursuant to this Agreement, such Annual Financial Information and Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's website or filed with the SEC.

3. Nothing in this Agreement shall be construed to require the Disclosure Agent to interpret or provide an opinion concerning any information made public. If the Disclosure Agent receives a request for an interpretation or opinion, the Disclosure Agent may refer such request to the Obligated Party for response.

(e) Disclosure Agent Compensation: The Obligated Party shall pay or reimburse the Disclosure Agent (if other than the Obligated Party) for its fees and expenses for the Disclosure Agent's services rendered in accordance with this Agreement.

(f) Indemnification of Disclosure Agent: In addition to any and all rights of the Disclosure Agent for reimbursement, indemnification and other rights pursuant to the Rule or under law or equity, the Obligated Party shall indemnify and hold harmless the Disclosure Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Disclosure Agent's performance under this Agreement; provided that the Obligated Party shall not be required to indemnify the Disclosure Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the negligence or willful misconduct of the Disclosure Agent. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Disclosure Agent and payment of the Bonds.

The Disclosure Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Obligated Party, the Bondholder or any other party.

SECTION 3. Amendment or Waiver. Notwithstanding any other provision of this Agreement, the Obligated Party and the Disclosure Agent may amend this Agreement and the Disclosure Agent shall agree to any reasonable amendment requested by the Obligated Party and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws acceptable to both the Obligated Party and the Disclosure Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Subject to the provisions of this Section 3, the parties hereto may enter into any amendment, change or modification of this Agreement in connection with curing any ambiguity or formal defect or omission, in order to comply with the requirements of federal or state securities laws. In making a determination above, the Disclosure Agent may rely on the advice of counsel.

SECTION 4. Miscellaneous.

(a) Representations: Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver, and perform this Agreement under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Agreement and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Bonds.

(b) Governing Law: This Agreement shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

(c) Severability: If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(d) Counterparts: This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(e) Termination: This Agreement may be terminated by any party to this Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Agreement; provided the termination of this Agreement is not effective until (i) the Obligated Party, or its successor, enters into a new continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Agreement is provided to the MSRB.

The Disclosure Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon payment or provisions for payment of the Bonds. This Agreement shall terminate when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

(f) Disclosure Agent: The Obligated Party may, from time to time, with notice to the Trustee and the Issuer, appoint or engage a Disclosure Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may, with notice to the Trustee and the Issuer, discharge any Disclosure Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent (if other than the Obligated Party) may resign upon 30 days' written notice to the Obligated Party, the Trustee, and the Issuer. In the absence of a third-party Disclosure Agent, the Obligated Party shall serve as the Disclosure Agent.

(g) Default: In the event of failure of the Obligated Party to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Obligated Party to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the indenture or the bonds and the sole remedy under this Agreement in the event of any failure of the Obligated Party to comply with this Agreement shall be an action to compel performance.

(h) Beneficiaries: This Agreement is entered into by the parties hereof and shall inure solely to the benefit of the Obligated Party, the Disclosure Agent, the Participating Underwriter and Bondholder and shall create no rights in any other person or entity.

Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Obligated Party: Emmanuel College  
400 The Fenway  
Room A-335A  
Boston, MA 02115,  
Tel: (617) 735-9822  
Attention: Vice President of Finance/Treasurer

To the Disclosure Agent: U.S. Bank National Association  
One Federal Street. 3rd Floor  
Boston, MA 02110  
Tel: (617) 603-6565  
Attention: \_\_\_\_\_

To the Issuer: Massachusetts Development Finance Agency  
99 High Street, 11th Floor  
Boston, MA 02110  
Tel: (617) 330-2000  
Fax: (617) 330-2001  
Attention: Senior Vice President for Investment Banking,  
with a copy to the General Counsel

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, the Disclosure Agent and the Obligated Party have each caused their duly authorized officers to execute this Agreement, as of the day and year first above written.

Date: June 16, 2016

THE TRUSTEES OF EMMANUEL COLLEGE

By: \_\_\_\_\_

Name:

Title:

U.S. BANK NATIONAL ASSOCIATION,  
as Disclosure Agent

By: \_\_\_\_\_

Title:

## **EXHIBIT A**

### **MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information**

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information and operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made in a portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at [www.emma.msrb.org](http://www.emma.msrb.org).

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