

In the opinion of Hodgson Russ LLP, Bond Counsel to the Issuer, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the individual and corporate alternative minimum taxes imposed by the Code, except that (a) the Institution or another person, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Bonds is subject to certain alternative minimum taxes imposed on corporations, and certain other taxes. In the further opinion of Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York. For a more complete discussion, including certain other tax considerations, see "Tax Matters" herein.

\$19,785,000

RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Civic Facility Revenue Bonds

(Emma Willard School Refunding Project), Series 2015A



Dated: Date of Delivery

Due: as shown on inside cover

The Rensselaer County Industrial Development Agency (the "Issuer") is issuing its \$19,785,000 aggregate principal amount of Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A (the "Bonds"). The Bonds are issuable only as fully registered bonds in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The Bonds will be issued under a Book-Entry Only System, registered in the name of Cede & Co., as Registered Owner (as defined herein) and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases of beneficial interests in the Bonds will be made in book-entry form. Purchasers of beneficial interests in the Bonds will not receive certificates representing interests in the Bonds that they purchase. So long as Cede & Co., as nominee of DTC, is the Registered Owner of the Bonds, reference herein to the Bondholders (as defined herein) or Registered Owners shall mean Cede & Co., rather than the Beneficial Owners (as defined herein) of the Bonds.

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. Interest on the Bonds will accrue from their date of delivery and is payable on January 1, 2016 and semiannually thereafter on July 1 and January 1 of each year. Payments of the principal of and premium, if any, and interest on the Bonds will be made by The Bank of New York Mellon, as trustee and paying agent (the "Trustee") for the Bonds, to DTC, so long as DTC or its nominee is the Registered Owner of the Bonds, in accordance with the Trust Indenture described herein and the Trustee shall have no obligation to make payments to any Beneficial Owner of any Bond. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC participants and indirect participants. See "THE BONDS - Book-Entry Only System" herein.

The Bonds are subject to redemption prior to maturity as set forth herein.

The Bonds are special, limited obligations of the Issuer payable solely out of the revenues or other receipts, funds or moneys of the Issuer pledged therefor or otherwise available to the Trustee for the payment thereof, including those derived under a Trust Indenture, dated as of August 1, 2015 (the "Indenture"), between the Issuer and the Trustee, and an Installment Sale Agreement, dated as of August 1, 2015 (the "Installment Sale Agreement"), between the Issuer and Emma Willard School (the "Institution"), and the security provided by the Pledge and Assignment and the Guaranty (as defined herein).

The purchase of the Bonds involves a degree of risk. (See the caption "RISK FACTORS" herein).

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, RENSSELAER COUNTY, NEW YORK. NO RECOURSE SHALL BE MADE FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON, ANY BOND AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE COMPANY) OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered when, as and if issued by the Issuer and received by Citigroup Global Markets Inc. (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice and subject to the approving opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by its counsel, Rensselaer County Attorney's Office, Peter Kehoe, Esq., Troy, New York; for the Institution by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York; and for the Underwriter by its counsel, McCarter & English, LLP, Boston, Massachusetts. It is expected that the Bonds will be available for delivery in definitive form to DTC in New York, New York on or about August 19, 2015.

Citigroup

MATURITIES, AMOUNTS, INTEREST RATES AND YIELDS

\$19,785,000

**Rensselaer County Industrial Development Agency
Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A**

\$19,785,000 Serial Bonds

<u>Due</u> <u>January 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
2017	\$ 915,000	5.000%	0.870%	759921DY2
2018	960,000	5.000	1.180	759921DZ9
2019	1,010,000	5.000	1.460	759921EA3
2020	1,060,000	5.000	1.720	759921EB1
2021	1,115,000	5.000	2.040	759921EC9
2022	1,175,000	5.000	2.370	759921ED7
2023	1,235,000	5.000	2.590	759921EE5
2024	1,285,000	3.000	2.760	759921EF2
2025	735,000	5.000	2.880	759921EG0
2026	775,000	5.000	3.040 ^c	759921EH8
2027	805,000	3.125	3.340	759921EJ4
2028	830,000	3.250	3.480	759921EK1
2029	860,000	3.500	3.650	759921EL9
2030	890,000	3.500	3.700	759921EM7
2031	920,000	3.625	3.790	759921EN5
2032	955,000	3.625	3.800	759921EP0
2033	990,000	3.750	3.900	759921EQ8
2034	1,035,000	5.000	3.620 ^c	759921ER6
2035	1,090,000	5.000	3.660 ^c	759921ES4
2036	1,145,000	5.000	3.700 ^c	759921ET2

^c Yield to the first optional call date of January 1, 2025.

[†] CUSIP® is a registered trademark of the American Bankers Association (the "ABA"). CUSIP-based identifiers are assigned by CUSIP Global Services. CUSIP Global Services is managed on behalf of the ABA by Standard & Poor's, a division of Standard & Poor's Financial Services LLC. The CUSIP numbers have been assigned by an organization not affiliated with 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 holders 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 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.

No broker, dealer, salesman or other person has been authorized by the Issuer, the Institution or the Underwriter to give any information or to make any 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. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such an offer or solicitation is not authorized or in which it is unlawful to make such an offer or solicitation.

The information contained herein under the heading “THE ISSUER” has been furnished by the Issuer. All other information contained herein has been obtained from the Institution and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer or the Underwriter. 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.

Notwithstanding the foregoing paragraph, the Institution has agreed to enter into a Disclosure Agreement pursuant to which the Institution will provide certain continuing disclosure with respect to the Institution. The purpose of the Disclosure Agreement is to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. See “CONTINUING DISCLOSURE” herein.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon the exemptions contained in such acts. The Bonds will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency will have passed upon the accuracy or adequacy hereof.

References in this Official Statement to any legislation or documents, including the Act, the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty, the Continuing Disclosure Agreement, and the Bond Purchase Agreement (each as defined herein), do not purport to be complete. Refer to such legislation and documents for full and complete details of their provisions. Following delivery of the Bonds, copies of the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty and the Continuing Disclosure Agreement as expected to be on file with the Trustee.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Issuer and the Institution. These forward-looking statements speak only as of the date of this Official Statement. The Issuer and the Institution disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s or the Institution’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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, its 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.

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

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TABLE OF CONTENTS

INTRODUCTION..... 1
SECURITY FOR THE BONDS 3
THE BONDS..... 4
THE ISSUER 10
THE INSTITUTION 11
THE PROJECT AND PLAN OF REFUNDING 11
VERIFICATION OF MATHEMATICAL COMPUTATIONS..... 11
ESTIMATED SOURCES AND USES OF FUNDS 12
DEBT SERVICE REQUIREMENTS 12
RISK FACTORS 13
SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS 14
TAX MATTERS 14
LEGAL MATTERS 19
UNDERWRITING 19
DESCRIPTION OF RATINGS..... 20
CONTINUING DISCLOSURE 20
LITIGATION 21
STATE NOT LIABLE ON BONDS 21
LEGALITY FOR INVESTMENT AND DEPOSIT 21
OTHER MATTERS 21

- Appendix A – Information Concerning the Institution
- Appendix B – Financial Statements of the Institution
- Appendix C – Schedule of Definitions
- Appendix D – Summaries of Certain Provisions of the Financing Documents
- Appendix E – Form of Continuing Disclosure Agreement
- Appendix F – Form of Approving Opinion of Bond Counsel

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RENSSELAER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**OFFICIAL STATEMENT
RELATING TO**

**\$19,785,000
Civic Facility Revenue Bonds
(Emma Willard School Refunding Project), Series 2015A**

INTRODUCTION

This Official Statement, including the cover page and appendices, sets forth certain information in connection with the issuance and sale of the Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A in the aggregate principal amount of \$19,785,000 (the “Bonds”) of the Rensselaer County Industrial Development Agency (the “Issuer”), a body politic and corporate and a public benefit corporation organized and existing under the laws of the State of New York (the “State”). The Issuer is authorized under Article 18-A of the General Municipal Law of the State, enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended, together with Chapter 128 of the Laws of 1974 of the State (collectively, and as amended, the “Enabling Act”), and pursuant to resolutions of the Issuer adopted on June 11, 2015 and July 9, 2015, to issue the Bonds. The Bonds will be issued under and be secured by a Trust Indenture, dated as of August 1, 2015 (the “Indenture”) by and between the Issuer and The Bank of New York Mellon, as trustee (the “Trustee”). The Trustee is also bond registrar and paying agent.

The Bonds are being issued by the Issuer to refinance a portion of the costs of a project consisting generally of the refinancing of the Civic Facility Revenue Bonds (Emma Willard School Project), Series 2006 (the “2006 Bonds”), that mature on and after January 1, 2017, such 2006 Bonds currently outstanding in the aggregate amount of \$26,740,000. The proceeds of the 2006 Bonds financed certain projects of Emma Willard School (the “Institution”), located on the Institution’s campus (the “Campus”) at 285 Pawling Avenue in the city of Troy, Rensselaer County, New York. The proceeds of the Bonds will also be used to pay a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds and any reserve funds as may be necessary to secure the Bonds. See, “THE PROJECT AND PLAN OF REFUNDING” herein.

The Institution will execute and deliver (1) a certain License Agreement, dated as of August 1, 2015 (the “License to Issuer”), by and between the Institution, as licensor, and the Issuer, as licensee, pursuant to which the Institution will grant to the Issuer a license to enter upon the Land in the event of an occurrence of an Event of Default by the Institution, for the purpose of pursuing its remedies under the Installment Sale Agreement (as hereinafter defined), and (2) a Bill of Sale, dated as of August 1, 2015 (the “Bill of Sale to Issuer”), from the Institution to the Issuer, pursuant to which the Institution will convey to the Issuer the Institution’s interest in the portion of the Project Facility (defined herein) constituting fixtures and other personal property. The Issuer will then execute and deliver an Installment Sale Agreement, dated as of August 1, 2015 (the “Installment Sale Agreement”), by and between the Issuer and the Institution, pursuant to which the Issuer will sell the Project Facility to the Institution. Under the Installment Sale Agreement, the Institution will make installment sale payments sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

The Bonds will be equally and ratably secured as to principal and interest by the pledge and assignment of the Trust Estate (as defined in the Indenture) to the Trustee pursuant to the Indenture. See “SECURITY FOR THE BONDS”.

As further security for the Bonds and the Institution’s obligations under the Installment Sale Agreement, (i) the Issuer will assign and pledge to the Trustee all of the Issuer’s rights (except the Issuer’s Unassigned Rights) under the Installment Sale Agreement, pursuant to a certain Pledge and Assignment, dated as of August 1, 2015 (the

“Pledge and Assignment”), from the Issuer to the Trustee and (ii) the Institution will guarantee to the Trustee the payment of the principal of (including Sinking Fund Installments on), Redemption Price of, and interest on the Bonds, pursuant to a certain Guaranty Agreement, dated as of August 1, 2015 (the “Guaranty”) from the Institution to the Trustee.

The Indenture, among other things, provides that the Issuer will deposit the proceeds of the sale of the Bonds with the Trustee and that the Trustee will disburse such proceeds to pay the costs of the Project. The Indenture grants the Trustee a security interest in the proceeds of the sale of the Bonds held by the Trustee prior to disbursement.

The Bonds are issuable in the form of fully registered bonds in minimum denominations of \$5,000 or integral multiples of \$5,000 in excess thereof. The Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds. Individual purchases of beneficial interests in the Bonds will be made in book-entry form. Purchasers of beneficial interests in the Bonds will not receive certificates representing their interest in the Bonds that they purchase. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references herein to the Bondowners or registered owners shall mean Cede & Co. rather than the beneficial owners of the Bonds.

The Bonds are special limited obligations of the Issuer payable solely from payments made by the Institution under the Installment Sale Agreement, moneys and securities held by the Trustee under the Indenture and the security provided by the Pledge and Assignment and the Guaranty.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING WITHOUT LIMITATION, RENSSELAER COUNTY, NEW YORK) AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING WITHOUT LIMITATION, RENSSELAER COUNTY, NEW YORK) SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL TAXING POWERS OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF (INCLUDING WITHOUT LIMITATION, RENSSELAER COUNTY, NEW YORK). THE ISSUER HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal of, or the interest on, any Bond or for any claim based thereon against any past, present or future member, officer, director, employee or agent (except the Institution), as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

The purchase of the Bonds involves a degree of risk. Prospective purchasers should carefully consider the material under the caption “RISK FACTORS” herein.

The summaries contained herein are not comprehensive or definitive. All references to the Bonds, the Indenture and the Installment Sale Agreement are qualified in their entirety by the definitive forms thereof. See APPENDIX D - SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS.

Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings specified in APPENDIX C – SCHEDULE OF DEFINITIONS attached hereto. Terms not otherwise defined in this Official Statement have the meanings provided in the specific documents.

SECURITY FOR THE BONDS

General

The Bonds will be secured by (A) the assignment of the Installment Sale Agreement (except for the Unassigned Rights) effected by the Pledge and Assignment, including the right to receive purchase price payments thereunder, (B) other moneys and securities held from time to time by the Trustee for the Bondowners pursuant to the Indenture, including all proceeds of the Bonds prior to their disbursement pursuant to the terms of the Indenture and the Installment Sale Agreement, but excluding moneys held in the Rebate Fund established under the Indenture, and (C) the Guaranty. Under the Installment Sale Agreement, the Institution will covenant as a general obligation of the Institution to make installment purchase payments to the Issuer which will be sufficient to pay all Debt Service Payments on the Bonds. THE BONDS ARE NOT SECURED BY ANY OTHER COLLATERAL. See “RISK FACTORS” herein.

THE BONDS DO NOT CONSTITUTE AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR RENSSELAER COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR THE INTEREST ON ANY BOND AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION) OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

Events of Default and Acceleration

The Bonds are subject to acceleration and other remedies upon the occurrence of certain events of default as more fully described in APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS – “Summary of Certain Provisions of the Indenture – Acceleration and Remedies; Rights of Bondholders.”

Agreement of the State

Under the Act, the State pledges to and agrees with the holders of any notes or bonds issued by the Issuer, including the Bonds, that the State will not limit or alter the rights vested in the Issuer to fulfill the terms of any agreements made by the Issuer with the holders of its notes or bonds including the Bonds, or in any way impair the rights and remedies of such holders until the notes, or bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the holders of the Bonds upon an Event of Default under the Indenture or any other Financing Document are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, Title 11 of the United States Code (the Federal Bankruptcy Code), the remedies provided in such documents 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 various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by judicial principles of entity.

Additional Bonds and Additional Indebtedness

Under satisfaction of certain conditions under the Indenture and the Guaranty, one or more series of Additional Bonds may be issued under the Indenture to provide funds to pay any one or more of the following: (i) costs of completion of the Project Facility in excess of the amount in the Project Fund; (ii) costs of any Additional

Project; (iii) costs of refunding or advance refunding any or all of the bonds previously issued under the Indenture; (iv) costs of making any modifications, additions or improvements to the Project Facility that the Institution may deem necessary or desirable; and/or (v) costs of the issuance and sale of the Additional Bonds, capitalized interest, funding debt service reserves (if necessary or required) and other costs reasonably related to any of the foregoing. Each series of Additional Bonds will be equally and ratably secured under the Indenture with the Bonds and with all other series of Additional Bonds, without preference, priority or distinction of any Bond over any other Bond. The consent of the Bondowners shall not be required prior to the issuance of Additional Bonds. See APPENDIX D - SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS.

The Institution may incur additional Indebtedness so long as (i) no Event of Default exists or would exist as a result of the incurrence of such Indebtedness; and (ii) upon the incurrence of the additional Indebtedness the sum of the Bonds then Outstanding plus all other Long-Term Indebtedness then Outstanding, shall not exceed 50% of the Institution's Cash and Investments, *provided, however*, that the foregoing provision shall not restrict nor operate to prevent (a) Indebtedness of the Institution with respect to the Bonds; (b) Indebtedness in connection with the purchase or lease (including capitalized leases) of personal property secured by non-recourse purchase money security interests with respect to such personal property; (c) Indebtedness secured by Permitted Encumbrances; (d) Indebtedness in connection with the acquisition or lease (including capitalized leases) of real property secured solely by non-recourse purchase money mortgages on such real property; (d) Indebtedness in connection with a Lease Agreement relating to the lease by the Institution of a boathouse (See APPENDIX A – INFORMATION CONCERNING THE INSTITUTION – “Indebtedness”); or (e) Short-Term Indebtedness.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof and to the Indenture and the Installment Sale Agreement, and the discussion herein is qualified by such reference.

General

The Bonds will be issued in the aggregate principal amount as described on the cover page hereof in the form of fully registered bonds numbered 2015AR-1 upwards or in any other manner deemed appropriate by the Trustee and the Issuer and will bear interest as set forth below. The Bonds will mature as described on the inside cover page hereof and are subject to redemption and purchase prior to maturity as described below. The Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof and will initially be dated and bear interest from their date of delivery, payable on each January 1 and July 1, commencing January 1, 2016, at the interest rates set forth on the inside cover page of this Official Statement (on the basis of a 360-day year composed of twelve 30-day months).

Payment Provisions

Interest and any Sinking Fund Installment or principal payment due prior to maturity on any Bond which is punctually paid or duly provided for, on any Bond Payment Date shall be paid to the persons appearing on the bond register as the Holder of the Bond at the close of business on the Regular Record Date, by check or draft of the Trustee mailed by the Trustee on such Bond Payment Date to such Holder at the address which appears on the bond register; provided that, at the option of any Holder of Bonds in an aggregate principal amount \$250,000 or greater, the Trustee shall cause such amounts to be transmitted on such Bond Payment Date by wire transfer at such Holder's written request to the Trustee at least ten (10) Business Days prior to such Bond Payment Date.

The principal of and premium, if any, on any Bonds due at maturity or mandatory redemption shall be payable at the office of the Trustee, presently at 101 Barclay Street, Floor 7W, New York, NY 10286, upon presentation and surrender of such Bond by the registered Owner thereof or his duly authorized legal representative at the maturity of such Bond or such other date as such payments become due, by redemption or otherwise. Except as provided in the Indenture, in the event of a partial redemption of any Bond, payment of the Redemption Price shall be made to the registered Owner or such Owner's duly authorized legal representative only upon surrender to the Trustee of such Bond, and upon such surrender the Trustee shall authenticate a new Bond executed by the Issuer

as provided in the Indenture for the unredeemed portion of such Bond. So long as DTC or its nominee is the registered owner of the Bonds, such payments shall be made to DTC or its nominee by wire or bank transfer in immediately available funds. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC participants and indirect participants.

Each Bond delivered upon transfer of or in exchange for in lieu of any other Bond shall carry all the rights to interest and any Sinking Fund Payments or principal payments due prior to maturity accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer exchange or substitution.

In any case where the date of maturity of interest or a Sinking Fund Installment on or the principal of any Bond, or the date fixed for redemption of any Bond, shall not be a Business Day, then payment of the interest or Sinking Fund Installment on or the principal or Redemption Price of such Bond need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Special Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE INSTITUTION UNDER THE INSTALLMENT SALE AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT AND THE GUARANTY.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR REDEMPTION PRICE OF, OR THE INTEREST ON THE BONDS OR FOR ANY CLAIM BASED THEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT (EXCEPT THE INSTITUTION), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE.

THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR RENSSELAER COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK.

Transfer, Registration and Exchange

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of, or the premium if any or interest on, any such Bond shall be made only to or upon the order of the registered Holder thereof or his duly authorized legal representative, subject to the terms of the Indenture. Such registration may be changed only as provided in the Indenture, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of any Bond or be effective to transfer any Bond. Subject to the terms of the Indenture, all payments to the Person in whose name any Bond shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

At the option of the Holder, Bonds may be exchanged for other Bonds of the same series and maturity, of any Authorized Denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

The Trustee shall not be required to make any such transfer or exchange of (1) any Bond during the fifteen (15) days next preceding a Bond Payment Date or (2) any Bond selected for redemption in whole or in part under the Indenture; provided, however, that in the event of a Bond selected for redemption in part, nothing in this paragraph shall prohibit exchange of the remaining portion of such Bond redeemed in part for a new Bond with a reduced principal amount or the transfer or exchange of any such new Bond.

Book-Entry System

The Depository Trust Company (“DTC”), New York, New York, 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 of the same tenor of the Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and 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 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 DTC 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. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a single maturity of the same tenor are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such 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 (including sinking fund installments), 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 the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Institution 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.

None of the Institution, the Issuer nor the Trustee can give any assurances that Direct Participants or others will distribute payments of principal of and interest on the Bonds paid to DTC or its nominee, as the registered owner, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in a manner described in this document.

Beneficial Owners of the Bonds will not receive or have the right to receive physical delivery of such Bonds and will not be or be considered to be the registered owners thereof. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the holders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds, except as otherwise expressly provided herein.

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

In addition, 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 THE ISSUER BELIEVES 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 and 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 BONDS, OR TO ANY BENEFICIAL OWNER OF BONDS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THE BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN UNDER THE INDENTURE, THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS, OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

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.

Redemption of the Bonds

Redemption Prior to Maturity.

Optional Redemption. The Bonds maturing on or after January 1, 2026 are subject to redemption prior to maturity on or after January 1, 2025, at the option of the Institution by exercise of its right to prepay the installment purchase payments payable under the Installment Sale Agreement, as a whole or in part at any time, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the Redemption Date.

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

Payment of Redemption Price and Accrued Interest. Notice having been given in the manner provided in the Indenture, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated. Upon presentation and surrender of such Bonds at the Office of the Trustee, such Bonds shall be paid at the Redemption Price for such Bonds, plus accrued interest (if any) to the Redemption Date. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with any premium due thereon and interest thereon to the Redemption Date, shall be held by the Trustee so as to be available therefor on said date, the Bonds or portions thereof so called for redemption shall cease to bear interest, and such Bonds or portions thereof shall no longer be Outstanding under the Indenture or be secured by or be entitled to the benefits of the Indenture. If said moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall remain Outstanding under the Indenture and shall continue to be secured by and be entitled to the benefits of the Indenture until paid.

Notice of Redemption. Notice of the intended redemption of each Bond subject to redemption shall be given by the Trustee one time by first class mail postage prepaid to the registered Owner of such Bond at the

address shown on the bond register maintained by the Trustee as Bond Registrar. All such redemption notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. A follow-up notice shall be given by the Trustee by registered or certified mail to each registered Owner who has not submitted a Bond subject to redemption within ninety (90) to one hundred twenty (120) days following the Redemption Date. Each notice shall specify the Redemption Price, the principal amount of the Bonds to be redeemed, the numbers of the Bonds to be redeemed if less than all of the Bonds are to be redeemed, the Redemption Date and place or places where amounts due upon such redemption will be payable. Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the Redemption Date will be made upon presentation and surrender of the Bonds or portions thereof to be redeemed; that upon presentation and surrender to the Trustee of any Bond being redeemed in part, a new Bond in the principal amount of the unredeemed portion of such Bond will be issued; and that the Bonds or portions thereof so called for redemption will be deemed redeemed and will cease to bear interest on the specified Redemption Date, provided that moneys for their redemption have been duly deposited in the Bond Fund; and, except for the purpose of payment, that such Bonds will no longer be protected by the Indenture. The failure to give any such notice, or any defect therein shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure to give notice, or defect therein, has occurred. Notwithstanding the foregoing, in the event of an optional redemption prior to maturity the notice shall be given at the time the Institution delivers to the Trustee the prepayment of installment purchase payments with which the Bonds are to be redeemed, pursuant to the Installment Sale Agreement, and the Redemption Date specified in such notice shall be deemed to be (notwithstanding the actual date set forth therein) the first date occurring more than thirty (30) days after such payment is received by the Trustee.

Notwithstanding any other provision of the Indenture, any notice of redemption given with respect to a Book Entry Bond shall comply with the requirements for notice contained in the Depository Letter from the Issuer to the Depository relating to such Book Entry Bond. Notice of any redemption under the Indenture with respect to Bonds held under a book entry system shall be given by the Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Bonds via electronic mail. For more information, see “Book-Entry System” above.

Acceleration of the Bonds; Defaults and Remedies Under the Indenture

Any of the following events will constitute an “Event of Default” under the Indenture:

- (a) failure by the Issuer to make due and punctual payment of the interest or premium on any Bond;
- (b) failure by the Issuer to make due and punctual payment of the principal of any Bond, whether at the Stated Maturity, upon redemption, or upon the maturity thereof by declaration;
- (c) subject to any right to waive the same, receipt by the Trustee of notice, or actual notice on the part of the Trustee, of the occurrence of an “Event of Default” under the Installment Sale Agreement or any other Financing Document; and
- (d) failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed and continuance of such failure for a period of thirty (30) days after written notice thereof is given to the Issuer and the Institution by the Trustee or by the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Acceleration.

Upon (i) the occurrence of an Event of Default specified in clause (a) or (b) above, the Trustee shall, or (ii) the occurrence of an Event of Default under clauses (c) or (d) above, and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, the Trustee shall, by notice in writing delivered to the Institution, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest

shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Installment Sale Agreement. Upon the occurrence of any such declaration by the Trustee, the principal of the Bonds then Outstanding and the interest accrued thereon shall thereupon become and be immediately due and payable, and interest shall continue to accrue thereon until the date of payment.

Right of Institution to Perform under Indenture.

Pursuant to the Installment Sale Agreement the Issuer has granted to the Institution full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Institution to constitute a default under the Indenture, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee will accept such performance by the Institution as performance by the Issuer.

THE ISSUER

The Rensselaer County Industrial Development Agency is a body politic and corporate and a public benefit corporation of the State of New York having an office for the transaction of business located at County Office Building, Troy, New York 12180. The Issuer was formed in 1974 pursuant to Chapter 128 of the Laws of 1974, in accordance with the provisions of Title I of Article 18-A of the General Municipal Law of the State for the purpose of promoting, developing, encouraging and assisting in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, civic, industrial, manufacturing, warehousing, commercial, research and recreational facilities, thereby advancing the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and improving their recreational opportunities, prosperity and standard of living.

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

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE INSTITUTION UNDER THE INSTALLMENT SALE AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT AND THE GUARANTY. OTHER THAN THE INSTITUTION, NEITHER THE ISSUER NOR ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS ARE PERSONALLY LIABLE WITH RESPECT TO THE BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE ACT PROVIDES THAT THE BONDS OF THE ISSUER SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR RENSSELAER COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE ISSUER HAS NO TAXING POWER.

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

THE INSTITUTION

The Institution is a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code that is exempt from taxation pursuant to Section 501(a) of the Code. See APPENDIX A – INFORMATION CONCERNING THE INSTITUTION for a more in-depth description of the Institution.

THE PROJECT AND PLAN OF REFUNDING

The Project

The Project consists of the refinancing, in whole, of the 2006 Bonds that mature on or after January 1, 2017, at par. The 2006 Bonds were used (i) to acquire an interest in an approximately 7.4 acre parcel of land located on the Institution's Campus (the "Land"), together with four (4) buildings containing in the aggregate approximately 96,972 square feet of space (collectively, the "Facility") including the renovation of the Facility and the making of infrastructure improvements on the Land (together, the "Improvements") and the equipping and furnishing thereof, and (ii) to refinance certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to (a) the development of a campus master plan, and (b) the execution of various capital projects deemed to support the mission of the Institution, including (i) general improvements to the gym building, known as the Mott Gym, and various buildings on the Campus, (ii) the restoration of windows in various buildings on the Campus, and (iii) the acquisition of four homes that have become part of the Campus and used for the faculty of the Institution, and (5) additional capital improvements to the Campus, including but not limited to (a) heating system upgrades for the library complex, the Weaver Building and other buildings on the Campus, (b) extending the fire alarm system to outlying buildings, (c) miscellaneous repairs and renovations to other buildings on the Campus and (d) additional faculty housing. A portion of the proceeds of the 2006 Bonds was also used to pay certain costs of issuance of the 2006 Bonds.

Plan of Refinancing

A portion of the proceeds from the sale of the Bonds, together with other moneys, will be used to refund all of the outstanding 2006 Bonds that mature on or after January 1, 2017 (such refunded portion referred to as, the "Refunded 2006 Bonds").

In order to effect the refunding of the Refunded 2006 Bonds, the Institution will cause a portion of the proceeds of the Bonds to be deposited with the trustee for the Refunded 2006 Bonds (the "2006 Refunding Trustee") pursuant to a Defeasance Escrow Agreement (the "Defeasance Escrow Agreement") among the Issuer, the Institution and the 2006 Refunding Trustee. Such funds deposited with the 2006 Refunding Trustee under the Defeasance Escrow Agreement will be invested in direct obligations of, or obligations the payment of the principal and interest on which are unconditionally guaranteed by the United States of America (the "Defeasance Obligations"). According to the report described under the heading "VERIFICATION OF MATHEMATICAL COMPUTATIONS," the Defeasance Obligations will mature at such times and earn interest in such amounts that, together with any initial cash deposit, will produce sufficient moneys to provide for the payment of principal of, redemption premium, if any, and interest on the Refunded 2006 Bonds until January 1, 2016 (the "2006 Redemption Date"). The refunding of the Refunded 2006 Bonds is subject to the delivery of the Bonds. None of the funds deposited in the Defeasance Escrow Agreement shall serve as security for or be available to pay principal of or interest on the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore P.C., a firm of independent accountants, will deliver to the Issuer and the Institution on or before the date of issuance of the Bonds, its verification report which will verify (i) the accuracy of the mathematical computations supporting the conclusion that the Defeasance Obligations and other cash deposits to be held in escrow for the benefit and security of the owners of the Refunded 2006 Bonds are adequate to pay, when due, the principal of, redemption premium, if any, and interest on the Refunded 2006 Bonds on the 2006 Redemption Date and (ii) the accuracy of the computation of yield on the Bonds and monies and the Defeasance Obligations held by the 2006 Refunding Trustee for the Refunded 2006 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following is an estimate of the sources and uses of the proceeds of the Bonds and other available funds:

Estimated Sources of Funds:

Principal Amount	\$19,785,000
Net Original Issue Premium	1,438,188
Equity Contribution from Institution	<u>5,950,000</u>
Total Sources of Funds:	<u>\$27,173,188</u>

Estimated Uses of Funds

Refunding of Refunded Bonds	\$26,595,072
Costs of Issuance*	<u>578,116</u>
Total Uses of Funds:	<u>\$27,173,188</u>

* Includes Trustee, legal, accounting and other professional fees, underwriting fees, printing and other miscellaneous expenses relating to the issuance and sale of the Bonds.

DEBT SERVICE REQUIREMENTS

The following table sets forth the amounts required in each fiscal year of the Institution to be made available for debt service on the Bonds. The principal amounts of the Bonds are amortized on January 1 (totals may not add due to rounding):

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Principal of Bonds</u>	<u>Interest on Bonds</u>	<u>Debt Service on</u> <u>Outstanding</u> <u>2006 Bonds</u>	<u>Total Debt</u> <u>Service</u> <u>Requirement</u>
2016	-	\$318,826	\$788,931	\$1,107,757
2017	\$ 915,000	869,525	-	1,784,525
2018	960,000	823,775	-	1,783,775
2019	1,010,000	775,775	-	1,785,775
2020	1,060,000	725,275	-	1,785,275
2021	1,115,000	672,275	-	1,787,275
2022	1,175,000	616,525	-	1,791,525
2023	1,235,000	557,775	-	1,792,775
2024	1,285,000	496,025	-	1,781,025
2025	735,000	457,475	-	1,192,475
2026	775,000	420,725	-	1,195,725
2027	805,000	381,975	-	1,186,975
2028	830,000	356,819	-	1,186,819
2029	860,000	329,844	-	1,189,844
2030	890,000	299,744	-	1,189,744
2031	920,000	268,594	-	1,188,594
2032	955,000	235,244	-	1,190,244
2033	990,000	200,625	-	1,190,625
2034	1,035,000	163,500	-	1,198,500
2035	1,090,000	111,750	-	1,201,750
2036	1,145,000	57,250	-	1,202,250

RISK FACTORS

General

The principal of, redemption premium, if any, and interest on the Bonds are payable solely from the amounts paid by the Institution to the Issuer under the Installment Sale Agreement. 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, economic developments in the areas from which the Institution draws students, 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 foregoing, as well as other factors, could affect the Institution's financial condition or otherwise result in risks for the Bondowners.

The Bonds have not been approved or disapproved by the Securities and Exchange Commission nor has the Commission passed upon the accuracy or the adequacy of this Official Statement.

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 Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Bonds are not required to be redeemed and are not subject to acceleration, and the interest rates on the 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 which may occur.

Rating Change

The ratings on the Bonds may be changed at any time without notice and no assurance can be given that they will not be revised or withdrawn by the rating agencies if, in their judgment, circumstances should warrant such action. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Bonds Not Secured by Real or Personal Property or Revenues

The payment obligations of the Institution with respect to the Bonds are not secured by a mortgage lien or security interest in any real or personal property or revenues of the Institution or any other party.

Risk of Redemption

The Bonds are subject to redemption or acceleration prior to maturity in certain circumstances. (See "THE BONDS" herein and Appendix D – SUMMARIES OF CERTAIN PROVISIONS OF THE INDENTURE AND THE INSTALLMENT SALE AGREEMENT.) Bondowners may not realize their anticipated yield on 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.

Enforceability

The remedies granted to the Trustee or the owners of the Bonds upon an event of default under the Indenture may be dependent upon judicial actions which are often subject to discretion and delay. Under existing law, the remedies specified in the Indenture 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.

SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS

The Bonds will be issued under and secured by the Indenture and the Installment Sale Agreement. Reference is made to the Indenture and the Installment Sale Agreement for the complete details of the terms thereof. Attached hereto as APPENDIX D - SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS are brief summaries of certain provisions of the Indenture and the Installment Sale Agreement, which should not be considered a full statement thereof.

TAX MATTERS

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

Opinion of Bond Counsel

Federal Income Taxes

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law and assuming compliance with certain covenants and the accuracy of certain representations, (1) interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not an “item of tax preference” for purposes of the individual and corporate alternative minimum taxes imposed by the Code; except that (a) the Institution or another Person, by failing to comply with the requirements contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Bonds is included in the tax base for purposes of computing the alternative minimum tax on corporations under Section 56 of the Code and the branch profits tax under Section 884 of the Code; and (2) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145 and 147 through 150 of the Code and the regulations thereunder (collectively, the “Tax Requirements”). In the opinion of Bond Counsel, the Tax Regulatory Agreement and the other Financing Documents establish requirements and procedures, compliance with which will satisfy the Tax Requirements on the date of issuance of the Bonds. Bond Counsel will not independently verify the accuracy of the certifications and representations of the Issuer and the Institution, or the continuing compliance with the covenants by the Issuer and the Institution.

Bond Counsel does note that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Institution. The Issuer and the Institution have each covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to

determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of the interest paid or payable on the Bonds or the market value of the Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes, but is not a guaranty of that conclusion. The opinion is not binding upon the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (1) the effect of future changes in the Code and the applicable regulations under the Code or (2) the interpretation and enforcement of the Code or such regulations by the IRS.

New York State Taxes

In the opinion of Bond Counsel, interest on the Bonds is exempt, under existing law, from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Tax Requirements

The Tax Requirements referred to above, which must be complied with in order that interest on the Bonds remain excluded from gross income for federal income tax purposes, include, but are not limited to:

(1) The requirement that (a) all property financed or refinanced with proceeds of the Bonds be owned by a 501(c)(3) organization or by a state or local governmental unit, and (b) no more than five percent (5%) of the proceeds of the Bonds be used for any private business use, treating as private use (i) use (directly or indirectly) in a trade or business carried on by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization in a trade or business related to such Section 501(c)(3) organization's purposes and (ii) possession of certain interests in the property financed or refinanced with proceeds of the Bonds by any entity other than (A) a state or local governmental unit or (B) a Section 501(c)(3) organization. The Institution has indicated in the Tax Regulatory Agreement that (x) all property financed or refinanced with proceeds of the Bonds will be owned by a 501(c)(3) organization or by a state or local governmental unit, and (y) no more than five percent (5%) of the proceeds of the Bonds will be used for any private business use.

(2) The requirement that not more than two percent (2%) of the proceeds of the Bonds be utilized to finance the costs of the issuance of the Bonds. The Institution has indicated in the Tax Regulatory Agreement that not more than two percent (2%) of the proceeds of the Bonds will be utilized to finance the costs of issuance of the Bonds.

(3) The requirements contained in Section 148 of the Code relating to arbitrage bonds, including but not limited to the requirement that, unless the Institution satisfies one of the applicable exceptions provided by Section 148 of the Code, the excess of all amounts earned on the investment of the Gross Proceeds of the Bonds over that which would have been earned on such Gross Proceeds had such Gross Proceeds been invested at a Yield equal to that on the Bonds, and any investment income earned on such excess, be rebated to the United States. The Institution has agreed in the Tax Regulatory Agreement and in the Installment Sale Agreement to comply with the requirements of Section 148 of the Code.

(4) The requirement that the Project Facility not be used for a purpose prohibited under Section 147(e) of the Code (relating to, among others, any health club facility, facility primarily used for gambling, or store, the principal business of which is the sale of alcoholic beverages for consumption off premises).

(5) The requirement contained in Section 149(b) of the Code that payment of principal or interest on the Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Certain Federal Tax Information

General. The following is a discussion of certain additional tax matters under existing statutes. Such summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions. The following discussion does not purport to deal with all aspects of federal taxation that may be relevant to particular investors.

Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning, holding or disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Social Security and Railroad Retirement Payments. The Code provides that interest on tax-exempt obligations is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits received are to be included in taxable income.

Branch Profits Tax. The Code provides that interest on tax-exempt obligations is included in effectively connected earnings and profits for purposes of computing the branch profits tax on certain foreign corporations doing business in the United States.

Borrowed Funds. The Code provides that interest paid (or deemed paid) on borrowed funds used during a tax year to purchase or carry tax-exempt obligations is not deductible. In addition, under rules used by the IRS for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of obligations may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of such obligations.

Property and Casualty Insurance Companies. The Code contains provisions relating to property and casualty insurance companies whereunder the amount of certain loss deductions otherwise allowed is reduced (in certain cases below zero) by a specified percentage of, among other things, interest on tax-exempt obligations acquired after August 7, 1986.

Financial Institutions. The Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their interest expense allocable to tax exempt obligations acquired after August 7, 1986, other than certain “qualified” obligations. The Bonds are not “qualified” obligations for this purpose.

S Corporations. The Code imposes a tax on excess net passive income of certain S corporations that have subchapter C earnings and profits. Interest on tax-exempt obligations must be included in passive investment income for purposes of this tax.

Earned Income Credit. For any taxable year beginning after January 31, 1995, the Code denies the earned income credit to persons otherwise eligible for it if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds \$2,200, subject to adjustment for inflation for taxable years beginning after January 31, 1996. Interest on the Bonds will constitute disqualified income for this purpose.

Other Federal Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

Interest paid on the Bonds will be subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the IRS.

Future Legislation or Other Post-Issuance Events

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Current and future legislative proposals, if enacted into law, or administrative actions or court decisions, at either the federal or state level, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to State or local income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the New York State Legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of the Bonds. There can be no assurance that legislation enacted or proposed or actions by a court after the date of issuance of the Bonds will not have an adverse effect on the tax status of the interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in benefit) of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Bonds.

For example, various proposals have been made in Congress and by the President (the “Proposed Legislation”), which if enacted, could limit the exclusion from gross income of interest on obligations like the Bonds for taxpayers who are individuals and whose income is subject to higher marginal tax rates, could subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds, to a tax payable by certain bondholders that are individuals, estates or trusts with adjusted gross income in excess of thresholds specified in the Proposed Legislation, or that could otherwise significantly reduce the benefit of the exclusion from gross income of interest on obligations like the Bonds. It is unclear if the Proposed Legislation would be enacted, whether in its current or an amended form, or if other legislation that could subject interest on the Bonds to a tax or cause interest on the Bonds to be included in the computation of a tax, will be introduced or enacted.

No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the market value or the marketability of the Bonds or the tax consequences of ownership of the Bonds. Similarly, it is not possible to predict whether any other legislative or administrative actions or court decisions having an adverse impact on the Federal or state income tax treatment of holders of the Bonds may occur.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their

original issuance at the respective prices should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the owners of the Bonds regarding the tax status of the interest thereon in the event of an audit examination by the IRS. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action by the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may alter the market value for, or the marketability of, the Bonds, and may cause the Issuer, the Institution or the Bondholders to incur significant expense.

Discount Bonds

The excess, if any, of the amount payable at maturity of any maturity of the Bonds purchased as part of the initial public offering over the issue price thereof constitutes original issue discount. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Bonds with original issue discount (the "Discount Bonds") will be excluded from gross income for purposes of federal income taxation to the same extent as interest on such Bonds. In general, the issue price of a maturity of the Bonds is the first price at which a substantial amount of the Bonds of that maturity was sold to the public (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and the amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. A purchaser's adjusted basis in a Discount Bond is increased by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond for purposes of federal income taxation. A portion of the original issue discount that accrues in each year to an owner of a Discount Bond that is a corporation will be included in the calculation of the corporation's federal alternative minimum tax liability. In addition, original issue discount that accrues in each year to an owner of a Discount Bond will be included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of a Discount Bond that is subject to redemption prior to maturity or that is not purchased in the initial offering at the first price at which a substantial amount of such substantially identical Bonds is sold to the public may be determined according to rules that differ from those described above.

Prospective purchasers of Discount Bonds should consult their own tax advisors with respect to the determination for purposes of federal income taxation of the amount of original issue discount or interest properly accruable with respect to such Discount Bonds and with respect to state and local tax consequences of owning and disposing of Discount Bonds.

Premium Bonds

The excess, if any, of the tax adjusted basis of a maturity of any Bonds purchased as part of the initial public offering by a purchaser (other than a purchaser who holds such Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Owners of a maturity of the Bonds with bond premium (a "Premium Bond") will be subject to requirements under the Code

relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring such Premium Bonds. In general, bond premium is amortized over the term of a Premium Bond for Federal income tax purposes in accordance with constant yield principles based on the owner's yield over the remaining term of such Premium Bond (or, in the case of a bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). The Owner of a Premium Bond is required to decrease such Owner's adjusted basis in such Premium Bond by the amount of amortizable bond premium attributable to each taxable year such Premium Bond is held. The amortizable bond premium on such Premium Bond attributable to a taxable year is not deductible for federal income tax purposes; however, bond premium is treated as an offset to qualified stated interest received on such Premium Bond.

Prospective purchasers of any Premium Bond should consult their tax advisors with respect to the determination for purposes of federal income taxation of the treatment of bond premium upon the sale or other disposition of such Premium Bond and with respect to the state and local tax consequences of acquiring, owning and disposing of such Premium Bond.

Tax Risks - Loss of Federal Tax Exemption

As described above, interest on the Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Bonds that violate the requirements and limitations prescribed by the Code. Although the Institution has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Bonds may be deemed to be taxable from the date of issuance. The Bonds are not subject to mandatory redemption or to mandatory acceleration in the event of such an occurrence. No premium or additional interest will be paid to the Bondholders or former Bondholders to compensate the Bondholders for any losses they may incur as a result of the interest on the Bonds becoming subject to federal income taxation.

Form of Opinion of Bond Counsel

The form of the approving opinion of Bond Counsel is attached hereto as APPENDIX F. See "Form of Bond Counsel Opinion" in APPENDIX F.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving opinion of Hodgson Russ LLP, Albany, New York, as Bond Counsel to the Issuer, a form of which is attached hereto as APPENDIX F. A signed copy of such opinion will be available at the time of original delivery of the Bonds. Certain legal matters will be passed upon for the Issuer by its counsel, Rensselaer County Attorney's Office, Peter Kehoe, Esq., Troy, New York; for the Institution by its counsel, Whiteman Osterman & Hanna LLP, Albany, New York; and for the Underwriter by its counsel, McCarter & English, LLP, Boston, Massachusetts.

UNDERWRITING

The Bonds are being purchased for reoffering by Citigroup Global Markets Inc. (the "Underwriter") pursuant to a bond purchase agreement (the "Bond Purchase Agreement") among the Issuer, the Institution and the Underwriter. The Underwriter has agreed to purchase the Bonds at an aggregate discount of \$153,697.37 from the public offering price of the Bonds. 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 yields higher (or prices lower) than the offering yields (or prices) stated on the inside cover page hereof. The public offering prices may be changed after the initial offering by the Underwriter. Under the Bond Purchase Agreement, the Institution has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the applicable securities laws.

The Underwriter has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, the Underwriter may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

DESCRIPTION OF RATINGS

Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc. (“S&P”) has assigned the long-term rating of “A+” to the Bonds, based on its analysis of the credit rating of the Institution.

Such rating reflects only the views of S&P, and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished it and on investigations, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. The Underwriter has undertaken no responsibility either to bring to the attention of the Bondowners any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds. Such rating should not be taken as a recommendation to buy or hold the Bonds.

CONTINUING DISCLOSURE

The Issuer has determined that 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 Bondowners pursuant to a continuing disclosure agreement with the Trustee as described below, and the Issuer shall have no liability to the Bondowners or any other person with respect to such disclosures.

The Institution has covenanted with the Trustee for the benefit of Bondowners of the Bonds to provide certain financial information and operating data relating to the Institution by not later than 180 days following the end of the Institution’s fiscal year beginning with the fiscal year ending June 30, 2014 (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of enumerated events will be filed by the Dissemination Agent (which initially may be the Institution) with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. The nature of the information to be included in the Annual Information and the notices of enumerated events is set forth in Appendix E. In the past five years, the Institution has been subject to continuing disclosure undertakings and during such period the Institution is aware of certain issues regarding its prior continuing disclosure undertakings including that audited financial statements and certain operating data were not timely filed for the years 2010, 2011 and 2014 and were not more than 29 days late in any instance. In addition, in 2014, although certain operating data relating to the Institution was timely provided to the Dissemination Agent it was not filed with the MSRB due to an administrative error. The Institution has filed such operating data as of July 23, 2015. In connection with the issuance of the Bonds, the Institution will prepare internal operating procedures and relevant management will undergo training in connection with complying with its continuing disclosure obligations relating to the Bonds.

The Institution’s obligations under the Continuing Disclosure Agreement shall be for the benefit of the beneficial owners of the Bonds. A failure by the Institution to comply with the provisions of the Continuing Disclosure Agreement will not constitute an event of default under the Agreement or any of the other financing documents relating to the Bonds. The sole remedy for the Institution’s failure to comply with its obligations under the Continuing Disclosure Agreement is an action against the Institution for specific performance. Such an action may be commenced by Beneficial Owners of the Bonds. Nevertheless, such a failure to comply must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the validity or enforceability of the Bonds, the exclusion of interest on the Bonds from the gross income of the owners of the Bonds for federal income tax purposes or the validity or enforceability of the Bonds, the Indenture and the Installment Sale Agreement or any other agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which service of process has been effected on the Institution or, to the knowledge of the Institution, threatened against or affecting the Institution, or to its knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Official Statement, the exclusion of interest on the Bonds from the gross income for federal income tax purposes of the owners of the Bonds or the validity or enforceability of the Bonds, the Indenture and the Installment Sale Agreement, the Tax Compliance Certificate or any other agreement or instrument to which the Institution is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement..

STATE NOT LIABLE ON BONDS

The Bonds are not a general obligation of the Issuer and shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof including without limitation Rensselaer County, New York, or a pledge of the faith and credit of the Issuer or the State or any such political subdivision including without limitation Rensselaer County, New York, but shall be payable solely from and to the extent of the payments made by the Institution pursuant to the Installment Sale Agreement, and any other funds held under the Indenture and the Installment Sale Agreement for such purpose. Neither the faith and credit of the Issuer or the State nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Enabling Act does not in any way create a so-called moral obligation of the State or of any political subdivision thereof, including without limitation Rensselaer County, New York, to pay debt service in the event of default by the Institution. The Issuer has no taxing power.

LEGALITY FOR INVESTMENT AND DEPOSIT

Under the Act, the Bonds are made securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or notes or other obligations of the State, may, to the extent that the legality of their investments is governed by the laws of the State, properly and legally invest funds including capital in their control or belonging to them.

The Bonds are also made securities which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and municipal subdivisions, to the extent that the legality of their investments is governed by the laws of the State, for any purpose for which the deposit of bonds or other obligations of the State is not or may hereafter be authorized.

OTHER MATTERS

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

owners of the Bonds. Copies of the Indenture and the Installment Sale Agreement may be obtained from the Trustee or the Underwriter. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Institution or the Underwriter and the purchasers or Holders of any Bonds.

Information relating to DTC and the book-entry-only system described under the heading "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" has been furnished by DTC and is believed to be reliable. However, none of the Issuer, the Institution or the Underwriter makes any representations or warranties whatsoever with respect to the information contained therein.

This Official Statement has been approved by the Institution for distribution by the Underwriter to prospective purchasers of the Bonds.

The agreements of the Issuer with the holders of the Bonds is fully set forth in the Indenture, and this Official Statement is not to be construed as a contract with the purchasers of the Bonds. Any statements herein involving matters of opinion or estimates, whether or not expressly so stated, are intended merely as such and not as representations of fact. This Official Statement has been approved by the Institution.

RENSELAER COUNTY INDUSTRIAL DEVELOPMENT
AGENCY

By: /s/ John H. Clinton, Jr.

Name: John H. Clinton, Jr.

Title: Chairman

ACCEPTED AND APPROVED BY:
EMMA WILLARD SCHOOL

By: /s/ Andrew C. Ellis

Name: Andrew C. Ellis

Title: Chief Financial Officer

**EMMA WILLARD SCHOOL
APPENDIX A
TABLE OF CONTENTS**

INTRODUCTION.....	1
HISTORY AND MISSION	2
GOVERNANCE.....	4
ADMINISTRATION	6
CURRICULUM	7
Academic Program	8
Special Programs.....	9
Community Service.....	10
Advising Program	10
Athletics	10
Clubs and Activities	11
Summer Programs	12
FACULTY AND STAFF	13
STUDENT ENROLLMENT	14
COLLEGE TESTING AND PLACEMENT	17
TUITION & FINANCIAL AID.....	20
FINANCIAL MATTERS	21
Accounting Matters.....	22
Management Discussion of Financial Performance	23
Budget Process.....	23
Investments	24
Outstanding Indebtedness.....	25
DEVELOPMENT	25
STRATEGIC PLAN AND CAPITAL CAMPAIGN	26
Current Capital Campaigns.....	27
Prior Capital Campaigns.....	27
Annual Fund.....	28
THE PROJECT	28
GEOGRAPHIC AREA & FACILITIES	28
ACCREDITATION AND MEMBERSHIPS.....	30
RETIREMENT PLANS	30
INSURANCE.....	30
LITIGATION.....	30

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INTRODUCTION

Emma Willard School (“Emma Willard” or the “School”) is an independent college preparatory boarding and day school for girls in grades nine through twelve. The School’s campus is located on 137 acres on Mount Ida, above the City of Troy, New York and contains 30 buildings. The School is organized as a non-profit educational organization under Section 501(c)3 of the Internal Revenue Code.

For the 2014-15 academic year, the School opened with an enrollment of 346 students and the School expects to open the 2015-16 academic year with 358 student consisting of approximately 60% boarding students and 40% day students. As an all-girls school, Emma Willard is dedicated to fostering in young women a love of learning, the habits of an intellectual life, and the character, moral strength, and qualities of leadership to serve and shape her world. Through an array of curricular and extracurricular programs, Emma Willard endeavors to prepare young women for lifelong learning and to provide opportunities for the development and nurturing of leadership skills.

The School’s Board of Trustees, Administration, and faculty believe that the following characteristics distinguish the School:

Strength of Academic Program. Emma Willard’s Board of Trustees and Administration are committed to the School’s mission of fostering in young women a love of learning and the habits of an intellectual life. The School’s decision to remain a single-sex institution is and has been supported by a renewed movement that emphasizes the advantages of academic and leadership training for girls provided within a school focused solely on the education of young women. The strength of Emma Willard’s academic program is evidenced by the superior outcomes achieved by its graduates. These outcomes include gaining admittance to some of the most prestigious colleges and universities throughout the United States, successful completion of AP exams, recognition via the National Merit Scholarship program, and high achievement on the Scholastic Aptitude Test (“SAT”).

Emma Willard students have a long history of matriculating to premier colleges and universities including but not limited to Cornell University, Dartmouth College, Brown University, and Georgetown University. Further, over the past five years, approximately 96% of the AP exams taken by the School’s students received a score of “3” or higher. Over the past four years, on average, 1 student was named a “finalist” and 9 were “commended” annually via the National Merit Scholarship program. The success of Emma Willard students on the SAT is evidenced by an average composite SAT score of 1920 for the Classes of ’10 through ’14, 420 points higher than the national average.

Student Demand and Competitive Position. Demand for admission to Emma Willard has remained strong over the last five years, as evidenced by growing enrollment and an increasing number of applications, resulting in acceptance and matriculation rates of approximately 37% and 64%, respectively, for the 2014-15 academic year. The School was able to grow enrollment from 319 to 346 in the competitive Northeast independent boarding school marketplace through the recent economic downturn while decreasing financial aid as a percentage of gross tuition revenue from approximately 31% to 27%. The School believes its strong enrollment demand is a result of its longstanding reputation as a leading all-girls school, the breadth and depth of its academic program, and the successful outcomes achieved by the School’s graduates.

Strong Balance Sheet and Commitment to Financial Sustainability. Emma Willard School's balance sheet strength is evidenced by total investments of \$94.1 million, \$31.8 of which were unrestricted as of June 30, 2014. In order to maximize the long-term financial resources of the School, Emma Willard adopted a financial sustainability plan in 2012. Components of the plan included strategies designed to increase enrollment, increase net tuition revenue, increase efficiency in program delivery, and grow net revenue generated by summer programs. The School is on track to achieve the majority of the goals laid out under the plan by fiscal year end 2016. From academic year 2011-12 through academic year 2014-15 the School has increased enrollment from 322 to 346, decreased tuition discounting from approximately 31% to 27%, increased net tuition revenues by approximately 29%, and increased annual fund giving by approximately 27%. As a result, the School has been able to reduce its endowment spend rate from approximately 8.1%, a rate which was elevated due to the financial crisis, to approximately 4.5% in the 2015 fiscal year.

History of Fundraising Success. In fiscal year 2014, the Emma Willard School hosted a series of events celebrating its bicentennial anniversary. As part of the celebration, the School launched its 2020 vision initiative. In support of priorities set forth in the 2020 vision, including faculty support, program innovation, and capital projects, the School has raised approximately \$19 million from four donors in the past 18 months. Of the \$19 million, \$8.5 has been received in cash, and \$9.0 million is expected to be paid by the end of fiscal year 2016. The School's previous capital campaign, entitled "IDEA", raised \$76.2 million from 4,847 donors between July 1, 2004 and December 31, 2010.

HISTORY AND MISSION

Emma Willard was founded in 1814 on the principal that young women had the intellect and the moral right to benefit from as rigorous an education as the best available to young men. The School began in the home of its founder, Emma Troy Willard, in Middlebury, Vermont and operated there until 1819, when Ms. Willard relocated to Waterford, New York. Two years later, she moved to Troy and opened the Troy Female Seminary. Mr. John Willard, with his wife Sarah Hudson Willard, a graduate of and former teacher at the Troy Female Seminary, succeeded his mother to assume management of the Seminary in 1838.

The School was renamed after Ms. Willard in 1895. In 1910, the School moved to its current home on Mount Ida, a hilltop campus located above the City of Troy, New York. In 1928, the Kellas Hall dormitory opened, allowing the School to double in size. The School published the *Emma Willard Plan of Education* in 1951 to outline the correlated curriculum. The elective curriculum was added in 1969. The School opened the Hunter Science Center in 1996, followed by the Helen S. Cheel Aquatics Center in 1998. In 2004, the School received a milestone \$10.5 million gift to support faculty excellence, and in 2005, the School received a \$17 million gift, the largest in its history. During 2005, the School began a landmark construction project to renovate dining facilities, community spaces, and the campus entryway. From February of 2013 to May of 2014, the School celebrated its bicentennial anniversary.

The School has experienced significant continuity in leadership since its founding. During its first 58 years (1814 to 1872), Emma Willard was run by only three Heads of School, two of whom served concurrently. In 2000, Trudy E. Hall was appointed 16th Head of School, succeeding the previous Head of School who served for 10 years. This longevity of leadership is an integral part of the process to ensure that the founding concepts that guided Emma Willard since its inception continue to sustain it well beyond the 21st Century.

Emma Willard graduates include several notable alumnae such as Elizabeth Cady Stanton (women's rights activist), Lily Price (Duchess of Marlborough), Hope McEldowney Kobak (President/co-founder, Kirkus Reviews), Jane Fonda (Academy Award-winning actress), Rose Scovill (Oscar winner), and Kirsten Rutnik Gillibrand (U.S Representative and Senator).

Emma Willard School's Mission Statement is:

"Honoring its founder's vision, Emma Willard School proudly fosters in each young woman a love of learning, the habits of an intellectual life, and the character, moral strength, and qualities of leadership to serve and shape her world."

Emma Willard School's Vision is:

"At times others have tried to push Emma into the traditional boarding school box. And, time and again, our feisty community bridled at the attempts. Today, as we enter our third century at Emma Willard School, we will fully claim what makes an Emma education unlike anything else in the world. We call our vision 2020 not simply because of the year it represents, but because we see Emma and the future of its girls so very clearly."

Emma Willard School's goal is to cultivate the following core values:

- *Value Her.* Each girl is richer for the meaningful relationships forged here and our community is richer for her unique engagement.
- *The Journey.* Through daily moments of discovery, struggle, failure, success, and connection we develop a belief in ourselves, resiliency of character, and an awareness of the transformative power of impassioned engagement with our world.
- *Intellect.* Our culture delights in questioning, reasoning, envisioning, and finding solutions for the issues that enliven our involvement together, as scholars and as friends. Through critical analysis and independent thought and expression, we discover the power and immediacy of engaging our intellect.
- *Determination.* Encouraged to exercise our will, each member of our community presses toward her/his goals, challenged and fueled by her/his own passions.
- *Wellbeing.* Dynamic balance in mind, body, and spirit is a life-long pursuit that provides a healthy foundation for self-esteem and happiness. We will care for one another—in good times and in bad times.

GOVERNANCE

Emma Willard School is governed by a self-perpetuating Board of Trustees (the “Board”). The Board is authorized to consist of between 12 and 29 Regular Trustees, of whom at least fifty percent shall be alumnae of the School, four Parent Trustees, one Faculty/Staff Trustee, and the President of the Alumnae Association. Currently the Board is comprised of 29 members and three ex-officio trustees, including the Head of School.

The standing committees of the Board meet regularly throughout the year and include: the Committee on Communications, the Committee on Development, the Committee on Educational Program, the Executive Committee, the Committee on Facilities, the Committee on Finance and Audit, the Committee on Governance, and the Committee on Investment.

Current members and officers of the Board of Trustees, the year of their initial election to the Board, the year their term ends, and their principal business or professional affiliations are listed below:

Board of Trustees			
<u>Name of Board Member</u>	<u>Year of Initial Election</u>	<u>Year Term Ends</u>	<u>Principal Affiliation</u>
Judith A. Kleiner*, <i>Chair</i>	2007	2017	Senior VP, KBC Financial Holdings (retired)
Wendy S. Graham*, <i>Vice Chair</i>	2014	2017	Director of Talent Management, John Wiley & Sons
Kathrin Phelan Midgley*, <i>Secretary</i>	2013	2016	Board Chair, Phelan Family Enterprises Former Assistant director of the Harvard College Fund Manager of Capital Campaigns, Massachusetts Audubon Society
Glenn Epstein, <i>Treasurer thru 10/15/15</i>	2008	2018	Chair, Axion BioSystems Chair/CEO, Intermagnetics General Corp (retired)
Jose Almeida	2015	2017	Former Board Chair, President and Chief Executive Officer, Covidien, plc
Phillip Bernstein	2002	2016	Vice President, Autodesk Former Principal, Pelli Clarke Pelli Architects
James D. Brassord	2008	2016	Chief of Campus Operations, Amherst College
Chuck Chand, <i>Parent Trustee</i>	2014	2016	Registered Agent, Samos Capital, LLC
Agnes Bogdan Chapski*	2013	2016	Vice President/Publisher, <i>Allure</i> Magazine
Philip Cifarelli	2004	2016	CFO, Exeter Group, INC
Debora Freedman Clower*	2012	2018	Assistant Vice President of Presidential Advisory Councils, Drexel University
Jane Cohen Freedman*	2011	2017	Founder/Principal, Jane Freedman Law, LLC Corp. Secretary/Assistant General Counsel, OneBeacon Insurance Group (retired)
Richard Gardiner	2014	2017	Former Chief Investment Advisor, Seven Bridges Advisors
Deborah Frease Geraghty*	2011	2018	Vice President of Project/Portfolio Development, Cydan Development, Inc.

Stephen Gonick, <i>Parent Trustee</i>	2015	2017	Chief executive officer, Ipayment Tri State LLC, Executive and Entrepreneur in Residence, Ithaca College
Ann Gambling Hoffman*	2012	2018	Director of Development, The Nature Conservancy (Eastern NY Chapter) Municipal Bond Institutional Salesperson (retired)
Susan Hunter*	2015	2018	Former Board Chair, Delham Country Day School, Overseer of the New England Aquarium
Samantha T. Jones*	2014	2017	Director of Marketing Strategy and Planning, SMB Mailing Solutions at Pitney Bowes
Sharon Khanuja-Dhall*	2015	2018	Chief Technology Officer, JP Morgan Chase
Elisabeth Allen LeFort*	2008	2016	Overseer, The Graduate School Education at the University of Pennsylvania Founder, The LeFort Group, Inc. (retired)
Meredith Legg, <i>Faculty and Staff Trustee</i>	2014	2016	Faculty Member, Emma Willard School Sara Lee Schupf Family Chair in Instructional Technology and Classroom Innovation
Ian B. MacCallum	2012	2018	Executive VP, Peter B. Cannel & Co Partner/Portfolio Manager, Klingenstein, Fields & Co, CLLC
Meredith Manning*	2014	2017	Partner and Co-Director, Pharmaceutical and Biotechnology practice
Sarah J. McCarthy*	2011	2019	Associate Head of Graduate Programs, University of Illinois at Urbana-Champaign
Denise Mormino	2013	2016	Chief Accounting Officer, St. Peter's Health Partners
Timothy O'Hara, <i>Parent Trustee</i>	2014	2016	Resident/CEO, The Ayco company, L.P., a Goldman Sachs Company
Tobi Saulnier, <i>Treasurer as of 10/16/15</i>	2012	2019	Founder/CEO, 1 st Playable Productions

Ex-Officio

Trudy E. Hall, *Head of School*

Tory Peterson*

Actuary, Lexington Insurance Company

Lisa Radcliffe*

VP of New York Operations, CTGi

**Indicates an Alumna of Emma Willard*

From time to time, the School does business with firms with which its Board members may be affiliated. The School believes that such transactions are on terms no less favorable than could be obtained from unaffiliated parties. The School has a policy pursuant to which Board members having a conflict of interest must disclose such conflict and abstain from voting on the matter.

ADMINISTRATION

The administration of Emma Willard is the ultimate responsibility of the Head of School. Assisting and reporting to the Head of School are administrative professionals responsible for overseeing their respective disciplines, including the Chief Financial Officer, Chief Administrative Officer, Director of Advancement, Director of Enrollment, Director of Wellness, Director of Talent Management, and Director of Communications. This administrative staff meets weekly to ensure smooth operational management of the School.

Trudy Hall, *Head of School*. Trudy E. Hall was appointed 16th Head of School in 2000. Ms. Hall received an M.A.L.S. from Duke University, an M.Ed. in counseling and consulting psychology from Harvard Graduate School of Education, and a B.S. in psychology and sociology from St. Lawrence University. Trudy’s career in private education took her from Jamaica, to the Near East, to numerous schools along the U.S. coast, to the Midwest and back. Her positions of leadership in independent school education include Associate Head of the Hutchison School, Head of Miss Hall’s School, Dean of the Culver Girls Academy, Dean of Faculty of the Culver Academies, guidance counselor and admissions officer at the Savannah Country Day School, and Dean of Students at Stoneleigh-Burnham School. She also taught geography at the International School in Saudi Arabia and social studies at Culver and Stoneleigh-Burnham.

She is currently the President of the Board of Trustees of the National Coalition of Girls' Schools (NCGS) and a member of the Board of Directors of Leadership + Design. In addition, she has served on the boards of the New York State Association of Independent Schools (NYSAIS), the Robert C. Parker School, the YWCA of the Capital District, the Rensselaer County Chamber of Commerce, and Head Mistresses Association of the East.

She also led the initial conceptualization for AUDACIA, The Global Forum for Girls’ Education, which is designed to garner resources for programs and practices that hold promise for eradicating the barriers—poverty, violence and prejudice—that prevent some ninety million girls from receiving a quality education or any education at all. Emma Willard School is the founding sponsor for the Forum.

Andrew Ellis, *Chief Financial Officer*. Andrew “Ace” Ellis earned his B.S. in mathematical economics from Wake Forest University and his M.B.A. from the University of Richmond. Ace began his career as a banker for Crestar Bank in Richmond, Virginia, then co-founded a company with artist and designer Bob Timberlake in North Carolina, before signing on as the business manager at his alma mater, St. Christopher’s School, in Richmond, Virginia. In more recent years, he has offered financial expertise to a number of independent schools as the principal of his own consulting firm, including clients such as Oregon Episcopal School, Westtown School, St. Catherine’s School, and others. He served on the Board of Directors of the National Business Officers Association (NBOA), and currently serves on the New York State Association of Independent Schools Finance Committee.

Peter McCorkle, *Chief Administrative Officer*. Peter McCorkle received his B.A. in history and geography from Bucknell University and his M.S. in management information systems from Carnegie Mellon University H. John Heinz School of Public Policy. He has been a teaching assistant at both Carnegie Mellon and Bucknell Universities and an adjunct professor at Union College. Prior to joining Emma Willard, Pete spent seven years with Deloitte Consulting and two years with the New York State Office of the State Comptroller. Pete, his wife, Diane, and their three sons, live in Troy.

Jamie Hicks-Furgang, *Director of Enrollment*. Jamie Hicks-Furgang earned a B.A. in Public Communications and M.S. in Education from The College of Saint Rose (Albany, New York). Her focus

on alumni, parent, and community relations through her master's coursework has set the stage for successfully connecting with and building communities for students, families and alumni/ae. Jamie had the pleasure of serving as director of alumni relations & annual giving at The College of Saint Rose for six years before launching her career in boarding schools in 2007, when she was appointed as director of admissions and financial aid at Darrow School (New Lebanon, New York). Jamie is a Capital Region native who put her communications degree to work for the New York State Senate, New York State Assembly, and BusinessWeek magazine in New York City.

Shelly Maher, *Director of Wellness*. Shelley received her Bachelor of Education in physical education, health, and home economics and her Master of Business (Sport Management) from Deakin University in Australia. She received her M.S. in Organization Management from Sage College. During her M.S. study, Shelley was an adjunct professor in the Department of Health, Physical Education, and School Counseling at the Esteves School of Education at The Sage Colleges. She taught classes in motor learning; instructional strategies for developmental disabilities; and net and wall, fielding and ball games. Prior to her move to the USA, Shelley was the physical activity manager at the Victorian Health Promotion Foundation (VicHealth), and spent a decade focusing on increasing physical activity for a various population groups including girls and women, indigenous Australians, people with a disability and people from culturally and linguistically diverse backgrounds. Shelley is a board director of the Federation of International Lacrosse and lives in Delmar.

Lisa McGrath, *Director of Talent Management*.

Lisa McGrath received her B.S. in management and M.B.A from Rensselaer Polytechnic Institute. She brings over twenty five years' experience in building and managing teams of individuals. She has been at Emma for seven years and has been a member of the original 2020 team, director of advancement operations, interim director for communications and advancement, co-lead to our 5-year accreditation, and lead to our 15-month Bicentennial celebration. Her previous work centered on advancement in education. She joined Emma from Rensselaer Polytechnic Institute where she served for more than nineteen years in a variety of positions. At the university, Lisa had the opportunity to build three major programs for Rensselaer's Institute Advancement division. Lisa lives in West Sand Lake with her husband, John, and two children, Courtney and Zachary.

Gabrielle DeMarco, *Director of Communications*. Gabrielle DeMarco received her B.S. in communications from Boston University. She brings over eight years of experience in strategic communications and media outreach for academia, state and federal governments, and nonprofit organizations to her role at Emma Willard School. Her previous work centered on education, science, and public policy. She joined Emma Willard from Rensselaer Polytechnic Institute where she served for more than five years as a senior communications specialist. During her time at the university, she worked with the Rensselaer School of Science, Center for Biotechnology and Interdisciplinary Studies, and administration to promote the scientific discoveries of these research groups locally and around the world. Prior to joining Rensselaer, she served for two years as a public information officer for the New York State Department of Environmental Conservation where she was a spokesperson for the agency. In this work she oversaw media outreach on topics ranging from environmental education to brownfield cleanup and nuclear power. While at Boston University, she worked with the U.S. Environmental Protection Agency office in Boston and local public relations firm Ed Lewi Associates. Gabrielle lives in Clifton Park with her husband, Scott, and two children, Will and Georgia.

CURRICULUM

Academic Program

The Emma Willard Curriculum reflects the School's traditional pursuit of excellence, capitalizes on community relationships, sustains a belief in the centrality of ethics in adolescent education, and honors the women's perspective. Emma Willard offers a rigorous college preparatory program with Advanced Placement courses and upper-level electives in all disciplines. Each student's faculty advisor helps her plan her courses in coordination with her college counselor and the associate head of school. The grading system uses letter grades with plus and minus notations ranging from A to NC (no credit). The school year is divided into two semesters and most students take six academic classes per term. Classes generally meet four times a week in blocks of 50 or 75 minutes.

Core requirements for graduation include a minimum of four units of English; three of history, foreign language, and mathematics; and two of laboratory science and visual/performing arts. All students must take a 10th grade health course and physical education or its equivalent each semester in the 9th, 10th, and 11th grades. The School's Practicum program offers internship opportunities in various academic, professional, artistic, and athletic fields. The curriculum is complemented by the Serving and Shaping Her World Speakers Series, which invites accomplished and renowned experts in various fields to speak at assemblies throughout the School year.

English. During 9th, 10th, and 11th grade, a student must take year-long English courses. In 12th grade, she must choose two English electives, one per semester. Courses focus by year on genre study, American literature and works from specific regions and time periods in electives. Examples of recent elective offerings are: Nonfiction and Media, Storytelling, Shakespearean Tragedy, and African Literature.

History & Social Sciences. In the first semester of 9th grade and the last semester of 10th grade, students study Classical Mediterranean and Contemporary World History respectively, with electives in between. Students can study women's collectives in Latin America, Asian dynasties, and African dances and languages. By the end of 12th grade, each student has developed a specialty in two areas of the world. Students also study the foundations of American History and Government, including the Constitution and Federalism, major governmental institutions, the political process, and the policy making process.

Mathematics. Students must complete mathematics through the following sequence: Algebra I, Algebraic Geometry, and either Functions and Trigonometry or Algebra II and Trigonometry. Emma Willard also offers such courses as Mathematical Methods, to work on non-routine problems in math, and finite mathematics, which focuses on analysis and game theory, among other areas.

Languages. Emma Willard offers courses in Chinese, French, Latin, and Spanish. New students who have begun the study of a new language and plan to continue with that language must take a placement examination. Students who enter Emma Willard and are placed above the third level of a language are exempted from further language studies unless they are entering freshman or sophomore year. In that case they are required to study a new language for a minimum of two years.

Science. Students take offerings from a program of three core sciences: physics, chemistry, and biology. Students begin their study by investigating physics in the 9th grade. Beyond the core courses, students often choose to continue their study of science through an extensive elective program, including three Advanced Placement offerings. There is also the opportunity to participate in scientific research through an internship program which places girls in laboratories throughout the capital district.

The Arts. The Arts department offers a variety of courses in music, theatre, dance, and visual arts. Course offerings are designed for students of all levels of interest and proficiency so that students are able to explore new areas as well as study a particular art form in depth.

The School offered 16 AP courses for the 2014-2015 academic year. The following table outlines the School's AP course offerings:

Advanced Placement Offerings

Art History	Intro to Psychology
Biology	European History
Calculus AB	Latin
Calculus BC	Physics B & C
Chemistry	Spanish
English	Statistics
Economics	US Govt. and Politics
French	US History

Special Programs

Consistent with its mission to encourage a love of learning, Emma Willard offers a number of alternative and supplementary programs.

Practicum. Personalized study options are available in STEM, Humanities, Arts, Athletics, and Business. Practicum mentors, faculty advisors, peers and alumni guide and support students through an internship or life experience enabling students to gain real-world, hands-on experience in an industry, subject, or sport of interest.

Signature Program. The Signature Program provides Seniors with the opportunity to pursue a year-long special project on or off campus that culminates in a formal exhibition of their work in May. Signature projects may make use of an existing programs, such as a STEM science research internship or an advanced arts project, or be an independent study of the student's own design.

STEM Research Program. Emma Willard's STEM program is comprised of a campus-based science research program for students in 9th and 10th grades who are interested in independent science/math/technology research projects. Students work with a science faculty member on a project using a variety of research tools. Selected juniors and seniors may participate in a year-long, advanced off-campus STEM research internship program with research teams at Rensselaer Polytechnic Institute or the New York State Museum.

Global Programs. Emma's Away Program provides students with experiences in other cultures. The Emma-designed and operated programs have taken students and faculty around the globe to China, India, Spain, England, France, Cambodia, Mexico, and Canada to participate in service, language immersion, adventure, and cultural exploration. Additionally, as a member of the Round Square network, Emma Willard has established Emma Exchanges with Round Square Schools around the world. The following exchange opportunities are available:

St. Margaret's. An 11- week, reciprocal exchange program for 10th grade girls with an all-girl partner school in Brisbane, Australia.

St. Anne's. An 11-week, reciprocal exchange program for 10th grade girls with an all-girls partner school in Hamilton, South Africa.

Ursulinenschule. An 11-week, reciprocal exchange program for 10th grade students with an all-girls partner school in Bonn, Germany.

Belgrano Day School. A 5-week, reciprocal exchange program for rising 10th, 11th, and 12th grade students with a partner school in Buenos Aires, Argentina.

Red Maids. A one-week reciprocal cultural exchange program for select members of each school's senior student leadership in Bristol, England.

King's Academy. Exchange opportunities for a variety of lengths and grade levels, including full Gap Year experiences in Madaba, Jordan.

Community Service

Emma Willard School's community service and service learning program enables girls to develop deeper empathy and awareness, and understanding of what it means to be a productive citizen. Service Learning at Emma Willard School empowers each student to apply academic knowledge and skills in response to real community needs. Connecting classroom and community, adults and students work together to generate meaningful contributions.

As a result of student-led community service initiatives, Emma Willard is the first high school in the nation to be awarded Fair Trade status. As a Fair Trade institution, Emma Willard works with its contracted food services and the school store to implement and maintain Fair Trade options in the School's dining facilities, at catered events, and in its offices. Student activists from the Fair Trade club source new Fair Trade offerings for the School and host the regular sale of products from Fair Trade Federation group members throughout the year. In addition, students conduct an ongoing peer education campaign, raising awareness about working conditions worldwide.

Advising Program

Upon her arrival at Emma Willard, each new student is assigned a faculty advisor. This advisor is the first person for parents and teachers to contact when there is a concern about a student. Each student touches base with her advisor regularly through both formal and informal meetings. Formal advisor-advisee dinners, informal gatherings, and frequent conversations help build this important relationship.

The Emma Willard advising program is complemented by residential faculty whose primary responsibility is living and working in the residence halls. Advisors of boarding students have regular communication with the resident faculty for insight, particularly when a student is experiencing difficulty.

Athletics

The Emma Willard School Athletic Program is designed to offer students at all ability levels an athletic outlet. The School's four-year physical education program requires that all students must take physical education or its equivalent in the 9th, 10th, and 11th grades (Seniors must take at least 10 weeks). The School's desires that each girl learn cooperation while building character and strength, and enjoy the feeling of well-being that comes from being physically fit.

Emma Willard fields 12 varsity sports and 4 junior varsity teams. The teams are consistently in contention for league championships and have had success at the State and National levels.

Emma Willard’s interscholastic sports include:

Athletic Offerings		
Fall	Winter	Spring
Crew	Basketball	Crew
Cross Country	Basketball – Junior Varsity	Lacrosse
Field Hockey	Indoor Track and Field	Lacrosse – Junior Varsity
Field Hockey – Junior Varsity		Outdoor Track and Field
Soccer		Softball
Soccer – Junior Varsity		
Swimming and Diving		
Tennis		
Volleyball		

In addition to Varsity and JV programs, Emma Willard offers afterschool opportunities which include Zumba, fitness walking, soccer, lifeguard training, badminton, tennis, ultimate Frisbee, sports conditioning, yoga, and volleyball.

Emma Willard’s athletic facilities include two full size volleyball and basketball courts, a fitness studio, a six-lane competition pool with a one-meter diving board, grass fields, recreational fields, and a six lane track. Emma Willard also has a weight room with a comprehensive range of equipment, eight outdoor tennis courts, a private boathouse, and multi-purpose trails used for cross-country training, cross-country skiing, and snowshoeing.

Clubs and Activities

Emma Willard offers an array of student clubs and interest groups that are a vital part of campus life. Although academics are their first priority, students are encouraged to get involved in clubs in order to pursue other passions and meet other individuals with common interests. There are four publications at Emma Willard: *The Clock* is a student run newspaper; *EmmaNow* is the School’s news blog; *Gargoyle* is Emma Willard’s yearbook; *Triangle* is Emma Willard’s art and literary magazine.

The table below lists some of the School’s existing co-curricular activities:

Emma Willard School Clubs and Organizations

Black and Hispanic Awareness	Junior Singing Group
The Clock	Mock Trial
EcoEmm Fair Trade	Outing Club
EmmaFit	Phila
The EmmaNow	Quiz Team
Emmasaries	School Council
Fellowship of Christians in Universities and Schools	Science Olympiad
Foreign and American Student Organization	Student Organization for Animal Respect
Gargoyle	Triangle
Gay-Straight Alliance	Twelve Tones
HIPnotic	UNICEF
Interact	

Summer Programs

Emma Willard's summer programs are designed to provide girls of all ages the opportunity to explore and challenge themselves within the safety and comfort of an all-girls environment.

Immersion Program. The Summer English Immersion Program is for girls ages 13 through 17 seeking an American experience to improve their leadership skills. The intensive four week programs offers classes taught by professional language instructors and takes place alongside other summer learning experiences, offering Immersion participants opportunities to live, interact, and take field trips with girls in other programs.

Writer's Retreat. The Writer's Retreat is for girls entering grades 8 through 12 who have a love of writing. The two or four week program combines specialized courses, activities, and field trips to help girls find and express their voice. Classes include Creative Writing (long & short stories), Memoir Writing, Poetry, Food Writing, Blogging/Fan Fiction/Social Media Writing, Storytelling, Nonfiction/Media Writing, College Essay Writing, and Children's Writing. Other genres may be explored if there is group interest.

Service Learning Program. The Service Learning Program is for girls ages 13 through 17 looking to make a meaningful and lasting impact over the summer. In this two week program, girls collaborate on an experience designed to explore the five Service Learning stages: Investigation, Preparation, Action, Reflection, and Demonstration. Additionally, each girl learns how to create, launch and manage her own personalized Service Learning experience.

Outdoor ED-venture. The Outdoor ED-venture program is for girls ages 13 through 17 who are seeking to challenge both body and mind over the summer. In this six week program, girls work collaboratively on carefully designed outings in which they venture out into the natural beauty of the Capital Region, while learning about its history and the surrounding environment.

Rosie's Girls. Rosie's Girls is a six week summer boarding and day camp for girls ages 12 through 16. Taking its name from Rosie the Riveter, the fictional World War II icon who represented the women who went to work in shipyards and factories to fill shortages while men fought overseas, Rosie's Girls explore the skills of carpentry, mechanics, masonry, auto technology, arts, and more. In this summer experience, girls learn to change a tire and the oil in a car, develop an understanding of automotive technology, and learn how to build using power tools. These learning experiences are combined with traditional camp activities like arts, cultural exploration, and outings.

MathEMMAicians. MathEMMAicians is a four week program for girls ages 12 through 16 who have a love of math. This program will refresh critical pre-algebra skills, preparing participants for success as they enter high school algebra classes. Offered as either a day and boarding program, MathEMMAicians combines learning opportunities and engaging activities.

GirlSummer. GirlSummer is an athletic experience comparable to a sports camp combined with extensive offerings in art, dance, drama, science, and academic enrichment for girls ages 6 through 14.

FACULTY AND STAFF

The Emma Willard Faculty is mindful that a teacher's influence can reach beyond the classroom and that this is both a responsibility and a privilege. The Emma Willard faculty epitomizes the satisfaction of an intellectual life, the energizing vigor of discovery and exchange, and the personal and professional rewards of learning as a lifelong process. Unlike some schools, Emma Willard faculty members are not required to live in residence halls; however most live on or near campus, which helps facilitate faculty-student interaction.

For the academic year 2014-15, the School's faculty consisted of 51 full-time and 11 part-time faculty members. The student to teacher ratio is 6 to 1. Approximately 90% of the faculty hold either a master's degree or a doctoral degree. The following table depicts the number of full-time and part-time faculty employed by the School for the 2010-11 through the 2014-15 academic years:

	Full- and Part-Time Faculty Composition				
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Full-time	53	52	53	52	51
Part-time	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>11</u>
Total	64	63	65	64	62

Faculty turnover is relatively modest and recruitment efforts are enhanced by a salary which is slightly above the National Association for Independent Schools mean. Housing remains an important factor in recruiting qualified instructors, and Emma Willard continues to acquire property for faculty housing within walking distance of the central campus. The School's full-time faculty has an average of 21 years of experience.

The following table depicts the years of teaching experience of the School's full-time faculty for the 2014-15 academic year:

Faculty Teaching Experience		
<u>Years of Teaching Experience</u>	<u># of Full-Time Teachers</u>	<u># of Part-Time Teachers</u>
0-5 years	4	4
6-10 years	7	1
11-15 years	11	0
16-20 years	6	2
<u>21+ years</u>	<u>23</u>	<u>4</u>
Total	51	11

For the 2014-15 academic year, the School's mean faculty salary totaled 109% of the National Association of Independent Schools mean salary. In order to further support its faculty the School owns 29 faculty homes on and around its campus in addition to housing in the dormitories in order to support and oversee the boarding students. On campus housing provides faculty with affordable, appropriate housing options.

The following table compares the mean salaries of Emma Willard’s faculty with the mean faculty salary for NAIS schools for the past five academic years:

Faculty Salaries

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Mean Emma Willard Faculty Salary	58,200	58,500	56,395	58,793	60,200
NAIS Mean Salary	51,558	52,699	53,916	53,926	55,011
Emma Willard Salary as % of NAIS Mean	113%	111%	105%	108%	109%

Source: National Association of Independent Schools Member Schools Facts at a Glance report

In addition to the faculty, the School employs 81 staff persons, of whom 67 are full-time and 14 are part-time employees. The faculty and staff of the School are not currently represented by a collective bargaining unit, and no union organizing is currently taking place at the School. The School considers its relationship with its employees to be excellent.

STUDENT ENROLLMENT

Each year the Office of Admissions undertakes an aggressive recruitment program to attract a larger and increasingly talented and diverse pool of applicants. Members of the admissions staff travel throughout the United States and the world to represent Emma Willard at numerous informational programs, feeder schools, conferences, and receptions. Applications for the academic years 2010-11 through 2015-16 have increased by approximately 21% , while maintaining average acceptance and matriculation rates of approximately 37% and 66%, respectively.

In fiscal year 2012, the Board of Trustees approved a multi-year financial stability plan which called for increases in net tuition revenue from growth in enrollment of up to 360 students. In fiscal year 2014 that number was revised downward to a capacity of 353 students in order to reallocate a portion of the School’s beds for exchange students. Since academic year 2012-13 through the upcoming 2015-16 academic year, enrollment has increased from 322 to an expected enrollment of 358, an increase of nearly 11%. For the 2015-16 academic year, 31% of students who applied to the School were accepted, and 67% of those students are planning to attend Emma Willard.

The following table shows the number of applications, acceptances, and matriculants over the past five academic years:

Applications, Acceptance, and Matriculants

<u>Academic Year</u>	<u>Applicants</u>	<u>Acceptances</u>	<u>Acceptance Rate</u>	<u>Matriculants</u>	<u>Matriculation Rate</u>	<u>Total Enrollment</u>
2010-11	442	150	34%	103	69%	319
2011-12	451	163	36%	101	62%	322
2012-13	469	168	36%	112	67%	328
2013-14	454	188	41%	120	68%	337
2014-15	535	201	37%	127	64%	346
2015-16*	487	152	31%	101	66%	358

Since academic year 2010-11, the School’s demand statistics have remained consistently strong. From the academic year 2013-14 to 2014-15, Emma Willard experienced a significant increase in applications, which the administration attributes to an effort to increase recruiting within a three hour radius of the School’s campus and substantial improvements made to the website and branding as a whole. These

improvements were carried out as a part of the financial sustainability plan adopted in 2012. Recognizing that there was space to accept fewer students for the 2015-16 academic year, the School made two significant changes to its Admissions processes that resulted in a decrease in applications from academic year 2014-15 to 2015-16. The first change made was to the School’s visit policy for international applicants that limited the number of applications received. Changes were also made to recruiting strategies, whereby greater emphasis was placed on yield and yield related activities rather than on the number of applications. These deliberate changes resulted in fewer applications received and the School met all enrollment goals and also improved their matriculation rate. The following table shows the number of applications, acceptances, and matriculants by grade level for academic year 2015-16.

Breakdown of Applications, Acceptances, and Matriculants by Grade

<u>Grade</u>	<u>Applicants</u>	<u>Acceptances</u>	<u>Acceptance Rate</u>	<u>Matriculants</u>	<u>Matriculation Ratio</u>	<u>Class Size</u>
Grade 9	335	113	34%	75	66%	75
Grade 10	102	30	29%	19	63%	93
Grade 11	39	8	21%	6	75%	99
Grade 12	<u>11</u>	<u>1</u>	<u>9%</u>	<u>1</u>	<u>100%</u>	<u>91</u>
Total	487	152	31%	101	66%	358

During academic year 2015-16, approximately 74% of the new students to the School are expected to be freshman, 19% sophomores, 6% juniors, and 1% seniors.

Emma Willard endeavors to maintain a day student enrollment capped at not more than 40 percent of total enrollment. Of the 358 students expected to be enrolled at Emma Willard in 2015-16, 218 are expected to be boarding students and 140 are expected to be day students. The table below shows the student distribution for the past five years.

<u>Academic Year</u>	Enrollment			
	<u>Boarding</u>	<u>Percent Total</u>	<u>Day</u>	<u>Percent Total</u>
2010-11	203	64%	116	36%
2011-12	204	63%	118	37%
2012-13	201	61%	127	39%
2013-14	202	60%	135	40%
2014-15	210	61%	136	39%
2015-16*	218	61%	140	39%

* 2015-16 is expected and not actual and is subject to change.

Emma Willard is committed to enrolling a student body that is diverse in terms of race, ethnicity, religion, and geographic and socioeconomic backgrounds. In the academic year 2014-15, the School's student body consisted of students from 23 states and 33 foreign countries. The following table shows the geographic distribution of students for the 2014-15 academic year.

2014-15 Geographical Distribution of Students

<u>US Citizens/Residents Residing within US</u>	<u># of Students</u>	<u>US Citizens/Residents Residing Outside US</u>	<u># of Students</u>	<u>International Students</u>	<u># of Students</u>
New York	172	China	8	China	24
Connecticut	11	Korea	2	Korea	13
Massachusetts	8	Bahamas	1	Japan	6
New Jersey	8	Cameroon	1	Canada	5
Vermont	8	Ecuador	1	Mexico	5
California	5	England, UK	1	Jamaica	3
Pennsylvania	4	Ireland	1	Australia	2
Texas	3	Japan	1	France	2
Virginia	3	Mexico	1	India	2
Colorado	2	Saudi Arabia	1	Malaysia	2
Florida	2			Taiwan	2
Indiana	2			Thailand	2
Kentucky	2			Bahamas	1
Maryland	2			Barbados	1
Minnesota	2			Bermuda	1
New Hampshire	2			Brazil	1
South Carolina	2			Egypt	1
District of Columbia	1			England, UK	1
Georgia	1			Indonesia	1
Illinois	1			Kazakhstan	1
Tennessee	1			Nigeria	1
Washington	1			Russia	1
West Virginia	1			Rwanda	1
				Scotland, UK	1
				Somalia	1
				Spain	1
				Ukraine	1
				Venezuela	1
				Wales	1

During the 2014-15 academic year, 21% of students at Emma Willard were international students and approximately 25% were students of color. The following table shows the composition of the student body for the past five academic years:

Student Body Composition

<u>Academic Year</u>	<u>Geographic Distribution States/Countries</u>	<u>International Student Ratio</u>	<u>Percentage of Students of Color</u>
2010-11	22/28	27%	17%
2011-12	21/29	26%	20%
2012-13	21/30	27%	19%
2013-14	25/28	24%	20%
2014-15	23/33	21%	25%

Attrition occurs at Emma Willard occurs when students voluntarily withdraw for a variety of reasons or are not granted re-enrollment. The School reviews each disciplinary action on a case-by-case basis. The following table shows the percentage of students who have withdrawn or have not been granted re-enrollment to the School on an annual basis for the past five academic years:

Five-Year History of Attrition Trends

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
% of Total Enrollment	7%	11%	9%	8%	6%

Attrition at Emma Willard generally averages approximately 7-9% each year. Students who left Emma Willard during the 2014-15 school year did so for the following reasons: desire to be closer to home, academic difficulty, health problems, and financial reasons.

COLLEGE TESTING AND PLACEMENT

Emma Willard’s students have historically gone on to attend some of the most competitive colleges and universities in the nation. The Administration believes that much of its placement success is a result of the School’s demanding educational program, the success of which is illustrated by student success on SAT exams, AP exams, and in the National Merit Scholar program.

Over the past five academic years, Emma Willard students recorded an average composite Scholastic Aptitude Test (“SAT”) score of 1921, 420 points higher than the national average for the Classes of ’10 through ’14. The table below shows the mean SAT scores for Emma Willard students compared with national means for the past five years:

SAT Scores

	<u>Class of ‘11</u>	<u>Class of ‘12</u>	<u>Class of ‘13</u>	<u>Class of ‘14</u>	<u>Class of ‘15</u>
Combined SAT Score	1897	1898	1962	1941	1991
National Average	1506	1500	1498	1498	N/A
% National Average	126%	127%	131%	130%	N/A

Source: College Board 2013 College-Bound Seniors Total Group Profile Report

Note: Class of ‘15 National Average not yet available

Emma Willard Students are consistently recognized as National Merit Scholars. The following table lists the number of Emma Willard students who were “Finalists” and “Commended” over the past five years:

National Merit Scholar Awards

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Finalists	0	1	2	*
Commended	5	11	10	9

**Data not yet available*

A significant number of students at Emma Willard enroll in Advanced Placement courses. The Advanced Placement Program (“AP”) is a cooperative educational endeavor between secondary schools and colleges and universities. Students take college level AP courses, culminating in an opportunity to demonstrate their mastery by taking a nationally standardized AP Exam. Colleges and universities are then able to grant credit, placement, or both to those students who score sufficiently high on the exam. Scoring is based on a 1 to 5 point system, with a score of 3 indicating “qualified,” 4 indicating “well qualified” and 5 indicating “very well qualified.”

The following table shows the number of AP exams taken by Emma Willard students, as well as the percent of scores of 3 or higher from academic years 2009-10 through 2013-14.

Advanced Placement Examination Scores					
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Number of exams taken	210	235	297	294	308
Number of scores “3” or higher	189	277	274	258	282
Percent of scores “3” or higher	90%	85%	92%	88%	92%

At Emma Willard, college counseling is a highly personalized process guided by the philosophy that “college is a match to be made, not a prize to be won” (Frank Sachs). As an institutional member of the National Association of College Admission Counseling, Emma Willard subscribes to the NACAC Statement of Principles of Good Practice. The members of the college counseling team are educators responsible for guiding students knowledgeably, professionally, and ethically. The goal of the college counseling process is to help students clarify their values, assess their strengths, and identify their goals for post-secondary education and then provide them and their parents with accurate information and realistic guidance about colleges and the college admissions process. Counselors also provide colleges with information about Emma Willard’s academic policies, profile, and the students applying to their institutions.

Emma Willard graduates attend a wide range of colleges and universities, with recent graduates most frequently attending George Washington University, New York University, Cornell University, Johns Hopkins University, the University of Chicago and Wellesley College. Emma Willard graduates have historically matriculated to some of the most highly competitive colleges and universities throughout the United States, including Cornell University, Dartmouth College, Brown University, and Georgetown University.

The following table depicts those colleges and universities where members of the class of 2015 have enrolled:

College Matriculation of Emma Willard Graduates
(Class of '15)

<u>Institution</u>	<u>Number Matriculated</u>	<u>Institution</u>	<u>Number Matriculated</u>
American University	1	College of Mount Saint Vincent	1
Babson College	1	Universidad de Navarra	1
Barnard College	2	University of New Haven	1
Berklee College of Music	1	New York University	6
Boston College	1	Northeastern University	4
Boston University	4	Purdue University	1
Bowdoin University	1	Quinnipiac University	1
Brown University	2	Rensselaer Polytechnic Institute	1
Bucknell University	1	Rice University	1
Case Western Reserve	1	University of Richmond	1
CUNY-Sophie Davis School of Biomedical Education	1	University of Rochester	2
University of Chicago	2	Savannah College of Art and Design	1
Cornell University	1	Smith College	2
Dickinson College	1	St. Lawrence University	1
Eckerd College	1	Stanford University	1
Elon University	2	State University of New York at Plattsburgh	1
Emory University	1	State University of New York At Albany	1
Franklin W. Olin College of Engineering	1	SUNY College of Environmental Science and Forestry	1
George Washington University	1	Syracuse University	1
University of Illinois	1	Union College	2
Ithaca College	1	University of Tampa	1
Johns Hopkins University	1	University of Vermont	2
Lawrence University	1	Villanova University	2
Lehigh University	1	Washington and Lee University	1
Macalester College	1	Wellesley College	3
Manhattan College	1		
University of Michigan	1		
Middlebury College	1		

TUITION & FINANCIAL AID

The following table shows the School’s tuition rates for the academic years 2010-11 through the expected 2015-16 academic year as well as the percentage increase from the previous year:

Tuition				
<u>Academic</u> <u>Year</u>	<u>Boarding</u>	<u>Percent</u> <u>Increase</u>	<u>Day</u>	<u>Percent</u> <u>Increase</u>
2010-11	\$41,550	5.05%	\$26,400	2.52%
2011-12	\$43,650	5.05%	\$27,700	4.92%
2012-13	\$48,480	11.07%	\$29,690	7.18%
2013-14	\$51,410	6.04%	\$31,170	4.98%
2014-15	\$54,220	5.47%	\$32,880	5.49%
2015-16	\$56,390	4.00%	\$34,200	4.01%

In 2012, as part of the School’s overall financial sustainability plan, Emma Willard raised its tuition to be in line with its peer institutions. Following a large increase in tuition from 2012-13 to 2013-14, and smaller increases thereafter, the School intends to moderate price increases in future years.

The following table depicts the 2014-15 academic year tuition rates for Emma Willard and other schools with which the School compares itself and competes for students (Note: In academic year 2013-14 Emma Willard School eliminated mandatory fees to have one “all inclusive” tuition and fees cost. Tuitions shown on the following table for other schools do not include mandatory fees.):

Comparative 2014-15 Tuition

<u>Institution</u>	<u>Boarding</u>	<u>Day</u>
Dana Hall School – Wellesley, MA	\$55,800	\$41,800
The Lawrenceville School – Lawrenceville, NJ	\$55,350	\$45,780
The Madeira School – McLean, VA	\$54,555	\$41,224
Emma Willard School – Troy, NY	\$54,220	\$32,880
The Ethel Walker School – Simsbury, CT	\$53,550	\$38,600
Deerfield Academy – Deerfield, MA	\$52,615	\$37,715
Peddie School	\$52,600	\$43,500
Miss Porter’s School – Farmington, CT	\$52,475	\$42,055
The Taft School – Watertown, CT	\$52,300	\$38,800
Miss Hall’s School – Pittsfield, MA	\$51,970	\$31,825
Choate Rosemary Hall – Wallingford, CT	\$51,950	\$40,000
The Hotchkiss School	\$51,155	\$43,475
Westover School – Middlebury, CT	\$49,850	\$35,850
Phillips Academy – Andover, MA	\$48,850	\$38,000
Phillips Exeter Academy	\$47,790	\$36,800

Emma Willard is committed to being a diverse and inclusive community reflecting a broad economic mix. Financial aid awards are based on the financial need of a student’s family, and are utilized to develop a cohesive, diversified student body. In addition to need based awards, the School also extends certain merit based scholarships in the form of tuition discounts which, together with need based awards, comprise the School’s financial aid budget.

Approximately 51% of the student body receives financial aid. In 2014-15, the School awarded \$4,364,405 in financial aid to 172 students. The following table shows the grants awarded to students by the School during academic years 2010-11 through 2014-15.

<u>Academic Year</u>	Financial Aid Assistance				
	<u>Total Grants</u>	<u>Number of Grant Recipients</u>	<u>% of all Students</u>	<u>Average Grant</u>	<u>% of Gross Tuition Revenue</u>
2010-11	\$3,673,240	162	50%	\$22,676	31%
2011-12	3,566,379	164	51%	21,748	28%
2012-13	3,968,536	172	52%	23,073	29%
2013-14	4,203,615	172	51%	24,440	29%
2014-15	4,364,405	172	51%	24,519	27%

In accordance with the financial sustainability plan launched in 2012, Emma Willard School has reduced its tuition discount from approximately 31% to 27% over the past five years, achieving the initial goal of financial aid equal to or under 28% of gross tuition revenue.

FINANCIAL MATTERS

The following summaries and discussions of financial matters should be read in conjunction with the audited financial statements of Emma Willard School as of and for the years ended June 30, 2013 and 2014, related notes, and independent auditors' report. The financial statements for the past five fiscal years ended June 30 have been audited by Bonadio & Co., LLP.

Accounting Matters

The following table summarizes the Statement of Unrestricted Activities and Changes in Net Assets for Emma Willard School for the fiscal years ended June 30, 2010 through June 30, 2014. The information presented in this table was extracted from the audited financial statements of the School for the fiscal years ended June 30, 2010 through June 30, 2014.

Statement of Unrestricted Activities (Fiscal Year Ended June 30)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES, GAINS, OTHER SOURCES, AND NET ASSETS RELEASED FROM RESTRICTION					
Student Tuition & Fees (incl. room & board)	\$10,825,630	\$11,822,092	\$12,686,640	\$13,816,982	\$14,733,382
Less Financial Aid	(3,405,807)	(3,673,240)	(3,566,379)	(3,968,536)	(4,203,615)
Net Tuition and Fees	<u>7,419,823</u>	<u>8,148,852</u>	<u>9,120,261</u>	<u>9,848,446</u>	<u>10,529,767</u>
Gift and Contributions	1,158,509	1,130,044	1,444,408	1,959,049	1,397,818
Interest and dividends, net of investment fees	322,919	290,069	1,323,465	1,119,851	795,790
Net realized and unrealized gain on investments	5,727,421	7,363,617	(1,820,614)	3,228,753	3,297,681
Auxiliary Enterprises	386,888	378,105	374,050	430,083	623,366
Other Sources	193,303	48,814	82,780	82,251	295,234
Net assets released from restrictions	<u>2,543,964</u>	<u>3,289,404</u>	<u>2,089,754</u>	<u>2,017,429</u>	<u>3,963,483</u>
Total Revenues, gains, and other support	<u>17,752,827</u>	<u>20,648,905</u>	<u>12,614,104</u>	<u>18,685,862</u>	<u>20,903,139</u>
EXPENSES					
Instruction	7,425,826	7,553,647	7,248,606	6,842,902	7,438,907
Student services	4,149,923	3,981,644	3,934,174	4,597,758	4,820,620
General administration	4,734,413	5,063,121	5,048,754	4,772,872	4,591,830
Development	1,656,015	1,239,402	1,284,912	1,447,533	1,388,338
Public relations	505,215	624,761	793,015	619,071	566,913
Auxiliary enterprises and other expenses	<u>506,952</u>	<u>419,513</u>	<u>848,569</u>	<u>469,949</u>	<u>1,182,197</u>
Total expenses	<u>18,978,344</u>	<u>18,882,088</u>	<u>19,158,030</u>	<u>18,750,085</u>	<u>19,988,805</u>
Change in net assets	(1,225,517)	1,766,817	(6,543,926)	(64,223)	914,334
NET ASSETS AT BEGINNING OF YEAR	<u>44,602,015</u>	<u>43,376,498</u>	<u>45,143,315</u>	<u>38,599,389</u>	<u>38,535,166</u>
Net assets at end of year	<u>43,376,498</u>	<u>\$45,143,315</u>	<u>\$38,599,389</u>	<u>\$38,535,166</u>	<u>\$39,449,500</u>

The School's net assets as of June 30, 2010 through 2014 were as follows:

	Net Assets				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Unrestricted					
Board designated – endowment	36,673,782	\$36,404,108	\$29,537,534	\$30,349,024	\$32,581,258
Board designated – plant	-	-	550,166	343,234	358,706
Undesignated	<u>6,702,716</u>	<u>8,739,207</u>	<u>8,511,689</u>	<u>7,842,908</u>	<u>6,509,536</u>
Total Unrestricted	43,376,498	45,143,315	38,599,389	38,535,166	39,449,500
Temporarily restricted	4,893,935	13,532,325	11,603,713	12,704,651	17,909,945
Permanently restricted	50,496,262	46,003,343	47,748,417	49,776,267	50,567,090
Total net assets	<u>\$98,766,695</u>	<u>\$104,678,983</u>	<u>\$97,951,519</u>	<u>\$101,016,084</u>	<u>\$107,926,535</u>

Management Discussion of Financial Performance

Over the past five years, Emma Willard School has undertaken a host of initiatives focused on financial sustainability. In the spring of 2010, the Board of Trustees adopted seven financial tenets to help guide annual budgeting and planning decisions. In addition to the financial tenets, which were further revised in 2014, the Board of Trustees also approved a revised Investment Policy Statement and adopted a new Debt Policy. The financial tenets along with the policy documents guide the School's long range financial planning and annual budgeting decisions.

In order to analyze and implement financial sustainable planning initiatives, the business office developed a multiyear, comprehensive financial model that captures and forecasts all operating and "non-operating" financial activity. The "2020 financial model" provides a base financial forecast and offers flexibility for scenario planning and testing the impact of different strategic assumptions, as well as annual tracking of performance relative to key financial milestones.

After undergoing a significant financial modeling process, in 2012 the Board of Trustees recognized that it would take a minimum of three years to meet the financial tenets first adopted in 2010. As a result, the Board approved a multiyear financial sustainability plan that identified the following goals:

- Increase net tuition revenue by increasing the School's tuition rate to approximately the median of its peer institutions
- Increase net tuition revenue by growing enrollment to 360 students (subsequently revised to 353)
- Increase net tuition revenue by providing financial aid equal to or less than 28% of gross tuition
- Reduce debt service burden on operations by monitoring refinancing opportunity
- Improve efficiency in program delivery through the containment of student loads and changes to the curriculum which will result in lower faculty to student ratios/higher teaching loads
- Grow summer programs net revenue

The School is on track to meet the goals identified in 2012 by the end of fiscal year 2016. From academic years 2011-12 to 2015-16, the School increased its total enrollment from 322 to 358 and in academic year 2015-16, the School expects to achieve a tuition discount of approximately 25.5%, down from approximately 31% in 2011 contributing to an increase in net tuition revenue of approximately 40% or 10% per year. Over the same time period, operating expenses grew modestly, by approximately 2.8% per year (excluding non-recurring expenses associated with the School's bicentennial celebration). As a result, the School has been very successful in reducing its endowment spend rate from approximately 8.1%, induced by the recession, in 2011 to 5.0% in fiscal year 2014 and 4.5% in fiscal year 2015. Management expects to contain the endowment spend rate to 4.5% over the next three fiscal years. Reduction in debt service from refinancing of the School's Series 2006 Bonds (defined below) will allow the School to further reduce expenses and its endowment spend rate. The School expects to reduce debt service to a maximum of \$1.8 million in fiscal year 2016 and ultimately to \$1.2 million beginning in fiscal year 2024, well below 5% of expenses, the School's debt policy maximum target.

Budget Process

The annual process begins in January for the budget to be implemented July 1 of the following fiscal year. At this time, the Finance and Audit Committee of the Board of Trustees approves the boarding and day tuitions and faculty and staff compensation adjustments for ultimate approval by the Executive Committee of the Board of Trustees. Budget development continues throughout the spring and departmental budgets are established considering the status of the current budget and with input from various administrators. A final draft budget is presented to the Finance and Audit Committee in May for their endorsement and recommendation to the Board of Trustees for ultimate approval.

Investments

The School's investment portfolio is invested in accordance with the policies established by the Investment Committee and the Board of Trustees. The School's Investment Manager is responsible for the day-to-day management of the portfolio including identifying, selecting, and monitoring a variety of external investment managers to implement the strategic asset allocation set forth by the Board of Trustees. The School currently uses JP Morgan as its investment manager.

Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board designated funds. Their purpose is to generate, in perpetuity, operating revenue for specific activities or for the use of the School. Under this policy, as approved by the Board of Trustees, the endowment and similar assets are invested in a manner that is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets while assuming an appropriate level of investment risk. All investments of endowment and similar funds are recorded in the statements of financial position as investments, including cash balances held by external investment managers.

The School utilizes an endowment investment policy that emphasizes total return. Total return consists of current yield (primarily interest and dividends) as well as the realized gains (losses) of pooled investments. The School's Board of Trustees designates a portion of the School's total investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The School's Investment Committee has adopted/approved a long-term strategic allocation that is composed of 19% US Equities, 19% Non-US Equities, 15% Hedge Funds, 15% Alternative Assets, and 32% Fixed Income and Cash. This policy is intended to balance short-term stability with preservation and enhancement of the real (inflation-adjusted) value of assets.

As of June 30, 2015, the market value of the School's investment portfolio was approximately \$97.3 million. The following table shows the market value and investment allocation of the School's investment portfolio for the past five fiscal years:

	Investments				
	(Presented at Fair Value)				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Cash and money market funds	\$3,090,157	\$1,208,507	\$1,563,602	\$2,274,125	\$2,854,101
Common Stocks	225,000	305,400	7,381,585	9,503,783	5,024,752
Domestic equity mutual funds	22,084,143	28,662,560	11,924,370	11,004,594	17,769,458
International equity mutual funds	10,051,170	6,565,792	9,439,433	15,180,298	19,902,237
Hard asset funds	-	-	-	3,899,228	2,364,630
Real estate funds	-	-	-	-	1,178,343
Fixed Income Mutual Funds	11,301,239	18,419,869	17,924,571	-	-
Domestic fixed income funds	-	-	-	17,271,607	18,171,406
International fixed income funds	-	-	-	4,284,632	885,049
Corporate Bonds	106,453	103,733	3,310,828	-	-
Hedge funds	-	-	10,291,108	13,199,880	15,915,694
Limited partnerships	33,447,886	32,984,464	18,793,550	9,683,289	10,023,552
Total investments	<u>\$80,306,048</u>	<u>\$88,250,325</u>	<u>\$80,629,047</u>	<u>\$86,301,436</u>	<u>\$94,089,222</u>

The following table depicts the composition of the School's endowment assets by level of restriction for the previous five fiscal years:

Composition of Endowment and Similar Funds

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Donor-Restricted Funds	\$(4,514,827)	\$(1,529,424)	\$(2,994,544)	\$(1,868,327)	\$(814,912)
Funds functioning as Endowment	36,673,782	36,404,108	29,537,534	30,349,024	32,581,258
Total Unrestricted	<u>32,158,955</u>	<u>34,874,684</u>	<u>26,542,990</u>	<u>28,480,697</u>	<u>31,766,346</u>
Temporarily Restricted	-	8,844,047	7,185,918	8,272,137	11,840,016
Permanently Restricted	<u>46,317,420</u>	<u>42,397,250</u>	<u>44,835,837</u>	<u>47,243,554</u>	<u>47,814,264</u>
Total Endowment Assets	<u>\$78,476,375</u>	<u>\$86,115,981</u>	<u>\$78,564,745</u>	<u>\$83,996,388</u>	<u>\$91,420,626</u>

The Board of Trustees, with input from the Finance and Audit Committee and the Investment Committee, sets the annual spending policy which governs the rate in which funds are released to support operations. The Board approved spending policy is designed to insulate the endowment from short-term fluctuations in capital markets and to maintain prudent concern for the long-term growth of the underlying assets. For the fiscal year ended June 30, 2014, spending was calculated by applying 5% against the December 31, 2013 twelve-quarter average market value for each endowed fund. Additionally, spending was calculated at half of the aforementioned formula if the fair market value of a fund was between 80 and 90 percent of the original gift value. Spending was not calculated on any fund if the fair market value of a fund was below 80 percent of the original gift value. Endowment and similar funds provided support for general operations of \$3,990,911 and \$3,872,290 for the 2014 and 2013 fiscal years, respectively.

Outstanding Indebtedness

On June 28, 2006, the School borrowed proceeds in the amount of \$31,325,000 in connection with the issuance of the Rensselaer County Industrial Development Agency, Civic Revenue Bonds (The Emma Willard School Project), Series 2006 (the "Series 2006 Bonds"). Proceeds from the issuance were for the purpose of the School's renovation projects, including Phase I of the School's Master Facility Plan, Window Restoration, Student Life Spaces and Faculty Housing. As of June 30, 2014, the School had an outstanding principal balance of \$27,475,000 relating to its Series 2006 Bonds. The Series 2006 bonds have fixed interest rates ranging from 3.75% to 5.00% and fully mature in 2036. The Series 2006 Bonds will be refunded with the proceeds of the Bonds.

DEVELOPMENT

The Development Office's mission is to strengthen connections between Emma Willard and its alumnae, parents, and friends in order to secure the resources that make possible the School's ongoing pursuit of excellence. The development office includes programs in major gifts and planned giving, annual giving, parent giving, alumnae relations, and donor relations. The School's Alumnae/Development Office is staffed by nine professionals and three support staff members. The Alumnae/Development Office recruits, trains, and supports the work of approximately 300 volunteers and is responsible for raising operating (Annual Fund), endowment, and capital funds as well as educating and informing solicit able alumnae as well as parents, friends, grandparents, and others about the importance of supporting Emma Willard School.

The following table outlines Emma Willard’s total philanthropic support, from all sources, over the past five years (the table does not include the recent \$19 million of gift that were received after fiscal year end 2014):

Total Philanthropic Giving

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Alumni	\$2,543,713	\$1,899,211	\$3,564,563	\$3,553,298	\$1,563,098
Parents	454,224	298,575	479,055	439,866	451,183
Grandparents	2,105	1,600	3,315	1,845	790
Other Individuals	229,660	155,548	72,427	57,122	373,776
Foundations	2,709,056	939,888	1,020,680	833,611	831,631
Corporations	37,722	95,529	94,486	36,024	121,186
Other Orgs	<u>2,500</u>	<u>950</u>	<u>15,080</u>	<u>204,947</u>	<u>102,824</u>
Total	5,978,980	3,391,301	5,249,606	5,126,713	\$3,444,488

STRATEGIC PLAN AND CAPITAL CAMPAIGN

Emma Willard maintains a five-year Strategic Plan that is actively monitored and recalibrated throughout its existence. In 2014, the School adopted its 2015-2020 Plan (“The 2020 Vision Plan”) that included action items for each academic year. The School’s leadership reviews the School’s progress towards the goals of the plan annually and recalibrates it based on its success to date and any new developments. The 2020 Vision Plan outlines the School’s current goals and objectives, highlighted in the following four objectives:

- 1) *Deep Personalization.* We believe the key to enriched learning is the personalization of a rigorous educational experience that challenges each girl to broaden her worldview and uncover her personal passions. This can and should be true for the journey of every Emma Girl. We will engage each girl in the development of a graduation destination that uniquely leverages her intellect and challenges her aspirations. Her culminating work – built on a strong foundation of fundamental knowledge – will be individual enough to merit the name “Signature.”
- 2) *Authentic Culture.* For the girl who attends Emma Willard, to live within our gray walls means simply to be oneself and explore who one wants to be. Those who have dreams of becoming scientists, athletes, artists, architects or whatever their hearts desire live, study, and play together in an atmosphere of acceptance and inclusiveness, surrounded by the beautiful spaces that have inspired girls for generations. Through the genuine relationships among students, faculty, and staff we will provide an atmosphere of trust and support. Through the reinvigoration of our campus living and learning spaces we will build a community where each individual feels valued and inspired.
- 3) *Distinctive Worldview.* Using this community as a solid base, Emma Willard School will transform the traditional notion of the girls’ boarding school as an insular world to one that launches a girl into a global arena of issues and opportunity. Using the extensive resources available to our community through the parents of our girls, the larger community surrounding us, our global connections, and our strong alumnae base, we will build a community of exceptional individuals and create a set of learning experiences deliberately designed to prepare and launch Emma Girls who are a force for positive change in the world.

- 4) *Unabashedly Emma.* The best schools in the world know their strengths, foresee shifts in education, and innovate before all others. Our deep personalization, distinctive worldview, and culture of authenticity will continue to set us apart from any other school. To own our position as one of the best schools in the world for girls, we must fully embrace and steward our niche in the educational landscape, and, as our founder taught us, boldly innovate our programming where other might hesitate. We will remain innovative and flexible in these dynamic times, while we build our global reputation and the philanthropic culture required to maintain the promises of the Emma Willard experience for generations to come.

Emma Willard believes that the fulfillment of the existing strategic plan will continue the positive trajectory of the School.

Current Campaigns

Pursuant to advice from an outside consulting firm, The Emma Willard School shifted from conducting single, multi-year campaigns to conducting a series of smaller, more targeted three to five year plans. These plans are targeted fundraising efforts with specific major donors for each. Under this model, the School has raised \$19 million in the past year from four individual donors in support of priorities set forth in the 2020 vision including faculty support, program innovation, and capital projects. Of the \$19 million, \$8.5 has been received in cash, and \$9.0 million is expected to be paid by the end of fiscal year 2016. The current initiatives, which began in fiscal year 2014, are outlined below.

Inspiring Spaces. The goal of the Inspiring Spaces Campaign is to raise \$3 million for investment in student living spaces. The plan calls for \$1 million to renovate the student rooms, hallways, and upstairs common areas in the Kellas and Sage dormitories, \$1.2 million to refurbish all dormitory bathrooms, and \$800,000 to renovate the Alumnae Chapel/historic gym to become a community gathering space.

Scholarship. The goal of the Scholarship Campaign is to raise \$5 million to create additional endowment-funded scholarships. Scholarships funded through the campaign will be named in the honor of donors.

Signature. The goal of the Signature Campaign is to raise \$5 million to build endowment support through a Signature Opportunities Fund in order to support signature projects conducted by Emma Willard students. Donations will support integration of technology into several classrooms, the building of a named media lab with video editing, film production, graphic design, and audio equipment, development of additional learning spaces, and creation of a named lecture-style learning and presentation space. They will also support faculty development and the purchases and maintenance of a small fleet of sustainable, safe, and branded vehicles for transportation of students.

2020 Vision Fund. The goal of the 2020 Vision Fund, is to raise \$2 million to create an innovation fund to enable faculty and staff leadership teams to perform research and development.

Prior Capital Campaigns

Rooted in the benchmarks identified in “The Plan for Emma Willard’s Third Century,” the School’s most recent comprehensive capital campaign, entitled “IDEA”, ran from July 1, 2004 through December 31, 2010. The campaign raised \$76.2 million in gifts and documented pledges with the goal of strengthening endowment for scholarships, faculty support, and campus preservation and renewal, and annual giving. Of the \$76.2 million, \$16.8 was designated for faculty excellence, \$9.9 for scholarship, \$10.4 for annual giving, \$4.2 for other priorities, \$8.2 was planned giving, and \$26.7 was unrestricted. This campaign included a \$17.1 million bequest, \$15 million of which is unrestricted.

Annual Fund

Giving to the Annual Fund in support of the School's operations has been a consistent source of support over the past five fiscal years. In each of the past five years, the School has exceeded its budgeted annual fund goal. The School receives significant annual fund support from trustees, alumni, current parents and grandparents, parents and grandparents of alumni, as well as other constituent groups.

The table below depicts contributions to the School's Annual Fund by donor group during the last five fiscal years:

<u>Donor Group</u>	Annual Fund Giving				
	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Alumnae	\$1,007,508	\$1,030,821	\$1,135,708	\$1,182,456	\$1,196,919
Current Parents	85,841	149,251	147,887	164,416	196,387
Past Parents	118,367	51,090	81,688	120,684	111,216
Grandparents	2,105	1,600	3,315	1,845	790
Friends	92,787	117,448	37,227	45,794	84,983
Foundations/Corporations	<u>521,220</u>	<u>551,007</u>	<u>558,383</u>	<u>697,733</u>	<u>817,538</u>
Total	1,827,828	1,901,217	\$1,964,208	\$2,212,928	\$2,407,833

THE PROJECT

The School plans to use the proceeds of the Series 2015 Bonds to 1) refinance its outstanding Series 2006 Bonds and 2) pay costs of issuance for the 2015 bonds.

GEOGRAPHIC AREA & FACILITIES

Emma Willard School is situated on 137 acres on Mount Ida, above the city of Troy, New York. The campus contains 41 buildings, of which 9 comprise the main campus of academic, athletic, and administrative buildings. Also included among the total of campus buildings are 5 student housing facilities and 22 faculty and staff houses. In addition to such buildings and indoor athletic facilities, the School maintains eight outdoor tennis courts alongside grass fields for soccer, lacrosse and field hockey, as well as recreational fields for PE classes. The three oldest buildings, all of collegiate Tudor Gothic style, include a reading room with a cathedral ceiling, classrooms, offices, a main auditorium, a dance studio, a lab theater, three residence halls, two dining facilities, a student center, and a chapel. The School's physical plant is listed on the National Register of Historic Places.

The following table identifies the School's buildings, the approximate square footage of each, the date of construction and last major renovation, and the principal use of each building:

Campus Facilities

<u>Building</u>	<u>Date of Construction</u>	<u>Year of Last Renovation</u>	<u>Square Footage</u>	<u>Primary use</u>
Slocum Hall	1912		58,940	Classrooms
Sage Hall	1914	2006	52,960	Dormitory
Hyphen Hall	1914	2006	13,760	Dormitory
Kellas Hall	1928	2006	71,704	Dormitory
Weaver Hall	1928		13,500	Classrooms and Office Facilities
Alumnae Chapel & Organ	1914		18,675	
The Laundry	1914	2006	17,800	Office Facilities
The Bridges	1926	2007	6,600	Dormitory
Wellington-Lay	1911	2007	13,575	Head of School Residence
Wilson House	1911		1,700	Residence
Manchester House	1911		3,700	Residence
Simpson House	1911		2,600	Residence
Gate House/Potwine House	1911		2,500	Residence
Dietel Library	1967		26,543	
Snell Music Building	1967		17,112	
Maguire Art Center	1970		21,335	
Cheel Gymnasium & Aquatics Center	1976		17,000	Gymnasium
Hunter Science Building	1998		12,000	Classrooms
Window Restoration Shop	1921		3,200	Shop
Storage Building	1950		800	Storage
Track Shed	1958		500	Storage
Cluette House	1931		13,200	Dormitory
Gorham House	1921		6,700	Residence
174 Elmgrove Avenue	1921	2009	3,700	Residence
156 Central Avenue	1966		2,100	Residence
124 Elmgrove Avenue	1966		3,400	Residence
285 Pawling Avenue	2007	2014	2,400	Storage
Koenigsbauer	1911	2011	4,100	Residence
Hislop House	1901	2009	4,000	Residence
301 Spring Avenue	1921		4,400	Residence
301 Spring Avenue Garage	1981		800	Storage
459 Pawling Avenue	1921		4,400	Residence
Bessey House	1941	2010	5,800	Residence
164 Central Avenue	1951		2,300	Faculty Housing
137 Elmgrove Avenue	1971		2,300	Residence
20 Parmenter Avenue	1941		2,000	Residence
101 Fales Court	1890	2007	2,100	Residence
180 Central Avenue	1957		1,300	Faculty Housing
170 Central Avenue	1955		2,500	Faculty Housing
109 Elmgrove Avenue	1930		4,400	Faculty Housing

ACCREDITATION AND MEMBERSHIPS

Emma Willard is accredited by The New York State Association of Independent Schools through June 30, 2020. The School is a member in good standing with the National Coalition of Girls' Schools, The Association of Boarding Schools, The New York State Association of Independent Schools, and The National Association of Independent Schools.

RETIREMENT PLANS

The majority of the School's employees are participants in a defined contribution plan sponsored by Teachers Insurance and Annuity Association and College Retirement Equities Fund. Total expenses incurred by the School in connection with the plan amounted to \$684,044 and \$619,119 for fiscal year ending June 30, 2014 and 2013, respectively.

INSURANCE

The School carries standard industry insurance policies, including real and personal property, general comprehensive liability, workers' compensation, employer's liability, commercial automobile liability, and educators' legal liability. In addition, the School carries accident insurance for its students.

LITIGATION

Emma Willard has no knowledge of any threatened or existing claim or litigation for which insurance coverage does not exist or which could otherwise have a materially adverse effect on the School's financial condition.

Emma Willard School

**Financial Statements
June 30, 2014 and 2013**

Bonadio & Co., LLP
Certified Public Accountants

Emma Willard School
Index
June 30, 2014 and 2013

	Page(s)
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities.....	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-18

INDEPENDENT AUDITOR'S REPORT

November 3, 2014

To the Board of Trustees of
Emma Willard School:

Report on the Financial Statements

We have audited the accompanying financial statements of Emma Willard School (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emma Willard School as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bonadio & Co., LLP

Emma Willard School
Statements of Financial Position
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 3,540,851	\$ 4,770,583
Accounts receivable, net	174,631	123,787
Accrued interest receivable	38,522	49,752
Inventories	124,847	134,063
Prepaid expenses and other assets	707,781	732,546
Contributions receivable, net	6,459,927	5,088,218
Deposits with bond trustees	672,033	686,383
Investments	94,089,222	86,301,436
Land, buildings and equipment, net	37,583,504	39,586,110
Total assets	<u>\$ 143,391,318</u>	<u>\$ 137,472,878</u>
Liabilities		
Accounts payable and accrued expenses	\$ 2,248,851	\$ 2,486,164
Advance deposits on tuition and deferred revenue	3,532,342	3,574,633
Obligation on life income agreements	702,906	715,011
Asset retirement obligation	879,534	854,538
Annuities payable	319,446	330,803
Long-term debt	27,781,704	28,495,645
Total liabilities	<u>35,464,783</u>	<u>36,456,794</u>
Net assets		
Unrestricted		
Board designated - endowment	32,581,258	30,349,024
Board designated - plant	358,706	343,234
Undesignated	6,509,536	7,842,908
Unrestricted	<u>39,449,500</u>	<u>38,535,166</u>
Temporarily restricted	17,909,945	12,704,651
Permanently restricted	50,567,090	49,776,267
Total net assets	<u>107,926,535</u>	<u>101,016,084</u>
Total liabilities and net assets	<u>\$ 143,391,318</u>	<u>\$ 137,472,878</u>

The accompanying notes are an integral part of the financial statements.

Emma Willard School
Statements of Activities
Year Ended June 30, 2014 (With Summarized Financial Information For the Year
Ended June 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Revenues, gains, other sources and net assets released from restriction					
Student tuition and fees (including room and board)	\$ 14,733,382	\$ -	\$ -	\$ 14,733,382	\$ 13,816,982
Less: financial aid	<u>(4,203,615)</u>	-	-	<u>(4,203,615)</u>	<u>(3,968,536)</u>
Net tuition and fees	10,529,767	-	-	10,529,767	9,848,446
Gifts and contributions	1,397,818	2,048,680	790,823	4,237,321	4,479,329
Interest and dividends, net of investment fees of \$488,166 and \$354,401 in 2014 and 2013, respectively	795,790	-	-	795,790	1,119,851
Net unrealized and realized gain on investments	3,297,681	7,120,097	-	10,417,778	5,854,690
Auxiliary enterprises	623,366	-	-	623,366	430,083
Other sources	295,234	-	-	295,234	82,251
Net assets released from restriction	<u>3,963,483</u>	<u>(3,963,483)</u>	-	-	-
Total revenues, gains, other sources and net assets released from restriction	<u>20,903,139</u>	<u>5,205,294</u>	<u>790,823</u>	<u>26,899,256</u>	<u>21,814,650</u>
Expenses					
Instruction	7,438,907	-	-	7,438,907	6,842,902
Student services	4,820,620	-	-	4,820,620	4,597,758
General administration	4,591,830	-	-	4,591,830	4,772,872
Development	1,388,338	-	-	1,388,338	1,447,533
Public relations	566,913	-	-	566,913	619,071
Auxiliary enterprises and other expenses	<u>1,182,197</u>	-	-	<u>1,182,197</u>	<u>469,949</u>
Total expenses	<u>19,988,805</u>	<u>-</u>	<u>-</u>	<u>19,988,805</u>	<u>18,750,085</u>
Change in net assets	914,334	5,205,294	790,823	6,910,451	3,064,565
Net assets, beginning of year	<u>38,535,166</u>	<u>12,704,651</u>	<u>49,776,267</u>	<u>101,016,084</u>	<u>97,951,519</u>
Net assets, end of year	<u>\$ 39,449,500</u>	<u>\$ 17,909,945</u>	<u>\$ 50,567,090</u>	<u>\$ 107,926,535</u>	<u>\$ 101,016,084</u>

The accompanying notes are an integral part of the financial statements.

Emma Willard School
Statement of Activities
Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>
Revenues, gains, other sources and net assets released from restriction				
Student tuition and fees (including room and board)	\$ 13,816,982	\$ -	\$ -	\$ 13,816,982
Less: financial aid	<u>(3,968,536)</u>	<u>-</u>	<u>-</u>	<u>(3,968,536)</u>
Net tuition and fees	9,848,446	-	-	9,848,446
Gifts and contributions	1,959,049	492,430	2,027,850	4,479,329
Interest and dividends, net of investment fees of \$354,401	1,119,851	-	-	1,119,851
Net unrealized and realized loss on investments	3,228,753	2,625,937	-	5,854,690
Auxiliary enterprises	430,083	-	-	430,083
Other sources	82,251	-	-	82,251
Net assets released from restriction	<u>2,017,429</u>	<u>(2,017,429)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, other sources and net assets released from restriction	<u>18,685,862</u>	<u>1,100,938</u>	<u>2,027,850</u>	<u>21,814,650</u>
Expenses				
Instruction	6,842,902	-	-	6,842,902
Student services	4,597,758	-	-	4,597,758
General administration	4,772,872	-	-	4,772,872
Development	1,447,533	-	-	1,447,533
Public relations	619,071	-	-	619,071
Auxiliary enterprises	469,949	-	-	469,949
Total expenses	<u>18,750,085</u>	<u>-</u>	<u>-</u>	<u>18,750,085</u>
Change in net assets	<u>(64,223)</u>	<u>1,100,938</u>	<u>2,027,850</u>	<u>3,064,565</u>
Net assets, beginning of year	<u>38,599,389</u>	<u>11,603,713</u>	<u>47,748,417</u>	<u>97,951,519</u>
Net assets, end of year	<u>\$ 38,535,166</u>	<u>\$ 12,704,651</u>	<u>\$ 49,776,267</u>	<u>\$ 101,016,084</u>

The accompanying notes are an integral part of the financial statements.

Emma Willard School
Statements of Cash Flows
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	6,910,451	3,064,565
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	3,077,535	3,036,928
Provision for accounts receivable	52,318	74,615
Write-off of contributions receivable	38,417	233,349
Gain on sale of equipment	-	(2,000)
Amortization of bond premium	(13,941)	(13,941)
Amortization of bond issuance costs	23,634	23,634
Net unrealized and realized gains on investments	(10,417,778)	(5,854,690)
Non-operating contributions	(570,710)	(2,407,441)
Changes in assets and liabilities		
Accounts receivable	(103,162)	(47,587)
Accrued interest receivable	11,230	58,721
Inventories	9,216	(38,266)
Prepaid expenses and other assets	1,131	5,671
Contributions receivable	(1,410,126)	159,167
Accounts payable and accrued expenses	(300,914)	(309,035)
Advance deposits on tuition and deferred revenue	(42,291)	898,219
Obligation on life income agreements	(12,105)	(11,505)
Asset retirement obligation	24,996	27,092
Annuities payable	(11,357)	13,972
Net cash used in operating activities	<u>(2,733,456)</u>	<u>(1,088,532)</u>
Cash flows from investing activities		
Purchases of land, buildings and equipment	(1,011,328)	(1,100,337)
Purchases of investments	(37,671,601)	(48,731,570)
Proceeds from sale and maturity of investments	40,301,593	48,913,871
Decrease in deposits with bond trustees	14,350	13,500
Net cash provided by (used in) investing activities	<u>1,633,014</u>	<u>(904,536)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(700,000)	(675,000)
Proceeds from contributions restricted for endowment	570,710	2,407,441
Net cash (used in) provided by financing activities	<u>(129,290)</u>	<u>1,732,441</u>
Net decrease in cash and cash equivalents	(1,229,732)	(260,627)
Cash and cash equivalents, beginning of year	4,770,583	5,031,210
Cash and cash equivalents, end of year	<u>\$ 3,540,851</u>	<u>\$ 4,770,583</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 1,360,366</u>	<u>\$ 1,386,266</u>
Supplemental disclosure of noncash investing activity		
Purchase of land, buildings and equipment with accounts payable and accrued expenses	<u>\$ 63,601</u>	<u>\$ 187,125</u>
Supplemental disclosure of noncash financing activity		
Restricted stock gifts	<u>\$ 141,435</u>	<u>\$ 71,193</u>

The accompanying notes are an integral part of the financial statements.

Emma Willard School

Notes to Financial Statements

June 30, 2014 and 2013

1. Summary of Significant Accounting Policies

Organization

Emma Willard School (the "School") is a privately operated school for girls in grades 9 through 12 for boarding and day students. The School operates on a 130 acre campus in Troy, New York and serves approximately 340 students.

Basis of Presentation

The School's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which requires using the accrual basis of accounting.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

- **Unrestricted net assets** – net assets that are not subject to donor-imposed stipulations.
- **Temporarily restricted** – net assets subject to donor-imposed stipulations that may or will be met either by actions of the School or the passage of time.
- **Permanently restricted** – net assets subject to donor-imposed stipulations that require the principal to be invested in perpetuity. Generally, the donors of these assets require that the School use the income earned for a specific purpose.

Investments

The School accounts for its investments at fair value on a trade date basis.

The increase or decrease in fair value of investments during the year is included in net unrealized and realized gain (loss) on investments in the accompanying statements of activities. The average cost method is primarily used to determine the basis for computing realized gains or losses. Gains or losses on investments are recognized as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

The School has significant investments in limited liability companies and investment companies (collectively referred to as "alternative investments") for which market quotations may not be readily available. Such funds have been recorded at estimated fair value. Estimated fair value has been determined based upon the School's proportionate share of the net assets of the alternative investments at June 30, 2014 and 2013. The underlying investments in alternative investments primarily consist of an ownership percentage of private investment companies and publicly traded equity and fixed income securities. Additionally, certain of these alternative investments may have limited liquidity and only permit redemptions at specified intervals, restrict resale or require advance notice for redemption or withdrawal.

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

Certain funds invest in mortgage-backed securities. Yields on mortgage-backed securities are affected by interest and prepayment rates which, in turn are influenced by a variety of economic, geographical, social, and other factors.

Emma Willard School

Notes to Financial Statements

June 30, 2014 and 2013

Cash and Cash Equivalents

For purposes of the statements of cash flows, the School considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents representing investment funds are included in investments. Cash and cash equivalents are also included in deposits with bond trustees. At times, the School's cash and cash equivalent balances may exceed federally insured limits.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and charges for auxiliary services provided to students, faculty, staff and the general public. Accounts are written off to the allowance for doubtful accounts when they are deemed to be uncollectible. The allowance for doubtful accounts was \$34,152 and \$24,195 at June 30, 2014 and 2013, respectively.

Inventories

Inventories, which include supplies and general merchandise, are stated at the lower of cost or market, based upon the first-in, first-out method.

Bond Issuance Costs

Bond issuance costs are capitalized and amortized over the term of the bonds to which they relate. The School had \$519,955 and \$543,589 at June 30, 2014 and 2013 respectively, in unamortized bond issuance costs, which are included in prepaid expenses and other assets in the statements of financial position. Amortization expense was \$23,634 for the years ended June 30, 2014 and 2013 and is included in general administration expenses in the accompanying statements of activities.

Contributions Receivable

Unconditional promises to give (pledges) are recognized as revenue in the period the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restriction. Contributions receivable are collectible over future periods and have been recorded at their net present value. Included in contributions receivable are amounts due from irrevocable trusts whereby the School is a beneficiary, but not the trustee of the trust. The present value of the trusts estimated to be distributable to the School upon the termination of the trusts is recorded in contributions receivable.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Interest costs incurred during construction periods are included as a component of cost. Land improvements, buildings and building improvements, and equipment and furnishings are depreciated over their estimated useful lives using the straight-line method, which ranges from 3-40 years.

The School assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2014 or 2013.

Emma Willard School

Notes to Financial Statements

June 30, 2014 and 2013

Life Income Agreements

The School's life income agreements with donors represent assets transferred to the School in which the assets are held by the School as trustee and invested separately or included in the School's investment pools in accordance with trust instruments. Under the life income agreements, the School is obligated to make periodic payments of income earned on the investments to the donor or third party beneficiaries until the death of either the donor or beneficiaries. Contribution revenue is recorded at the fair value of the assets received, less the life income payable, which represents the present value of the expected payments to the donor and/or beneficiaries over their expected lives. The life income payable is determined utilizing appropriate discount rates based upon the estimated return on the invested assets over the expected terms of the agreements, and actuarial assumptions of life expectancy.

Asset Retirement Obligations

The School accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the School will recognize a gain or loss for any difference between the settlement amount and the liability recorded.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation and operations and maintenance costs are allocated to the functional expense categories reported within the statements of activities. Such allocation is based upon the estimated use of the facilities and equipment.

Financial Instruments Measured at Fair Value

The School has financial instruments which are recorded at fair value in the accompanying statements of financial position. The School makes estimates regarding the valuation of assets and liabilities measured at fair value in the financial statements. These assets and liabilities include cash equivalents and investments.

The following methods and assumptions were used in estimating the fair value of financial instruments:

Cash and Cash Equivalents: The carrying amount reported in the statements of financial position for cash and cash equivalents approximates fair value due to the short-term nature of these instruments. Cash and cash equivalents are valued using Level 1 inputs.

Investments: The carrying amount reported in the statements of financial position for investments is stated at fair value. Fair values are based on quoted market prices or estimated fair value. Investments are valued using Level 1, 2 and 3 inputs. Refer to Note 8.

Income Taxes

The School is a not-for-profit corporation and is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The School has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

For tax-exempt entities, their tax-exempt status itself is deemed to be an uncertainty, since events could potentially occur to jeopardize their tax-exempt status. As of June 30, 2014 and 2013, the School has not recorded a liability for unrecognized tax benefits. The School files exempt organization tax returns in the U.S. federal jurisdiction and New York State. The School is no longer subject to U.S. federal and state examinations by tax authorities for years before 2010.

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

Use of Estimates

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

Revenue Recognition

Revenue for School tuition is recognized when earned based on the school year from July 1 through June 30. Tuition revenue received in the current fiscal year that relates to future school years is recorded as deferred revenue.

Program Expenses

Total program expenses for the years ended June 30, 2014 and 2013 were \$12,831,829 and \$11,616,944, respectively. Program expenses include instruction, student services and auxiliary enterprises.

Reclassifications

Certain amounts for 2013 have been reclassified to conform to the 2014 presentation.

Subsequent Events

The School has evaluated subsequent events for the period after June 30, 2014 through November 3, 2014, the date on which the financial statements were issued.

2. Contributions Receivable

The following summarizes the carrying value of the contributions receivable based on the period in which they are expected to be collected. Carrying value is determined by calculating the present value of the estimated future cash flows, net of an allowance for uncollectible pledges. The interest rates used in determining the net present value of contributions receivable range from 0.11% to 4.91% at June 30, 2014 and June 30, 2013, based on the terms and pledge dates of the gifts.

	<u>2014</u>	<u>2013</u>
Collectible in less than one year	\$ 763,835	\$ 790,658
Collectible in one to five years	4,428,117	3,091,863
Due from irrevocable trusts	<u>1,637,522</u>	<u>1,483,130</u>
	6,829,474	5,365,651
Less:		
Present value discount	301,252	223,777
Allowance for uncollectible pledges	<u>68,295</u>	<u>53,656</u>
Total	<u>\$ 6,459,927</u>	<u>\$ 5,088,218</u>

As of June 30, 2014 and 2013, the School received conditional promises to give (bequests) totaling \$9,522,580 and \$8,572,580, respectively. Due to the conditional nature of the gifts, these amounts are not included in contributions receivable.

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

3. Land, Buildings and Equipment

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

	<u>2014</u>	<u>2013</u>
Land	\$ 253,619	\$ 253,619
Land improvements	7,928,001	7,911,201
Buildings and improvements	68,269,330	67,615,234
Equipment and furnishings	6,248,473	6,095,914
Construction in progress	486,520	352,701
	<u>83,185,943</u>	<u>82,228,669</u>
Less: accumulated depreciation	45,602,439	42,642,559
Total	<u>\$ 37,583,504</u>	<u>\$ 39,586,110</u>

Depreciation expense was \$3,077,535 and \$3,036,928 for the years ended June 30, 2014 and 2013, respectively.

4. Investments

Investments consist of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Cash equivalents	\$ 2,854,101	\$ 2,274,125
Equity investments	42,696,447	35,688,675
Fixed income investments	22,599,428	25,455,467
Alternative investments	25,939,246	22,883,169
	<u>94,089,222</u>	<u>86,301,436</u>

The components of total investment return from all sources for the years ended June 30, is as follows:

	<u>2014</u>	<u>2013</u>
Interest and dividends from investments, net of investment fees	\$ 795,790	\$ 1,119,851
Realized gains, net	4,011,317	3,091,058
Unrealized gains, net	6,406,461	2,763,632
	<u>11,213,568</u>	<u>6,974,541</u>

Included in investments is \$2,004,174 and \$1,755,176 which relate to life income agreements at June 30, 2014 and 2013, respectively, and \$664,422 and \$549,873, which relate to annuity gift agreements at June 30, 2014 and 2013, respectively.

The School utilizes an endowment investment policy that emphasizes total return. Total return consists of current yield (primarily interest and dividends) as well as the realized gains (losses) of pooled investments. The School's Board of Trustees designates a portion of the School's total investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines.

Emma Willard School

Notes to Financial Statements

June 30, 2014 and 2013

5. Endowment and Similar Funds

The School applies the concepts of FASB ASC 958, Not-for-Profit Entities, and the New York Prudent Management of Institutional Funds Act (NYPMIFA) in managing and investing endowment and similar funds. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. Under NYPMIFA, specific factors must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees has interpreted its fiduciary responsibilities for donor-restricted endowment funds to include the preservation of intergenerational equity to the extent possible by prudently managing, investing and spending from the endowment funds. As a result of this interpretation, the School classifies as permanently restricted net assets the unappropriated portion of (a) the original value of gifts donated to a true endowment fund, (b) the original value of subsequent gifts to a true endowment fund, and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unspent appropriations related to donor-restricted endowment funds and the corresponding accumulated earnings are classified as temporarily restricted net assets until the amounts are expended by the School in a manner consistent with the donor's intent. Funds functioning as endowment funds based on designations established by the Board of Trustees are classified as unrestricted net assets as these expenditures do not carry donor restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. When donor endowment deficits exist, they are classified as a reduction of net assets. Deficits of this nature were \$814,912 and \$1,868,327 as of June 30, 2014 and 2013, respectively. These deficits resulted from unfavorable market fluctuations that occurred after the investment of endowment funds, or from appropriations deemed prudent at the time they are authorized.

Endowment Investment Policy

Endowment assets include those assets of donor-restricted funds that the School must hold in perpetuity or for a donor-specified period as well as board designated funds. Their purpose is to generate, in perpetuity, operating revenue for specific activities or for the use of the School. Under this policy, as approved by the Board of Trustees, the endowment and similar assets are invested in a manner that is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets while assuming an appropriate level of investment risk. All investments of endowment and similar funds are recorded in the statements of financial position as investments, including cash balances held by external investment managers.

Endowment Investment Return Spending Policy

The Board of Trustees, with input from the Finance and Audit Committee and the Investment Committee, set the annual spending policy which governs the rate in which funds are released to support operations. The Board approved spending policy is designed to insulate the endowment from short-term fluctuations in capital markets and to maintain prudent concern for the long-term growth of the underlying assets. For the year ended June 30, 2014, spending was calculated by applying 5.0 percent against the December 31, 2013 twelve-quarter average market value for each endowed fund. Additionally, spending was calculated at half of the aforementioned formula if the fair market value of a fund was between 80 and 90 percent of the original gift value. Spending was not calculated on any fund if the fair market value of a fund was below 80 percent of the original gift value. Endowment and similar funds provided support for general operations of \$3,990,911 and \$3,872,290 for the 2014 and 2013 fiscal year, respectively, which included no supplemental Board approved appropriations.

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

The endowment funds composition by type of fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ (814,912)	\$ 11,840,016	\$ 47,814,264	\$ 58,839,368
Funds functioning as endowment	32,581,258	-	-	32,581,258
Total endowment funds	<u>\$ 31,766,346</u>	<u>\$ 11,840,016</u>	<u>\$ 47,814,264</u>	<u>\$ 91,420,626</u>

The endowment funds composition by type of fund as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ (1,868,327)	\$ 8,272,137	\$ 47,243,554	\$ 53,647,364
Funds functioning as endowment	30,349,024	-	-	30,349,024
Total endowment funds	<u>\$ 28,480,697</u>	<u>\$ 8,272,137</u>	<u>\$ 47,243,554</u>	<u>\$ 83,996,388</u>

The following table provides a roll-forward of endowment funds.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds as of June 30, 2012	\$ 26,542,990	\$ 7,185,918	\$ 44,835,837	\$ 78,564,745
Investment return:				
Investment income, realized and unrealized losses, net of fees	4,310,248	2,487,542	-	6,797,790
New gifts	98,702	-	2,407,441	2,506,143
Amounts released into operations	(2,470,967)	(1,401,323)	-	(3,872,290)
Other changes	(276)	-	276	-
Endowment funds as of June 30, 2013	<u>\$ 28,480,697</u>	<u>\$ 8,272,137</u>	<u>\$ 47,243,554</u>	<u>\$ 83,996,388</u>
Investment return:				
Investment income, realized and unrealized losses, net of fees	4,105,776	6,738,564	-	10,844,340
New gifts	99	-	570,710	570,809
Amounts released into operations	(820,226)	(3,170,685)	-	(3,990,911)
Other changes	-	-	-	-
Endowment funds as of June 30, 2014	<u>\$ 31,766,346</u>	<u>\$ 11,840,016</u>	<u>\$ 47,814,264</u>	<u>\$ 91,420,626</u>

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 represent donated gifts of cash, pledges and other assets designated for the following purposes:

	<u>2014</u>	<u>2013</u>
Life income agreements	\$ 1,308,329	\$ 1,040,173
Annuity agreements	344,976	219,068
Restricted based on time and other stipulations	4,416,624	3,173,273
Accumulated endowment earnings	11,840,016	8,272,137
	<u>\$ 17,909,945</u>	<u>\$ 12,704,651</u>

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

7. Permanently Restricted Net Assets

Permanently restricted net assets at June 30 are restricted for investment in perpetuity, the income of which is expendable to support the following:

	<u>2014</u>	<u>2013</u>
Scholarships	\$ 14,704,974	\$ 14,311,675
Faculty advancement	18,750,022	18,653,261
Other specific activities	13,869,523	13,564,219
Any activities of the School	<u>3,242,571</u>	<u>3,247,112</u>
	<u>\$ 50,567,090</u>	<u>\$ 49,776,267</u>

8. Fair Value Measurements

Generally accepted accounting principles establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and requires that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the School. Unobservable inputs are inputs that reflect the School's assumptions about the assumptions market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets.
- Level 2 – Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.
- Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment.

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

Fair value of the School's investment portfolio is derived using the market approach and relevant market-driven data.

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

The following table presents the financial instruments measured at fair value on a recurring basis as of June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 2,854,101	\$ -	\$ -	\$ 2,854,101
Common stocks	5,024,752	-	-	5,024,752
Domestic equity mutual funds	17,769,458	-	-	17,769,458
International equity mutual funds	19,902,237	-	-	19,902,237
Hard asset funds	2,364,630	-	-	2,364,630
Real estate funds	-	1,178,343	-	1,178,343
Domestic fixed income funds	16,094,513	2,076,893	-	18,171,406
International fixed income funds	885,049	-	-	885,049
Hedge funds	-	-	15,915,694	15,915,694
Limited partnerships	-	-	10,023,552	10,023,552
Total investments	<u>\$ 64,894,740</u>	<u>\$ 3,255,236</u>	<u>\$ 25,939,246</u>	<u>\$ 94,089,222</u>

The following table presents the financial instruments measured at fair value on a recurring basis as of June 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 2,274,125	\$ -	\$ -	\$ 2,274,125
Common stocks	9,503,783	-	-	9,503,783
Domestic equity mutual funds	11,004,594	-	-	11,004,594
International equity mutual funds	15,180,298	-	-	15,180,298
Hard asset funds	3,899,228	-	-	3,899,228
Domestic fixed income funds	15,263,990	2,007,617	-	17,271,607
International fixed income funds	3,224,257	1,060,375	-	4,284,632
Hedge funds	-	-	13,199,880	13,199,880
Limited partnerships	-	-	9,683,289	9,683,289
Total investments	<u>\$ 60,350,275</u>	<u>\$ 3,067,992</u>	<u>\$ 22,883,169</u>	<u>\$ 86,301,436</u>

Investments included in Level 3 consist of the School's ownership in alternative investments, primarily limited partnership interests in hedge, private equity and other similar funds. The value of certain alternative investments represents the ownership interest in the respective partnership. Investments held by the partnerships include investments in marketable securities and investments in securities that do not have readily determinable fair values. The fair values of the securities held by limited partnerships and hedge funds that do not have readily determinable fair values are determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, subsequent developments concerning the companies to which the securities relate, appraisals, or other estimates that require varying degrees of judgment. The School regularly reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of these investments. The School did not reclassify any investments within the valuation hierarchy during the years ended June 30, 2014 and 2013.

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

The following table is a roll-forward of the statements of financial position amounts for financial instruments classified by the School within Level 3 of the fair value hierarchy defined above:

	<u>Limited Partnerships</u>	<u>Hedge Funds</u>	<u>Total</u>
Balance as of June 30, 2012	\$ 17,734,124	\$ 10,291,108	\$ 28,025,232
Unrealized gains	1,265,557	1,108,772	2,374,329
Purchases	761,515	1,800,000	2,561,515
Sales	(9,918,515)	-	(9,918,515)
Dividends	(159,392)	-	(159,392)
Balance as of June 30, 2013	<u>\$ 9,683,289</u>	<u>\$ 13,199,880</u>	<u>\$ 22,883,169</u>
Unrealized gains	1,013,897	1,315,814	2,329,711
Purchases	1,697,525	1,400,000	3,097,525
Sales	(2,182,689)	-	(2,182,689)
Dividends	(188,470)	-	(188,470)
Balance as of June 30, 2014	<u><u>\$ 10,023,552</u></u>	<u><u>\$ 15,915,694</u></u>	<u><u>\$ 25,939,246</u></u>

The pricing inputs and methods described above may produce a fair value calculation that may not be indicative of the ultimate realizable value. Accordingly, while the School believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table describes the valuation techniques used for recurring fair value measurements for investments in Level 3 of the fair value hierarchy:

	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Unobservable Inputs</u>	<u>Range (Weighted Average)</u>
Limited Partnerships	\$ 10,023,552	Net asset value	unavailable	unavailable
Hedge Funds	15,915,694	Net asset value	unavailable	unavailable
	<u><u>\$ 25,939,246</u></u>			

The following table provides liquidity information on investments classified as Level 3 of the fair value hierarchy:

	<u>Fair Value</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Limited Partnership	\$ 4,050,716	Manager's discretion	Manager's discretion
Limited Partnership	3,236,857	Manager's discretion	Liquidity fund
Limited Partnership	533,139	Manager's discretion	Manager's discretion
Limited Partnership	703,987	Not currently eligible	Not applicable
Limited Partnership	747,968	Not currently eligible	Not applicable
Limited Partnership	205,208	Not currently eligible	Not applicable
Limited Partnership	238,114	Not currently eligible	Not applicable
Limited Partnership	183,960	Not currently eligible	Not applicable
Limited Partnership	123,603	Not currently eligible	Not applicable
Hedge Funds	15,915,694	Quarterly	1 day
	<u><u>\$ 25,939,246</u></u>		

The above funds are invested in various limited partnerships and hedge funds in the United States of America and the Cayman Islands. Investments in this category, for which there is no readily

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

determinable fair value, are classified as level 3 as the valuation is based on significant unobservable inputs. Interests in the partnerships and hedge funds are based on valuations per share as of June 30, 2014 and are adjusted for cash receipts, cash disbursements, and distributions through June 30, 2014. The limited partnerships are invested in globally and domestically hedged equities, private investments, emerging market currencies, and hedge funds. Investments in hedge funds include multiple strategies to diversify risk and reduce volatility, through a target portfolio of 20-25 single strategy and diversified hedge funds. Gains and losses on Level 3 investments are reflected in the Statements of Activities as increases or decreases in net assets.

The School had unfunded commitments totaling \$6,033,171 and \$3,691,329 at June 30, 2014 and 2013, respectively.

9. Long-term Debt

On June 28, 2006, the School issued \$31,325,000 of insured revenue bonds. Proceeds from the issuance were for the purpose of the School's renovation projects, including Phase I of the School's Master Facility Plan, Window Restoration, Student Life Spaces and Faculty Housing.

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

	<u>2014</u>	<u>2013</u>
Rensselaer County Industrial Development Agency Series 2006 bonds, fixed interest rates ranging from 3.75% to 5.00%, maturing 2036 (includes a premium of \$306,704 and \$320,645 at June 30, 2014 and 2013, respectively, which is amortized using the straight line method over the term of the debt)	<u>\$ 27,781,704</u>	<u>\$ 28,495,645</u>

Principal payments on long-term debt as of June 30, 2014 are as follows:

2015	735,000
2016	770,000
2017	805,000
2018	845,000
2019	875,000
Thereafter	<u>23,445,000</u>
	<u>\$ 27,475,000</u>

The estimated fair value of the long-term debt at June 30, 2014 and 2013 approximated \$28,782,093 and \$28,631,414, respectively, based on prevailing rates presently available to the School, which are considered Level 2 inputs. Interest expense for the years ended June 30, 2014 and 2013 was \$1,360,366 and \$1,386,266 of which none, respectively, was capitalized as a component of buildings and equipment. The long-term debt contains no provisions for collateralization.

Assets under bond indenture agreements held by the Trustee are comprised of cash and cash equivalents and are maintained in a separate account for the following purpose as of June 30:

	<u>2014</u>	<u>2013</u>
Debt service fund	<u>\$ 672,033</u>	<u>\$ 686,383</u>

Emma Willard School
Notes to Financial Statements
June 30, 2014 and 2013

10. Retirement Plan

The majority of the School's employees are participants in a defined contribution plan sponsored by Teachers Insurance and Annuity Association and College Retirement Equities Fund. Total expenses incurred by the School in connection with the plan amounted to \$684,044 and \$619,119 in 2014 and 2013, respectively.

11. Line of Credit Agreement

At June 30, 2014 and 2013, the School had access to a \$5 million secured line of credit with JPMorgan Chase Bank, N.A. (JPMorgan) with advances collateralized by certain investments held at JPMorgan. At June 30, 2014 and 2013, the School had no advances on the line and no interest expense was incurred for the year then ended. The line of credit expires on November 30, 2014, at which point it is the intent of the School to renew the agreement with JPMorgan.

APPENDIX C

SCHEDULE OF DEFINITIONS

The following words and terms used in the document to which this Appendix is attached shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Institution.

“Act” means Title 1 of Article 18-A of the General Municipal Law of the State, as amended from time to time, together with Chapter 128 of the Laws of 1974 of the State, constituting Section 903-d of said General Municipal Law, as amended from time to time.

“Additional Bonds” means any bonds issued by the Issuer pursuant to Section 214 of the Indenture.

“Additional Equipment” means any additional materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of a series of Additional Bonds, or intended to be acquired with any payment which the Institution incurred in anticipation of the issuance of such Additional Bonds and for which the Institution will be reimbursed from the proceeds of such Additional Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Installment Sale Agreement.

“Additional Facility” means any buildings (or portions thereof), or improvements thereto, (A) located on the Land or the Additional Land, (B) financed or refinanced with the proceeds of the sale of a series of Additional Bonds or any payment made by the Institution pursuant to Section 4.5 of the Installment Sale Agreement or any payment which the Institution incurred in anticipation of the issuance of such Additional Bonds and for which the Institution will be reimbursed from the proceeds of such Additional Bonds, and (C) not constituting a part of the Additional Equipment, all as they may exist from time to time.

“Additional Land” means any interest in land acquired by the Issuer in connection with the issuance of any series of Additional Bonds.

“Additional Project” means the purposes for which any series of Additional Bonds may be issued.

“Additional Project Facility” means any Additional Land, Additional Facility or Additional Equipment acquired by the Issuer in connection with the issuance of any series of Additional Bonds.

“Applicable Laws” means all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Issuer were the owner of the Project Facility and as if the Institution and not the Issuer were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision

laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

“Arbitrage Certificate” means (A), with respect to the Initial Bonds, the Initial Arbitrage Certificate and (B) with respect to any series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar document executed by the Issuer in connection with the issuance and sale of such series of Additional Bonds.

“Authorized Denominations” means: (A), with respect to the Initial Bonds, \$5,000 and any integral multiple of \$5,000 in excess thereof, except that, if as a result of a redemption, partially redeemed Initial Bonds cannot be issued in such denominations, such partially redeemed Initial Bonds shall be reissued in such other denominations to the extent required to effect such redemption; and (B) with respect to any series of Additional Bonds, the authorized denominations for such series of Additional Bonds as set forth in the supplemental indenture relating thereto.

“Authorized Investments” means any of the following: (A) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; (B) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (1) U.S. Export-Import Bank (“Eximbank”), (2) Farmers Home Administration (“FmHA”), (3) Federal Financing Bank, (4) Federal Housing Administration Debentures (“FHA”), (5) General Services Administration, (6) Government National Mortgage Association (“GNMA” or “Ginnie Mae”), (7) U.S. Maritime Administration, and (8) U.S. Department of Housing and Urban Development (“HUD”); (C) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (1) Federal Home Loan Bank System, (2) Federal Home Loan Mortgage Corporation (“FHLMC” or “Freddie Mac”), (3) Federal National Mortgage Association (“FNMA” or “Fannie Mae”), (4) Student Loan Marketing Association (“SLMA” or “Sallie Mae”), (5) Resolution Funding Corp. (“REFCORP”) obligations, and (6) Farm Credit System; (D) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G”, “AAA-m”; or “AA-m” and if rated by Moody’s rated “Aaa”, “Aa1” or “Aa2”; (E) certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral; (F) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF; (G) investment agreements, including GIC’s, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the Trustee; (H) commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by S&P; (I) bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies; (J) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P; and (K) repurchase agreements for 30 days or less must follow the following criteria. The criteria is described as follows: (1) Repos must be between the municipal entity and a dealer bank or securities firm (a) primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor’s Corporation and Moody’s Investor Services, or (b) banks rated “A” or above by

Standard & Poor's Corporation and Moody's Investor Services; (2) the written repo contract must include the following: (a) securities which are acceptable for transfer are: (i) direct U.S. governments, or (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC), (b) the term of the repo may be up to 30 days, (c) the collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities), (d) valuation of collateral (i) the securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%, and (3) legal opinion which must be delivered to the municipal entity: (a) repo meets guidelines under state law for legal investment of public funds.

“Authorized Representative” means the Person or Persons at the time designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chairman or Vice-Chairman, or such other person as may be authorized by resolution of the Issuer to act on behalf of the Issuer, (B) the Institution by its Chief Executive Officer or Chief Financial Officer, or such other person as may be authorized by the board of trustees of the Institution to act on behalf of the Institution and (C) the Trustee by any Vice President, Assistant Vice President or Trust Officer, or such other person as may be authorized by the board of directors of the Trustee to act on behalf of the Trustee.

“Available Moneys” means any moneys on deposit with the Trustee for the benefit of the Bondholders which are (A) proceeds of the Bonds, or of any bonds issued for the purpose of refunding the Bonds, (B) amounts on deposit for a period of 124 consecutive days during which no petition in bankruptcy under the Bankruptcy Code has been filed against the entity which paid such money, and no similar proceedings have been instituted under state insolvency or other laws affecting creditors' rights generally, or (C) any moneys with respect to which an unqualified opinion from nationally recognized counsel has been received stating that such payments to Bondholders would not constitute voidable preferences under Section 547 of the Bankruptcy Code, or similar state or federal laws with voidable preferences in the event of the filing of a petition for relief under the Bankruptcy Code, or similar state or federal laws with voidable preference provisions by or against the entity from which the money is received.

“Bankruptcy Code” means the United States Bankruptcy Code, constituting Title 11 of the United States Code, as amended from time to time, and any successor statute.

“Beneficial Owner” means, with respect to a Bond, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a Book Entry System.

“Bill of Sale to Institution” means (A), with respect to the Project, the Initial Bill of Sale to Institution, and (B) with respect to any Additional Project, any similar document executed by the Institution in connection with the issuance and sale of the related series of Additional Bonds.

“Bill of Sale to Issuer” means (A), with respect to the Project, the Initial Bill of Sale to Issuer, and (B) with respect to any Additional Project, any similar document executed by the Institution in connection with the issuance and sale of the related series of Additional Bonds.

“Bond” or “Bonds” means, collectively, (A) the Initial Bonds and (B) any Additional Bonds.

“Bond Counsel” means the law firm of Hodgson Russ LLP, Albany, New York or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer.

“Bond Fund” means the fund so designated established pursuant to Section 401(A)(3) of the Indenture.

“Bond Payment Date” means each Interest Payment Date and each date on which principal or interest or premium, if any, or a Sinking Fund Payment, shall be payable on the Bonds according to their terms and the terms of the Indenture, including without limitation scheduled mandatory Redemption Dates, unscheduled mandatory Redemption Dates, dates of acceleration of the Bonds pursuant to Section 602 of the Indenture, optional Redemption Dates and Stated Maturity, so long as any Bonds shall be Outstanding.

“Bond Proceeds” means (A), with respect to the Initial Bonds, the proceeds of the sale of the Initial Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the Underwriter as the purchase price of the Initial Bonds, and (B), with respect to any series of Additional Bonds, the proceeds of the sale of such series of Additional Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers of such series of Additional Bonds as the purchase price of such series of Additional Bonds.

“Bond Purchase Agreement” means (A), with respect to the Initial Bonds, the Initial Bond Purchase Agreement, and (B) with respect to any series of Additional Bonds, any similar document executed by the Issuer and/or the Institution in connection with the issuance and sale of such series of Additional Bonds.

“Bond Rate” means, with respect to any Bond, the applicable rate of interest on such Bond, as set forth in such Bond.

“Bond Register” means the register maintained by the Bond Registrar in which, subject to such reasonable regulations as the Issuer, the Trustee or the Bond Registrar may prescribe, shall provide for the registration of the Bonds and for the registration of transfers of the Bonds.

“Bond Registrar” means the Trustee, acting in its capacity as bond registrar under the Indenture, and its successors and assigns as bond registrar under the Indenture.

“Bond Resolution” means (A), with respect to the Initial Bonds, the Initial Bond Resolution and (B) with respect to any series of Additional Bonds, any resolution adopted by the members of the Issuer authorizing the issuance of such series of Additional Bonds.

“Bond Year” (A), with respect to the Initial Bonds, means each one (1) year period ending on the anniversary of the Closing Date relating to the Initial Bonds, or such other bond year as the Institution and the Issuer may select from time to time in a manner complying with the Code, and (B) with respect to any

series of Additional Bonds issued as Tax-Exempt Bonds, shall have the meaning set forth in the supplemental indenture related to such series of Additional Bonds.

“Bondholder” or “Holder” or “Owner of the Bonds” means the registered owner of any Bond, as indicated on the bond register maintained by the Bond Registrar, except that wherever appropriate the term “owners” shall mean the owners of the Bonds for federal income tax purposes.

“Book Entry Bonds” means Bonds held in Book Entry Form with respect to which the provisions of Section 213 of the Indenture shall apply.

“Book Entry Form” or “Book Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (A) the Beneficial Ownership Interests may be transferred only through a book entry and (B) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository or a custodian on behalf of the Depository. The Book Entry System which is maintained by and the responsibility of the Depository (and which is not maintained by or the responsibility of the Issuer or the Trustee) is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Bonds.

“Business Day” means any day of the year other than (A) a Saturday or Sunday, (B) a day on which the New York Stock Exchange is closed or (C) a day on which commercial banks in New York, New York, or the city or cities in which the Office of the Trustee is located, are authorized or required by law, regulation or executive order to close.

“Campus” means the Institution’s campus with an address of 285 Pawling Avenue in the City of Troy, Rensselaer County, New York.

“Certificate of Authentication” means the certificate of authentication in substantially the form attached to the form of the Initial Bonds attached as Schedule I to the Indenture.

“Closing Date” means (A), with respect to the Initial Bonds, the date on which authenticated Initial Bonds are delivered to or upon the order of the Underwriter and payment is received therefor by the Trustee on behalf of the Issuer, and (B), with respect to any series of Additional Bonds, the date on which such Additional Bonds of such series are authenticated and delivered to the purchaser thereof and payment therefor is received by the Trustee on behalf of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of said Code, and the applicable regulations (whether proposed, temporary or final) of the United States Treasury Department promulgated under said Code and the statutory predecessor of said Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Completion Date” means (A) with respect to the Project, the date of substantial completion of the undertaking of the Project, as evidenced in the manner provided in Section 4.4 of the Installment Sale Agreement and (B), with respect to any Additional Project, the date of substantial completion of the undertaking of such Additional Project, as evidenced in the manner provided in Section 4.4 of the Installment Sale Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Continuing Disclosure Agreement” means (A), with respect to the Initial Bonds, the Initial Continuing Disclosure Agreement and (B), with respect to any series of Additional Bonds, any similar document executed by the Institution in connection with the issuance of such series of Additional Bonds.

“Conveyance Documents” means (A), with respect to the Initial Bonds, the Initial Conveyance Documents and (B), with respect to any series of Additional Bonds, any similar documents executed by the Institution and/or the Issuer in connection with the issuance of such series of Additional Bonds.

“Cost of the Project” means (A), with respect to the Project, all those costs and items of expense relating thereto enumerated in Section 4.3(A) of the Installment Sale Agreement incurred subsequent to the Inducement Date, including costs which the Institution incurred prior to the Inducement Date with respect to the Project in anticipation of the issuance of the Initial Bonds and for which the Institution may be reimbursed from proceeds of the Initial Bonds pursuant to the provisions of the Initial Tax Regulatory Agreement, and (B), with respect to any Additional Project, all those costs and items of expense relating thereto enumerated in Section 4.3 of the Installment Sale Agreement, including costs which the Institution incurred with respect to such Additional Project in anticipation of the issuance of the related series of Additional Bonds and for which the Institution will be reimbursed from proceeds of the related series of Additional Bonds.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bonds on such Bond Payment Date, plus (B) the principal, if any, payable on the Bonds on such Bond Payment Date, plus (C) the premium, if any, payable on the Bonds on such Bond Payment Date, plus (D) the Sinking Fund Payments, if any, payable on the Bonds on such Bond Payment Date.

“Default Interest Rate” means the rate of interest equal to twelve percent (12%) per annum, or the maximum permitted by law, whichever is less.

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

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

“Defeasance Escrow Agreement” means the defeasance escrow agreement dated as of August 1, 2015 among the Issuer, the Prior Trustee and the Institution, pursuant to which, among other things, an escrow deposit will be made with the Prior Trustee, in an amount sufficient to enable the Prior Trustee to defease the Prior Bonds in full.

“Defeasance Escrow Deposit” means an amount of Defeasance Obligations acquired with a combination of proceeds of the Prior Reserve Funds and the Defeasance Cash Deposit in an amount equal to the amount certified by the Verification Agent in the Verification Report pursuant to the provisions of Section 1002 of the Prior Indenture as the amount of Defeasance Obligations needed to be on deposit with the Prior Trustee sufficient to enable the Prior Trustee to redeem the Prior Bonds in full (i.e., an amount sufficient, without the need for future investment or reinvestment, but including any scheduled interest on or increment to such obligations, to pay when due the principal, premium, if any, and interest due and to become due on the Prior Bonds on and prior to date that the Prior Bonds shall be redeemed).

“Defeasance Obligations” means (A) cash, or (B) direct obligations of the United States of America or of any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States, including, but not limited to, United States Treasury obligations.

“Depository” means, initially, The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other securities depository designated in any supplemental resolution of the Issuer to serve as securities depository for the Bonds that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Book Entry Bonds.

“Depository Letter” means (A), with respect to the Initial Bonds, the Initial Depository Letter, and (B), with respect to any series of Additional Bonds issued as Book Entry Bonds, any letter of representations by and among the Issuer, the Trustee and the Depository relating to such series of Additional Bonds, and any amendments or supplements thereto entered into with respect thereto.

“Direct Participant” means a Participant as defined in the Depository Letter.

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

“Equipment” means, collectively, the Initial Equipment and any Additional Equipment.

“Event of Default” means (A) with respect to the Indenture, any of those events defined as an Event of Default by the terms of Article VI of the Indenture, (B) with respect to the Installment Sale Agreement, any of those events defined as an Event of Default by the terms of Article X of the Installment Sale Agreement, and (C) with respect to any other Financing Document, any of those events defined as an Event of Default by the terms thereof.

“Event of Taxability” means, with respect to any Tax-Exempt Bond, (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under the Bonds, (B) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Trustee of a written opinion of Bond Counsel that there is no longer a basis for the holders of the Bonds (or any former holder, other than a holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on the Bonds is not excluded from gross income for federal income tax purposes. Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or environmental tax or branch profits tax on any Bondholder, in the calculation of which is included the interest on the Bonds, be considered an Event of Taxability.

“Extraordinary Services” and “Extraordinary Expenses” means all reasonable services rendered and all reasonable expenses incurred by the Trustee or any paying agent under the Indenture, other than Ordinary Services and Ordinary Expenses, including, but not limited to, reasonable attorneys fees and any services rendered and any expenses incurred with respect to an Event of Default or with respect to the

occurrence of an event which upon the giving of notice or the passage of time would ripen into an Event of Default under any of the Financing Documents.

“Facility” means the Initial Facility and any Additional Facilities.

“Final Maturity” means, with respect to any particular Bond, the final Stated Maturity of the principal due on such Bond, unless such Bond is called for redemption in whole prior to such date, in which case any such term shall mean the Redemption Date relating to such Bond.

“Financing Documents” means (A), with respect to the Initial Bonds, the Initial Financing Documents and (B), with respect to any series of Additional Bonds, any similar documents executed by the Institution and/or the Issuer in connection with the issuance of such series of Additional Bonds.

“Financing Statements” means any and all financing statements (including continuation statements) or other instruments filed or recorded from time to time to perfect the security interests created in the Financing Documents.

“Fund” means any Fund designated and created pursuant to Section 401 of the Indenture.

“Governmental Authority” means the United States of America, the State, any political subdivision thereof, any other state and any agency, department, commission, board, bureau or instrumentality of any of them.

“Gross Bond Proceeds” means “gross proceeds” as defined in Section 148(f)(6)(B) of the Code, presently including, without limitation, the original proceeds of the Bonds, investment proceeds, amounts held in a sinking fund, amounts invested in a reasonably required reserve or replacement fund, certain investment-type property pledged as security for the Bonds by the Institution or by the Issuer, amounts received with respect to the Installment Sale Agreement, any amounts used to pay Debt Service Payments on the Bonds, and any amounts received as a result of investing any of the foregoing.

“Gross Proceeds” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“Guaranty” means the guaranty dated as of August 1, 2015 from the Institution to the Trustee, as said guaranty may be amended or supplemented from time to time.

“Hazardous Materials” means all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in or regulated under or defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), Articles 15 or 27 of the State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule or regulation.

“Holder” or “holder”, when used with respect to a Bond, means Bondholder.

“Immediate Notice” means same-day notice by telephone, telecopy or telex, followed by prompt written confirmation sent by overnight delivery.

“Indebtedness” means (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from the Institution or the Issuer to the Trustee pursuant to any Financing Document, (C) the performance and observance by the Issuer and the Institution of all of the covenants, agreements, representations and warranties made for the benefit of the Trustee pursuant to any Financing Document, (D) the monetary obligations of the Institution to the Issuer and its members, officers, agents, servants and employees under the Installment Sale Agreement and the other Financing Documents, and (E) all interest accruing on any of the foregoing.

“Indemnified Parties” shall mean the Trustee, the Issuer, the Underwriter and the payee and holder of any Initial Bond.

“Indenture” means the trust indenture dated as of August 1, 2015 by and between the Issuer and the Trustee, as said trust indenture may be amended or supplemented from time to time.

“Independent Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not a full-time employee of the Institution or the Issuer.

“Indirect Participant” means a Person utilizing the Book Entry System of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

“Inducement Date” means (A), with respect to the Project, the date which is sixty (60) days prior to the earlier of (1) July 9, 2015 or (2) the date on which the Institution declared its official intent to reimburse expenditures made with respect to the Project with proceeds of borrowed money, and (B), with respect to any Additional Project, the date which is sixty (60) days prior to the earlier of (1) the date on which the Issuer adopts an inducement resolution with respect to such Additional Project or (2) the date on which the Institution declares its official intent to reimburse expenditures made with respect to such Additional Project with proceeds of borrowed money.

“Initial Arbitrage Certificate” means the certificate dated the Closing Date for the Initial Bonds executed by the Issuer and relating to certain requirements set forth in Section 148 of the Code applicable to the Initial Bonds and the Project.

“Initial Bill of Sale to Institution” means the bill of sale from the Issuer to the Institution conveying the Issuer’s interest in the Initial Equipment to the Institution, substantially in the form attached as Exhibit D to the Installment Sale Agreement.

“Initial Bill of Sale to Issuer” means the bill of sale dated as of August 1, 2015 and delivered on the Closing Date relating to the Initial Bonds from the Institution to the Issuer conveying all of the Institution’s interest in the Initial Equipment to the Issuer.

“Initial Bond Purchase Agreement” means the bond purchase agreement dated July 29, 2015 by and among the Underwriter, the Issuer and the Institution relating to the purchase of the Initial Bonds by the Underwriter, as said bond purchase agreement may be amended or supplemented from time to time.

“Initial Bond Resolution” means the resolution of the members of the Issuer duly adopted on July 9, 2015 authorizing the Issuer to undertake the Project, to issue and sell the Initial Bonds and to execute and deliver the Initial Financing Documents to which the Issuer is a party.

“Initial Bonds” means the Issuer’s Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A in the aggregate principal amount of \$19,785,000, issued pursuant to the Initial Bond Resolution and Article II of the Indenture and sold to the Underwriter pursuant to the provisions of the Initial Bond Purchase Agreement, in substantially the form attached to the Indenture as Schedule I thereto, and any Initial Bonds issued in exchange or substitution therefor.

“Initial Continuing Disclosure Agreement” means the continuing disclosure agreement dated as of August 1, 2015 by and between the Institution and the Trustee relating to the Initial Bonds, as said continuing disclosure agreement may be amended or supplemented from time to time.

“Initial Conveyance Documents” means, collectively, the Initial License to Issuer and the Initial Bill of Sale to Issuer.

“Initial Depository Letter” means the Blanket Letter of Representations by and among the Issuer, the Trustee and the Depository relating to the Initial Bonds, and any amendments or supplements thereto entered into with respect thereto, and any amendments or supplements thereto entered into with respect thereto.

“Initial Equipment” means all materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Initial Bonds, or acquired with any payment which the Institution incurred in anticipation of the issuance of the Initial Bonds and for which the Institution will be reimbursed from the proceeds of the Initial Bonds, and such substitutions and replacements therefor and additions thereto as may be made from time to time pursuant to the Installment Sale Agreement, including, without limitation, all of the Property described in Exhibit B attached to the Installment Sale Agreement.

“Initial Facility” means all buildings (or portions thereof), improvements, structures and other related facilities, and improvements thereto, (A) located on the Initial Land, (B) financed or refinanced with the proceeds of the sale of the Initial Bonds or any payment which the Institution incurred in anticipation of the issuance of the Initial Bonds and for which the Institution will be reimbursed from the proceeds of the Initial Bonds or any payment made by the Institution pursuant to Section 4.5 of the Installment Sale Agreement, and (C) not constituting a part of the Initial Equipment, all as they may exist from time to time.

“Initial Financing Documents” means the Initial Conveyance Documents, the Initial Bonds, the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty, the Defeasance Escrow Agreement, the Initial Tax Documents, the Initial Underwriter Documents and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holders of the Initial Bonds or the Trustee which affects the rights of the Holders of the Initial Bonds or the Trustee in or to the Initial Project Facility, in whole or in part, or which secures or guarantees any sum due under the Initial Bonds or any other Initial Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Initial Land” means the license interests in real property created by the Initial License to Issuer.

“Initial Letter of Representation” means the letter of representation dated July 29, 2015 by and among the Institution, the Issuer and the Underwriter, pursuant to which the Institution will provide indemnification to the Issuer and the Underwriter relating to the issuance and sale of the Initial Bonds.

“Initial License to Issuer” means the license delivered on the Closing Date relating to the Initial Bonds from the Institution to the Issuer, pursuant to which the Institution has authorized the Issuer to enter upon the Initial Land for the purpose of undertaking and completing the Project.

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

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

“Initial Project” means (A), with respect to the Initial Bonds, the Project, and (B), with respect to any series of Additional Bonds, the Additional Project with respect to which such series of Additional Bonds were issued.

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

“Initial Tax Documents” means, collectively, the Initial Arbitrage Certificate and the Initial Tax Regulatory Agreement.

“Initial Tax Regulatory Agreement” means the tax regulatory agreement dated the Closing Date for the Initial Bonds executed by the Institution in favor of the Issuer and the Trustee regarding, among other things, the restrictions prescribed by the Code in order for interest on the Initial Bonds to be and remain excludable from the gross income of the Holders thereof for federal income tax purposes.

“Initial Underwriter Documents” means the Initial Bond Purchase Agreement, the Initial Letter of Representation, the Initial Continuing Disclosure Agreement, the Initial Preliminary Official Statement, the Initial Official Statement and any other document now or hereafter executed by the Issuer or the Institution in connection with the sale of the Initial Bonds by the Underwriter.

“Installment Purchase Payments” means the amounts required to be paid by the Institution pursuant to the provisions of Section 5.3 of the Installment Sale Agreement.

“Installment Sale Agreement” means the installment sale agreement dated as of August 1, 2015 by and between the Issuer and the Institution, as said installment sale agreement may be amended or supplemented from time to time.

“Institution” means Emma Willard School, a not-for-profit education corporation organized and existing under the laws of the State of New York, and its successors and assigns, to the extent permitted by Section 8.4 of the Installment Sale Agreement.

“Insurance and Condemnation Fund” means the fund so designated established pursuant to Section 401(A)(3) of the Indenture.

“Interest Payment Date” means (A) with respect to the Initial Bonds, January 1 and July 1 of each year, commencing January 1, 2016, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of interest on such Additional Bonds, as set forth in the supplemental Indenture authorizing the issuance of such series of Additional Bonds. In any case, the final Interest Payment Date of any series of the Bonds shall be the Maturity Date relating thereto.

“Issuer” means (A) Rensselaer County Industrial Development Agency and its successors and assigns, and (B) any public benefit corporation or political subdivision resulting from or surviving any consolidation or merger to which Rensselaer County Industrial Development Agency or its successors or assigns may be a party.

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

“Letter of Representation” means the Initial Letter of Representation.

“License to Issuer” means (A), with respect to the Initial Bonds, the Initial License to Issuer, and (B) with respect to any series of Additional Bonds, any similar document executed by the Issuer in connection with the issuance and sale of such series of Additional Bonds.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Lien Law” means the Lien Law of the State of New York.

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

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

“Moody’s” means Moody’s Investors Service, Inc., and its successors and assigns.

“Net Proceeds” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“Nonexempt Entity” means any Person other than (A) a state or local governmental entity or (B) a Person described in Section 501(c)(3) of the Code which has been recognized in writing by the Internal Revenue Service as being exempt from taxation under Sections 501(a) and Section 501(c)(3) of the Code.

“Office of the Trustee” means the corporate trust office of the Trustee specified in Section 1103 of the Indenture, or such other address as the Trustee shall designate pursuant to Section 1103 of the Indenture.

“Official Statement” means (A), with respect to the Initial Bonds, the Initial Official Statement, and (B) with respect to any series of Additional Bonds, any similar document approved by the Issuer and the Institution in connection with the sale by the Underwriter of the related series of Additional Bonds.

“Optional Redemption Premium” means the premium payable upon an optional redemption of the Bonds, as determined pursuant to Section 301(A) of the Indenture.

“Ordinary Services” and “Ordinary Expenses” means those reasonable services normally rendered with those reasonable expenses, including reasonable attorneys’ fees, normally incurred by a trustee or a paying agent, as the case may be, under instruments similar to the Indenture.

“Outstanding” means, when used with reference to the Bonds as of any date, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(A) Bonds theretofore canceled or deemed canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

(B) Bonds for the payment or redemption of which moneys or Defeasance Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or Redemption Date of any such Bonds) in accordance with the Indenture (whether upon or prior to the maturity or Redemption Date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form and substance to the Trustee shall have been filed with the Trustee; and

(C) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered under the Indenture.

If the Indenture shall be discharged pursuant to Article X thereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

“Owner” or “owner”, when used with respect to a Bond, means the Registered Owner of such Bond, except that wherever appropriate the term “Owner” shall mean the owner of such Bond for federal income tax purposes.

“Participant” shall have the meaning assigned to such term in Section 213(B) of the Indenture.

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

“Permitted Encumbrances” means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar Liens, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by Section 6.2(B) of the Installment Sale Agreement, or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Financing Document, (E) any Lien on the Project Facility in favor of the Trustee, (F) the Conveyance Documents, and (G) any Lien on the Project Facility approved or granted by the Institution.

“Person” means an individual, partnership, corporation, limited liability company, trust, unincorporated organization or Governmental Authority.

“Plans and Specifications” means: (A) with respect to the Project, the description of the Initial Project Facility appearing in the fifth recital clause to the Indenture and the Installment Sale Agreement; and (B) with respect to any Additional Project, (1) as to the Issuer, the description of such Additional Project appearing in the Issuer’s preliminary inducement resolution relating thereto, and (2) as to the Trustee, the plans and specifications for such Additional Project prepared by the Institution, and all amendments and modifications thereof made by approved change orders; and, if an item for the construction of the Additional Facility is not specifically detailed in the aforementioned plans and specifications, but rather is described by way of manufacturer’s or supplier’s or contractor’s shop drawings, catalog references or similar descriptions, the term also includes such shop drawings, catalog references and descriptions.

“Pledge and Assignment” means the pledge and assignment dated as of August 1, 2015 from the Issuer to the Trustee, and acknowledged by the Institution, pursuant to which the Issuer has assigned to the Trustee its rights under the Installment Sale Agreement (except the Unassigned Rights), as said pledge and assignment may be amended or supplemented from time to time.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 205 of the Indenture in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

“Preliminary Official Statement” means (A), with respect to the Initial Bonds, the Initial Preliminary Official Statement, and (B) with respect to any series of Additional Bonds, any similar document approved by the Issuer and the Institution for use in connection with the issuance of the related series of Additional Bonds.

“Principal Payment Date” means (A) with respect to the Initial Bonds, each Interest Payment Date on which a Sinking Fund Payment is due on the Bonds, and the Maturity Date of each of the Initial Bonds, and (B) with respect to any Additional Bonds, the Stated Maturity of each installment of principal due on such Additional Bonds.

“Prior Bond Fund” means the “Bond Fund”, as defined in the Prior Indenture.

“Prior Bonds” means the Tax-Exempt Civic Facility Revenue Bonds (Emma Willard School Project), Series 2006 in the original aggregate principal amount of \$31,325,000 issued by the Issuer on or about June 27, 2006 that mature on or after July 1, 2017.

“Prior Indenture” means the trust indenture dated as of June 1, 2006 between the Issuer and the Prior Trustee, pursuant to which the Prior Bonds were issued.

“Prior Insurance and Condemnation Fund” means the “Insurance and Condemnation Fund”, as defined in the Prior Indenture.

“Prior Project Facility” means the Project Facility.

“Prior Project Fund” means the “Project Fund”, as defined in the Prior Indenture.

“Prior Reserve Funds” means, collectively, funds on deposit in the Prior Bond Fund, the Prior Insurance and Condemnation Fund and the Prior Project Fund.

“Prior Trustee” means The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, as successor trustee under the Prior Indenture.

“Project” shall have the meaning assigned to such term in the fifth recital clause to the Indenture and the Installment Sale Agreement.

“Project Facility” means, collectively, the Initial Project Facility and all Additional Project Facilities.

“Project Fund” means the fund so designated established pursuant to Section 401(A)(1) of the Indenture.

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

“Rating Agency” means Moody’s, if the Bonds are rated by Moody’s at the time, and Standard & Poor’s, if the Bonds are rated by Standard & Poor’s at the time, and their successors and assigns.

“Real Property Tax Exemption Form” means a New York State Board of Real Property Services Form RP-412-a.

“Rebate Amount” shall have the meaning assigned to such term in the Tax Documents.

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

“Rebate Fund Earnings Account” means the special account so designated within the Rebate Fund established pursuant to Section 401(A)(4)(b) of the Indenture.

“Rebate Fund Principal Account” means the account so designated within the Rebate Fund established pursuant to Section 401(A)(4)(a) of the Indenture.

“Record Date” means either a Regular Record Date or a Special Record Date.

“Redemption Date” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

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

“Regular Record Date” means, with respect to the interest and any Sinking Fund Payment or principal payment due on the Bonds on or prior to maturity payable on any Bond on any Interest Payment Date, the fifteenth (15th) day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date occurs.

“Request for Disbursement” means a request from the Institution, as agent of the Issuer, signed by an Authorized Representative of the Institution, stating the amount of the disbursement sought and

containing the statements, representations and other items required by Article IV of the Indenture and by Section 4.3 of the Installment Sale Agreement, which request for disbursement shall be in substantially the form of Exhibit C attached to the Indenture.

“Requirement” or “Local Requirement” means any law, ordinance, order, rule or regulation of a Governmental Authority.

“Securities Laws” means the Securities Act of 1933, as amended, and all other securities laws of the United States of America or the State to the extent that such laws may now or hereafter be applicable to or affect the issuance, sale and delivery of the Bonds and any transfer or resale thereof.

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

“Series 2015A Project Account” means the account so designated within the Project Fund established pursuant to Section 401(A)(1)(a) of the Indenture.

“Sinking Fund Payments” means (A) with respect to the Initial Bonds, the sinking fund redemption payments due on the Initial Bonds pursuant to Section 301(B) of the Indenture and (B) with respect to any Additional Bonds, the sinking fund redemption payments (if any) required pursuant to the supplemental Indenture authorizing issuance of such Additional Bonds.

“Special Record Date” means a date for the payment of any Defaulted Interest on the Bonds fixed by the Trustee pursuant to Section 207(C) of the Indenture.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc., and its successors and assigns.

“State” means the State of New York.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“Substantial User” means any Person constituting a “substantial user” within the meaning ascribed to such term in Section 147(a) of the Code.

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

“Tax Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Tax Documents and (B) with respect to any series of Additional Bonds intended to be issued as Tax-Exempt Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such series of Additional Bonds.

“Tax-Exempt Bond” means any Bond issued as an obligation of the Issuer, the interest on which is intended to be excluded from the gross income of the Holder thereof for federal income tax purposes pursuant to Section 103 and Section 145 of the Code, including but not limited to the Initial Bonds.

“Tax Regulatory Agreement” means (A), with respect to the Initial Bonds, the Initial Tax Regulatory Agreement and (B) with respect to any series of Additional Bonds intended to be issued as

Tax-Exempt Bonds, any similar document executed by the Institution in connection with the issuance and sale of such series of Additional Bonds.

“Term Bonds” means Bonds having a single stated maturity for which Sinking Fund Installments are specified in Section 301(B) of the Indenture (or, if such Bonds are Additional Bonds, in the supplemental indenture authorizing the issuance of such Bonds).

“Termination of License to Issuer” means the termination of the Initial License to Issuer from the Issuer to the Institution, evidencing termination of the Initial License to Issuer, substantially in the form attached as Exhibit C to the Installment Sale Agreement.

“Trust Estate” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Financing Document.

“Trust Revenues” means (A) all payments of installment purchase payments made or to be made by or on behalf of the Institution under the Installment Sale Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts pledged to the Trustee by the Issuer or the Institution to secure the Bonds or performance of their respective obligations under the Installment Sale Agreement and the Indenture, (C) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (D) all payments received by the Trustee under the Guaranty, (E) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except (1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and (3) as specifically otherwise provided, and (F) all other moneys received or held by the Trustee for the benefit of the Bondholders pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall not be considered Trust Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“Trustee” means The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, or any successor trustee or co-trustee acting as trustee under the Indenture.

“Unassigned Rights” means (A) the rights of the Issuer granted pursuant to Sections 2.2, 3.2, 3.3, 4.1, 5.2(A), 5.3(B)(2), 5.4(B), 6.1, 6.3, 6.4, 6.5, 6.6, 7.1, 7.2, 8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.10, 9.1, 9.3, 9.4, 11.1, 11.4, 11.8 and 11.10 of the Installment Sale Agreement, (B) the moneys due and to become due to the Issuer for its own account or the members, officers, agents (other than the Institution) and employees of the Issuer for their own account pursuant to Sections 2.2(F), 3.3, 5.3(B)(2), 5.3(C), 6.4(B), 8.2, 10.2 and 10.4 of the Installment Sale Agreement and any moneys due as payments in lieu of taxes under Section 6.6 of the Installment Sale Agreement, (C) the rights of the Issuer under Section 6.6 of the Installment Sale Agreement, and (D) the right to enforce the foregoing pursuant to Article X of the Installment Sale Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Institution under the Sections of the Installment Sale Agreement listed in (A), (B), (C) and (D) above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, directors, agents (other than the Institution) and employees of the Issuer for their own account, such obligations, upon assignment of the Installment Sale Agreement by the Issuer to the Trustee pursuant to the Pledge and Assignment, shall be deemed to and shall constitute obligations of the Institution to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Institution’s obligations under the Installment Sale Agreement.

“Underwriter” means (A), with respect to the Initial Bonds, Citigroup Global Markets Inc., as original purchaser of the Initial Bonds on the Closing Date relating thereto, and (B), with respect to any series of Additional Bonds, the original purchaser of such series of Additional Bonds on the Closing Date relating thereto.

“Underwriter Documents” means, collectively, (A) with respect to the Initial Bonds, the Initial Underwriter Documents and (B) with respect to any Additional Bonds, any similar documents executed by the Issuer and/or the Institution in connection with the issuance of such Additional Bonds.

“Verification Agent” means the firm of independent certified public accountants retained by the University to verify the minimum size of the respective Defeasance Cash Deposits needed to be made in order to defease and redeem the Prior Bonds in full.

“Verification Report” means the verification report prepared by the Verification Agent respecting the defeasance of the Prior Bonds.

“Yield”, when used with respect to the Initial Bonds, shall have the meaning assigned to such term in the Initial Tax Regulatory Agreement.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summarizes certain provisions of the Indenture to which reference is made for the detailed provisions thereof. Certain provisions of the Indenture are also described in the Official Statement under the captions “INTRODUCTION”, “SECURITY FOR THE BONDS” and “THE BONDS”.

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

Restriction on Issuance of the Bonds (Section 201)

Except for substitute Bonds and Additional Bonds issued pursuant to the Indenture, the total aggregate principal amount of Bonds that may be issued under the Indenture is expressly limited to \$19,785,000.

Limited Obligations (Section 202)

The Bonds, together with the premium, if any, and interest thereon, will be limited obligations of the Issuer payable, with respect to the Issuer, solely from the Trust Revenues, which Trust Revenues are pledged and assigned for the equal and ratable payment of all sums due under the Bonds, and will be used for no other purpose than to pay the principal of, premium, if any, on and interest on the Bonds, except as may be otherwise expressly provided in the Indenture.

THE BONDS ARE NOT AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR OF RENSSELAER COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR RENSSELAER COUNTY, NEW YORK SHALL BE LIABLE THEREON. THE BONDS DO NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE STATE OF NEW YORK OR RENSSELAER COUNTY, NEW YORK.

No recourse shall be had for the payment of the principal of, or the premium, if any, or interest on, any Bond or for any claim based thereon or on the Indenture against any past, present or future member, officer, employee or agent (other than the Institution), as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

Delivery of Initial Bonds (Section 210)

Upon the execution and delivery of the Indenture, the Issuer will execute and deliver the Initial Bonds (including a reasonable number of additional Initial Bonds to be retained by the Trustee for authentication and delivery upon transfer or exchange of any Initial Bond) to the Trustee, and the Trustee will authenticate and deliver the Initial Bonds to the purchasers thereof against payment of the purchase

price therefor, plus accrued interest to the day preceding the date of delivery, upon receipt by the Trustee of the following:

- (1) a certified copy of the Bond Resolution;
- (2) executed counterparts of the Indenture, the Installment Sale Agreement and the other Initial Financing Documents;
- (3) a request and authorization to the Trustee on behalf of the Issuer signed by an Authorized Representative of the Issuer to deliver the Initial Bonds to the purchasers thereof upon payment to the Trustee for the account of the Issuer of the purchase price therefor specified in such request and authorization;
- (4) signed copies of the opinions of counsel to the Issuer, the Institution and the Trustee, and of Bond Counsel, as required by the Bond Purchase Agreement;
- (5) the certificates and policies, if available, of the insurance required by the Installment Sale Agreement;
- (6) evidence that a completed Internal Revenue Service Form 8038 with respect to the Initial Bonds has been signed by the Issuer; and
- (7) such other documents as the Trustee or Bond Counsel may reasonably require.

Additional Bonds (*Section 214*)

So long as the Installment Sale Agreement is in full force and effect and no Event of Default exists thereunder or under the Indenture (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder or under the Indenture), the Issuer may, upon a request from the Institution complying with the provisions of the Indenture, issue one or more series of Additional Bonds to provide funds to pay any one or more of the following: (1) costs of completion of the Project Facility in excess of the amount in the Project Fund; (2) costs of any Additional Project; (3) costs of refunding or advance refunding any or all of the Bonds previously issued; (4) costs of making any modifications, additions or improvements to the Project Facility that the Institution may deem necessary or desirable; and/or (5) costs of the issuance and sale of the Additional Bonds, capitalized interest, funding debt service reserves (if necessary or required), and other costs reasonably related to any of the foregoing. Additional Bonds may mature at different times, bear interest at different rates and otherwise vary from the Initial Bonds authorized under the Indenture, all as may be provided in the supplemental Indenture authorizing the issuance of such Additional Bonds.

Prior to the execution of a supplemental Indenture authorizing the issuance of Additional Bonds, the Issuer must deliver certain documents set forth in the Indenture to the Trustee, including:

- (1) an amendment to the Installment Sale Agreement and the other Financing Documents, providing for timely payment by the Institution of installment purchase payments in an amount at least equal to the sum of the total Debt Service Payments due on the Initial Bonds and all Additional Bonds and all other costs in connection with the Project Facility and all Additional Projects covered thereby;
- (2) evidence that the Financing Documents, as amended or supplemented in connection with the issuance of the Additional Bonds, provide that (a) the Bonds referred to

therein shall mean and include the Additional Bonds being issued as well as the Initial Bonds originally issued under the Indenture and any Additional Bonds theretofore issued, and (b) the Project Facility referred to in the Financing Documents includes any Additional Facilities being financed;

(3) a copy of the resolution of the board of trustees of the Institution, duly certified by the secretary or assistant secretary of the Institution, which approves the issuance of the Additional Bonds and authorizes the execution and delivery by the Institution of the amendments to the Financing Documents described in paragraphs (1) and (2) above;

(4) a written opinion of counsel to the Institution which shall state that the amendments and supplements to the Financing Documents described in paragraphs (1) and (2) above have been duly authorized, executed and delivered by the Institution; that the Financing Documents, as amended and supplemented to the Closing Date for such Additional Bonds, constitute legal, valid and binding obligations of the Institution enforceable against the Institution in accordance with their respective terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(5) a copy of the resolution of the members of the Issuer, duly certified by the secretary or assistant secretary of the Issuer, authorizing the issuance of the Additional Bonds and the execution and delivery by the Issuer of the amendments to the Financing Documents described in paragraphs (1) and (2) above to be executed by the Issuer in connection therewith;

(6) an opinion of counsel to the Issuer stating that the amendments and supplements to the Financing Documents described above have been duly authorized and lawfully executed and delivered on behalf of the Issuer; and that such amendments to the Financing Documents are in full force and effect and are valid and binding upon the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance;

(7) an opinion of Bond Counsel stating that, in the opinion of such Bond Counsel, the Issuer is duly authorized and entitled to issue such Additional Bonds and that, upon the execution, authentication and delivery thereof, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; that the issuance of the Additional Bonds will not, in and of itself, adversely affect the validity of the Initial Bonds originally issued under the Indenture or any Additional Bonds theretofore issued or the exclusion of the interest payable on any Initial Bonds and any Additional Bonds theretofore issued as Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(8) written evidence from each Rating Agency, if any, by which the Bonds are then rated, to the effect that the issuance of such Additional Bonds will not, by itself, result in a reduction or withdrawal of the rating(s) on the Outstanding Bonds applicable immediately prior to the issuance of the Additional Bonds;

(9) a written order to the Trustee executed by an Authorized Representative of the Issuer requesting that the Trustee authenticate and deliver the Additional Bonds to the purchasers therein identified; and

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

Each series of Additional Bonds shall be equally and ratably secured under the Indenture with the Initial Bonds issued on the Closing Date and with all other series of Additional Bonds, if any, previously issued under the Indenture, without preference, priority or distinction of any Bond over any other Bond.

The consent of the Holders of the Bonds shall not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Financing Documents required in connection therewith. The Trustee shall, however, mail notice in writing (in the form provided to the Trustee by the Issuer) to the Holders of the Bonds and each rating agency, if any, by which the Bonds are then rated of the proposed issuance of the Additional Bonds, detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Financing Documents proposed to be executed in connection therewith.

Establishment of Funds (Section 401)

The Indenture creates four trust funds (and various accounts therein) to be held by the Trustee, as follows: (1) the Project Fund and, within the Project Fund, the following special accounts: (a) the Series 2015A Project Account and (b) an additional, separate account for each series of Additional Bonds, each such additional account to be known as the “Series _____ Project Account”, with the blank to be filled in with the same series designation as borne by the related series of Additional Bonds; (2) the Bond Fund; (3) the Insurance and Condemnation Fund; and (4) the Rebate Fund, and, within the Rebate Fund, the following special accounts: (a) the Rebate Fund Principal Account and (b) the Rebate Fund Earnings Account.

All moneys required to be deposited with or paid to the Trustee under any provision of the Indenture (1) shall be held by the Trustee in trust, and (2) (except for moneys held by the Trustee (a) for the redemption of Bonds, notice of redemption of which has been duly given, or (b) in the Rebate Fund) shall, while held by the Trustee, constitute part of the Trust Revenues and be subject to the Lien of the Indenture. Moneys which have been deposited with, paid to or received by the Trustee for the redemption of a portion of the Bonds or for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and be subject to a Lien in favor of only the Holders of such Bonds so redeemed or so due and payable.

Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee or any other Person.

Application of Proceeds of Bonds and Other Moneys (Section 402)

The Issuer shall deposit with the Trustee all of the proceeds from the sale of the Initial Bonds, including accrued interest payable on the Initial Bonds. The Trustee shall deposit the proceeds from the sale of the Initial Bonds as follows: (1) the Trustee shall deposit the portion of the proceeds of the sale of the Initial Bonds representing accrued interest on the Initial Bonds, if any, into the Bond Fund and (2) the Trustee shall deposit the remainder of the proceeds of the sale of the Initial Bonds into the Series 2015A Project Account of the Project Fund.

The proceeds of any Additional Bonds shall be deposited as provided in the supplement to the Indenture authorizing the issuance of such Additional Bonds.

The Project Fund (Section 404)

In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds, there shall be deposited into the Project Fund all other moneys received by the Trustee under or pursuant to the Indenture or the other Financing Documents which, by the terms thereof, are to be deposited in the Project Fund. Moneys on deposit in the Series 2015A Project Account of the Project Fund with respect to the Initial Bonds will be disbursed and be applied by the Trustee to pay the Costs of the Project pursuant to the provisions of the Installment Sale Agreement, the Indenture and the Initial Tax Agreement.

The Trustee is instructed to enter into the Defeasance Escrow Agreement relating to the defeasance of the Prior Bonds. On the Closing Date relating to the Bonds, or as soon thereafter as is practicable following execution and delivery of the Defeasance Escrow Agreement, the Trustee shall pay to the Prior Trustee, from the moneys on deposit in the Project Fund, an amount equal to the Defeasance Cash Deposit. Pursuant to the provisions of the Defeasance Escrow Agreement, the Defeasance Cash Deposit shall become part of the Defeasance Escrow Deposit, and the Defeasance Escrow Deposit shall be held by the Prior Trustee pursuant to the Defeasance Escrow Agreement and applied to pay debt served coming due of the Prior Bonds and to redeem the Prior Bonds on the earliest possible optional redemption date relating to the Prior Bonds following the date of the issuance of the Initial Bonds.

The Trustee is authorized and directed to disburse the balance of the moneys on deposit in the Project Fund relating to the Bonds within thirty (30) days of the issuance of the Bonds upon receipt by the Trustee of a Request for Disbursement, certified to by an Authorized Representative of the Institution in accordance with the applicable provisions of the Indenture, the Installment Sale Agreement and the Tax Regulatory Agreement. The Trustee may rely exclusively on such Requests for Disbursements and shall have no duty, express or implied, to make any inspections or investigations with respect thereto.

Except for any amount retained for the payment of incurred and unpaid items of the Cost of the Project, after the Completion Date related to a particular Project, all moneys in the related account in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to Section 407 of the Indenture and the Tax Documents) shall be transferred from the Project Fund to the Bond Fund or to an escrow fund to be created by the Trustee at the written direction of the Institution, to be applied to the defeasance of a portion of the Bonds then Outstanding pursuant to the provisions of the Tax Documents.

In the event that the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default, the balance in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to Section 407 of the Indenture and the Tax Documents) shall be transferred from the Project Fund to the Bond Fund as soon as possible and shall be used to pay the principal of, premium, if any, on and interest on the Bonds.

The Trustee is required to maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall, upon request of the Issuer or the Institution and within sixty (60) days after the Completion Date, file an accounting thereof with the Issuer and the Institution.

The Bond Fund (Section 405)

In addition to the moneys deposited into the Bond Fund (1) from the proceeds of the Bonds pursuant to Section 402 of the Indenture and (2) pursuant to Sections 403, 404 and 409 of the Indenture, there shall be deposited into the Bond Fund (a) all installment purchase payments received from the Institution under the Installment Sale Agreement (except payments made with respect to the Unassigned Rights), (b) any amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund

under Section 406 of the Indenture, (c) any amounts received from the Institution pursuant to Section 4.6 of the Installment Sale Agreement, (d) all prepayments by the Institution in accordance with Section 5.5 of the Installment Sale Agreement in connection with which notice has been given to the Trustee pursuant to Section 302 of the Indenture, and (e) all other moneys received by the Trustee under and pursuant to the Indenture or the other Financing Documents which by the terms hereof or thereof are to be deposited into the Bond Fund, or are accompanied by directions from the Institution or the Issuer that such moneys are to be paid into the Bond Fund.

The Insurance and Condemnation Fund (Section 406)

The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project Facility shall be deposited into the Insurance and Condemnation Fund.

If, following damage to or Condemnation of all or a portion of the Project Facility, (1) the Institution exercises its option not to repair, rebuild or restore the Project Facility, or (2) if a taking in Condemnation as described in Section 7.2(C) of the Installment Sale Agreement occurs, the Trustee shall, after any transfer to the Rebate Fund required by the Tax Documents and Section 407 hereof is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund, except as provided in Section 410 of the Indenture.

If, following damage to or Condemnation of all or a portion of the Project Facility, the Institution elects to repair, rebuild or restore the Project Facility, and provided no Event of Default under the Indenture or under any other Financing Document has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or the taking of the Project Facility shall, after any transfer to the Rebate Fund required by the Tax Documents and Section 407 of the Indenture is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in Section 406(D) of the Indenture.

If the cost of the repairs, rebuilding or restoration of the Project Facility effected by the Institution shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee shall transfer such difference to the Bond Fund and use such amounts so transferred to provide for the redemption of the Bonds in accordance with Article III of the Indenture; provided that such amounts may be transferred to the Institution for its purposes if (1) the Institution so requests and (2) the Institution furnishes to the Trustee an opinion of Bond Counsel to the effect that payment of such moneys to the Institution will not, in and of itself, adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes.

If the cost of the repair, rebuilding or restoration of the Project Facility shall be in excess of the moneys held in the Insurance and Condemnation Fund, the Institution shall deposit such additional moneys in the Insurance and Condemnation Fund as are necessary to pay the cost of completing such repair, rebuilding or restoration. Prior to making any disbursement pursuant to Section 406 (Insurance and Condemnation Fund) of the Indenture, the Trustee shall be entitled to receive a certificate from the Institution certifying as to the cost of repair, rebuilding or restoration of the Project Facility and the proposed sources of repayment thereof.

The Rebate Fund (Section 407)

The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, will deposit in the Rebate Fund Principal Account, within thirty (30)

days after the end of each Bond Year commencing with the first Bond Year, an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year and so certified to the Trustee. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion or restoration of the Project Facility pursuant to the Installment Sale Agreement or the Indenture at any time during a Bond Year, the Trustee will deposit in the Rebate Fund Principal Account upon receipt of such certification an amount such that the amount held in the Rebate Fund Principal Account after such deposit is equal to the Rebate Amount calculated on the Completion Date or at the time of restoration of the Project Facility, as the case may be. The amount to be deposited in the Rebate Fund shall be withdrawn from the fund or funds established under the Indenture designated by the Institution or from other moneys made available by the Institution.

In the event that on the first day of any Bond Year, after the calculation of the Rebate Amount, the amount on deposit in the Rebate Fund Principal Account exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Issuer or the Institution, shall withdraw such excess amount and (1), prior to the Completion Date, shall transfer such excess to the Project Fund to be applied to the payment of Costs of the Project or (2), after the Completion Date, shall transfer such excess to the Bond Fund to be applied to the payment of the principal and interest and Sinking Fund Payments coming due on the Bonds on the next following Bond Payment Date.

The Trustee, upon the receipt of written instructions satisfactory to the Trustee from an Authorized Representative of the Institution, shall pay to the United States, from amounts on deposit in the Rebate Fund or from other moneys supplied by the Institution, (1) not less frequently than once every five (5) years after the date of original issuance (or such other date as the Institution may choose, provided the Institution and the Trustee receive an opinion of Bond Counsel that such change will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes) and every five years thereafter until final retirement of the Bonds, an amount such that, together with prior amounts paid to the United States, the total amount paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment plus all amounts then held in the Rebate Fund Earnings Account, and (2) not later than thirty (30) days after the date on which all Bonds of any particular series have been paid in full, one hundred percent (100%) of the Rebate Amount with respect to such Bonds as of the date of such payment plus all amounts relating thereto then held in the Rebate Fund Earnings Account.

The foregoing described provisions of the Indenture may be amended, without notice to or consent of the Bondholders, at the request of the Issuer or the Institution, to comply with the applicable regulations of the Treasury Department, upon the delivery by the Issuer or the Institution to the Trustee of an opinion of Bond Counsel that such amendment will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds which exists on the Closing Date.

No Modification of Security; Limitation on Liens (Section 508)

The Issuer covenants that it will not, without the written consent of the Trustee, alter, modify or cancel, or agree to alter, modify or cancel, the Installment Sale Agreement or any other Financing Document to which the Issuer is a party, or which has been assigned to the Issuer, and which relates to or affects the security for the Bonds, except as contemplated hereby or pursuant to the terms of such document. The Issuer further covenants that, except for the Financing Documents and other Permitted Encumbrances, the Issuer will not incur, or suffer to be incurred, any mortgage, Lien, charge or encumbrance on or pledge of any of the Trust Estate prior to or on a parity with the Lien of the Indenture.

Covenant Against Arbitrage Bonds (Section 513)

So long as any Tax-Exempt Bonds shall be Outstanding, the Issuer shall not use or direct or permit the use of the proceeds of the Tax-Exempt Bonds or any other moneys in its control (including, without limitation, the proceeds of any insurance settlement or Condemnation award with respect to the Project Facility) in such manner as would cause any of the Tax-Exempt Bonds to be an “arbitrage bond” within the meaning of such quoted term in Section 148 of the Code. The Issuer shall not be responsible for the calculation or payment of any rebate amount required by Section 148 of the Code. The Trustee shall not be responsible for the calculation, or the payment from its own funds, of any amount required to be rebated to the United States under Section 148 of the Code. The Trustee shall, however, make such transfers to the Rebate Fund and pay such amounts from the funds and accounts created under the Indenture from the Institution’s funds to the United States as the Institution, in accordance with the Indenture and the Tax Documents, shall direct.

Events of Default (Section 601)

The Indenture provides that each of the following events will constitute an Event of Default under the Indenture:

- (1) failure by the Issuer to make due and punctual payment of the interest or premium on any Bond, or failure by the Issuer to make due and punctual payment of the principal (including Sinking Fund Payments) of any Bond, whether at the Stated Maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration;
- (2) subject to any right to waive the same as set forth in the Financing Documents, receipt by the Trustee of notice, or actual notice on the part of the Trustee, of the occurrence of an Event of Default under any of the other Financing Documents; or
- (3) subject to Section 614 of the Indenture, default in the performance or observance of any other covenant, agreement or condition on the part of the Issuer in the Indenture or in any Bond to be performed or observed and the continuance thereof for a period of thirty (30) days after written notice thereof is given to the Issuer and the Institution by the Trustee or by the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Acceleration (Section 602)

Upon (1) the occurrence of an Event of Default specified in item (1) of the first paragraph under the caption “Events of Default” herein the Trustee shall, or (2) the occurrence of an Event of Default under items (2) or (3) of the first paragraph under the caption “Events of Default” herein and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, the Trustee shall, by notice in writing delivered to the Institution, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Installment Sale Agreement.

Enforcement Of Remedies (Section 603)

Upon the occurrence and during the continuance of any Event of Default, the Trustee shall exercise such of the rights and powers vested in the Trustee by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. In considering what actions are or are not prudent in the circumstances, the Trustee shall consider whether or not to take such action as may be permitted to be taken by the Trustee under any of the Financing Documents.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may proceed forthwith to protect and enforce its rights under the Act, the Installment Sale Agreement and the other Financing Documents by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

Upon the occurrence and during the continuance of any Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce payment of and receive any amounts due or becoming due from the Issuer or the Institution under any of the provisions of the Indenture, the Installment Sale Agreement and the other Financing Documents, without prejudice to any other right or remedy of the Trustee or the Bondholders. The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, premium, interest or otherwise under any of the provisions of the Indenture or the other Financing Documents, without prejudice to any other right or remedy of the Trustee.

Rights of Bondholders to Direct Proceedings (Section 607)

The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right at any time, by an instrument in writing executed and delivered to the Trustee and upon offering the Trustee the security and indemnity provided for in Section 701(I) of the Indenture, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, the Installment Sale Agreement or the other Financing Documents, or for the appointment of a receiver or any other proceedings under the Indenture, provided that such direction, in the opinion of Independent Counsel, is in accordance with the provisions of law and is not unduly prejudicial to the interests of the Bondholders not joining such direction.

Application of Moneys (Section 609)

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VI of the Indenture, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including reasonable attorneys' fees) incurred or made by the Trustee, be deposited into the Bond Fund; and all moneys in the Bond Fund shall be applied, together with the other moneys held by the Trustee under the Indenture (other than amounts on deposit in the Rebate Fund), as follows:

- (1) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

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

SECOND - to the payment to the Persons entitled thereto of the unpaid principal of and any premium on the Bonds (other than Bonds called for redemption for the payment of which moneys shall be held pursuant to the provisions of the Indenture) which shall have become due, in order of their maturities, with interest from the date upon which they became due and, if the amount available shall not be sufficient to pay in full the principal of and premium, if any, and interest on the Bonds due on any particular date, then to the payment ratably, according to amounts due respectively for principal, interest and premium, if any, to the Persons entitled thereto, without any discrimination or privilege; and

THIRD - to the payment to the Persons entitled thereto of the principal of, premium, if any, on, or interest on the Bonds which may thereafter become due and payable, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of interest, principal and premium, if any, due on such date to the Persons entitled thereto, without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of item (1) of the preceding paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional moneys becoming available in the future. Whenever the Trustee shall apply such moneys under the provisions of item (1) of the preceding paragraph, the Trustee shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. Whenever moneys are to be applied pursuant to the provisions of the provisions of item (2) of the preceding paragraph, such moneys shall be applied as soon as practicable upon receipt thereof. In either case, the Trustee shall give such notice as the Trustee may deem appropriate of the deposit with the Trustee of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee and a new Bond is issued or the Bond is canceled if fully paid.

Notice of Defaults; Opportunity to Cure (Section 614)

Anything in the Indenture to the contrary notwithstanding, no default specified under items (2) and (3) under the first paragraph under the caption "Events of Default" herein shall constitute an Event of Default until the Trustee shall have received written notice thereof or shall have actual notice thereof and until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Holders of not less than fifty-one (51%) percent of the aggregate principal amount of Bonds then Outstanding to the Issuer and the Institution (with a copy to the Trustee if given by the Holders), and the Issuer and the Institution shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be

corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Institution within the applicable period and diligently pursued until the default is corrected.

Acceptance of the Trusts (Section 701)

The Trustee accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts upon the certain terms and conditions, including but not limited to the following:

(1) The Trustee may execute any of the trusts or powers hereof and perform any of its duties under the Indenture by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed without gross negligence, and shall be entitled to advice of counsel concerning all matters of the trusts hereof and the duties under the Indenture, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney appointed without gross negligence, who may be the attorney or attorneys for the Issuer, and shall not be responsible for any loss or damage resulting from any action or nonaction in reliance upon any such opinion or advice.

(2) The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(3) Before taking any action under the Indenture (except declaring an Event of Default, a mandatory redemption or an acceleration of the Bonds pursuant to the Indenture), the Trustee may require that a security and indemnity reasonably satisfactory to it be deposited with it for the reimbursement of all fees, costs and expenses including, but not limited to, reasonable attorney's fees and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(4) The Trustee shall not be required to take notice or be deemed to have notice of the occurrence of any Event of Default other than an Event of Default specified under items (1) under the first paragraph under the caption "Events of Default", unless the Trustee shall have actual knowledge of such Event of Default or unless the Trustee shall be specifically notified in writing of such Event of Default by the Issuer or the Institution or the Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding under the Indenture, and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default, except as aforesaid.

Appointment of Successor Trustee by the Bondholders; Temporary Trustee (Section 708)

In case the Trustee under the Indenture shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy, the Issuer (at the written direction of the Institution) by an instrument executed and signed by the Chairman or Vice Chairman and

attested by the Secretary or Assistant Secretary of the Issuer under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer (at the written direction of the Institution) shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders.

Every such successor or temporary Trustee appointed pursuant to the provisions of the paragraph above shall (1) be a trust Institution or bank organized under the laws of the United States of America or any state thereof and which is in good standing, (2) be located within or outside the State, (3) be duly authorized to exercise trust powers in the State, (4) be subject to examination by a federal or state authority, and (5) maintain a reported capital and surplus of not less than \$5,000,000, or be a subsidiary of a bank holding Institution with such capital and surplus.

Supplemental Indentures not Requiring Consent of Bondholders (Section 801)

The Issuer and the Trustee, without the consent of, or notice to, any of the Bondholders, may enter into an indenture or indentures supplemental to the Indenture and not inconsistent with the terms and provisions hereof or, in the sole judgment of the Trustee, materially adverse to the interests of the Trustee or the Holders of the Bonds, for any one or more of the following purposes:

- (1) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (2) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;
- (3) to subject additional rights and revenues to the Lien of the Indenture, or to identify more precisely the Trust Estate;
- (4) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's;
- (5) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes;
- (6) to modify, amend or supplement the Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state blue sky law;
- (7) to enable the issuance of Additional Bonds;
- (8) to permit the Bonds to be converted to certificated securities to be held by the registered owners thereof; or
- (9) for any other purpose not materially adverse to the interests of the Holders of the Bonds.

Supplemental Indentures Requiring Consent of Bondholders (Section 802)

Except for supplemental indentures as provided in Section 801 hereof, the Holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from

time to time, anything in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer or the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing contained in Section 802 of the Indenture shall permit or be construed as permitting (1) without the consent of the Holder of such Bond, (a) a reduction in the rate, or extension of the time of payment, of interest on any Bond, (b) a reduction of any premium payable on the redemption of any Bond, or an extension of time for such payment, or (c) a reduction in the principal amount payable on any Bond, or an extension of time in which the principal amount of any Bond is payable, whether at the stated or declared maturity or redemption thereof, (2) the creation of any Lien prior to or on a parity with the Lien of the Indenture (other than that parity Lien created to secure the Additional Bonds), (3) a reduction in the aforesaid aggregate principal amount of Bonds, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (4) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (5) a privilege or priority of any Bond or Bonds over any other Bond or Bonds.

Supplemental Indentures; Consent of the Institution (Section 804)

Supplemental indentures which affect the rights or liabilities of the Institution under the Indenture require the consent of the Institution.

Amendments to Installment Sale Agreement or other Financing Documents not Requiring Consent of Bondholders (Section 901)

The Issuer, the Institution and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than the Indenture) as may be required (1) by the provisions of any Financing Document, (2) for the purpose of curing any ambiguity, inconsistency or formal defect therein or omission therefrom, (3) so as to identify more precisely the Project Facility, (4) in connection with any supplemental indenture entered into pursuant to Section 801 of the Indenture, or to effect any purpose for which there could be a supplemental indenture pursuant to Section 801 of the Indenture, (5) to obtain or maintain a rating on the Bonds from Moody's or Standard & Poor's, (6) to permit the issuance of Additional Bonds, (7) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (8) in connection with any other supplemental indenture, but only if any such amendment, change or modification, in the sole judgment of the Trustee, is not materially adverse to the interests of the Trustee or the Bondholders.

Amendments to Installment Sale Agreement or other Financing Documents Requiring Consent of Bondholders (Section 902)

Except for the amendments, changes or modifications as provided in the above paragraph, neither the Issuer, the Institution nor the Trustee shall consent to any other amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than the Indenture) without mailing notice thereof to, and obtaining the written approval or consent thereto of, the Holders of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given as provided herein.

Satisfaction and Discharge of Lien (Section 1001)

If the Issuer (1) shall pay or cause to be paid, to the Holders and Owners of the Bonds, the principal of the Bonds and premium, if any, due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (2) shall pay or cause to be paid from any source, to the Holders and Owners of the Bonds, the interest to become due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (3) shall have paid all fees, costs and expenses including, but not limited to, reasonable attorney's fees of the Trustee and each paying agent, (4) shall pay or cause to be paid the entire Rebate Amount to the United States in accordance with the Tax Documents and Section 407 of the Indenture, and (5) shall cause to be delivered an opinion of Independent Counsel stating that all conditions precedent with respect to the satisfaction and discharge of the Indenture have been met, then the Indenture and the trust and rights granted by the Indenture shall cease, terminate and be void, and thereupon the Trustee shall (a) cancel and discharge the Lien of the Indenture upon the Trust Estate and the Trustee's rights under the other Financing Documents and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy same, (b) reconvey to the Issuer the Installment Sale Agreement and the trust hereby conveyed, and (c) assign and deliver to the Institution any interest in Property at the time subject to the Lien of the Indenture and the other Financing Documents which may then be in its possession, except amounts held by the Trustee for the payment of principal of, and the interest and premium, if any, on, the Bonds.

Limitations on Issuer Liability (Section 1109)

The obligations and agreements of the Issuer contained in the Indenture or in any other document executed by the Issuer in connection therewith shall (A) be deemed obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his or her individual capacity, (B) not be an obligation of the State of New York or of Rensselaer County, New York, and (C) be limited obligations of the Issuer, payable solely from the revenues of the Issuer derived from the sale or other disposition of the Project Facility.

SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT SALE AGREEMENT

The Project Facility is to be sold to the Institution pursuant to the Installment Sale Agreement. Reference is made to the Installment Sale Agreement for complete details of the terms thereof. The following is a brief summary of certain provisions of the Installment Sale Agreement and should not be considered a full statement thereof.

Representations, Warranties and Covenants of the Issuer (Section 2.1)

The Issuer makes the following representations, warranties and covenants, among others:

(1) The Issuer is duly established under the provisions of the Act and has the power to enter into the Installment Sale Agreement and to carry out its obligations under the Installment Sale Agreement. Based upon the representations made by the Institution as to the utilization of the Project Facility, the Project Facility will constitute a "project", as such quoted term is defined in the Act. By proper official action, the Issuer has been duly authorized to execute, deliver and perform the Installment Sale Agreement and the other Financing Documents to which the Issuer is a party.

(2) The Issuer will cause the Project Facility to be acquired, constructed, reconstructed and installed and will sell its interest in the Project Facility to the Institution

pursuant to the Installment Sale Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(3) Subject to the limitations contained in the Installment Sale Agreement, so long as the Bonds shall be Outstanding, the Issuer will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Institution, together with Bond Counsel, advise the Issuer in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (a) cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (b) adversely affect the exclusion of the interest paid or payable on any Tax-Exempt Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Institution is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Institution, such information concerning the investment of such administrative fee as shall be requested by the Institution and as shall be reasonably available to the Issuer.

Representations, Warranties and Covenants of the Institution (Section 2.2)

The Institution makes the following representations and covenants, among others:

(1) The Institution is a not-for-profit education corporation duly organized and validly existing under the laws of the State of New York, is duly authorized to do business in the State, has the power to enter into the Installment Sale Agreement and the other Financing Documents to which the Institution is a party and to carry out its obligations under the Installment Sale Agreement and thereunder, has been duly authorized to execute the Installment Sale Agreement and the other Financing Documents to which the Institution is a party, and is qualified to do business in all jurisdictions in which its operations or ownership of Properties so require. The Installment Sale Agreement and the other Financing Documents to which the Institution is a party, and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of the Institution's board of trustees.

(2) The Project Facility is and, so long as any Bond is Outstanding, will continue to be a "project", as such quoted term is defined in the Act, and the Institution will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Institution in writing should be taken), or allow any action to be taken, which action (or omission) would (a) cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act, (b) adversely affect the exclusion of the interest paid or payable on the Tax-Exempt Bonds from gross income for federal income tax purposes, or (c) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(3) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Institution will defend and save the Issuer and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith. The Institution shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance in all material respects with all Applicable Laws, and the Institution will defend and save the Issuer and its officers, members, agents, directors and employees harmless from all fines and penalties due to failure to comply therewith.

(4) All of the proceeds of the Initial Bonds shall be used to pay the costs of the Project, and the total cost of the Project is expected to at least equal \$19,785,000. If any portion of the proceeds of the Initial Bonds will be expended on a “housing facility”, within the meaning ascribed to such term in Section 854(13) of the Act, (1) all such housing facilities will constitute “dormitories for educational institutions”, within the meaning ascribed to such phrase in Section 854(13) of the Act, and (2) the total amount of the Initial Bonds reasonably allocated to such housing facilities will not exceed \$20,000,000.

(5) The Institution will comply with all of the terms, conditions and provisions of the Tax Regulatory Agreement. All of the representations, certifications, statements of reasonable expectation and covenants made by the Institution in the Tax Regulatory Agreement are hereby declared to be for the benefit of, among others, the Issuer and are incorporated in the Installment Sale Agreement as though set forth in full therein.

Covenant with Trustee, Bondholders (Section 2.3)

The Issuer and the Institution agree that the Installment Sale Agreement is executed in part to induce the purchase of the Bonds by the Holders and Beneficial Owners from time to time of the Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Institution set forth in the Installment Sale Agreement (other than the Unassigned Rights) are hereby declared to be for the benefit of the Issuer, the Trustee and the Holders and Beneficial Owners from time to time of the Bonds.

Acquisition, Construction, Reconstruction and Installation of the Project Facility (Section 4.1)

In connection with the Prior Bonds, the Institution, on behalf of the Issuer, promptly acquired, constructed, reconstructed and installed the Project Facility, or the caused the acquisition, reconstruction and installation of the Project Facility, all in accordance with the Plans and Specifications.

Application of Proceeds of the Initial Bonds (Section 4.3)

The proceeds of the sale of the Initial Bonds will be deposited by the Issuer with the Trustee as provided in the Indenture and, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Institution and complying with the requirements of the Indenture, will be applied to pay the costs and expenses incurred in connection with the Project and for no other purpose.

Completion of the Project Facility (Section 4.4)

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

Completion by the Institution (Section 4.5)

In the event that the Bond Proceeds are not sufficient to pay in full all costs of the Project, the Institution agrees to complete the Project and to pay all such sums as may be in excess of moneys available therefor in the Project Fund.

Conveyance; Instruments; Survival (Section 5.2)

The Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the other Financing Documents) from the Issuer to the Institution on the Completion Date. The Institution

agrees to prepare the Termination of License to Issuer and the Bill of Sale to Institution and all schedules thereto, together with all gains tax affidavits, equalization and assessment forms and other necessary documentation, and to forward same to the Issuer at least thirty (30) days prior to the date that the Project Facility is to be conveyed to the Institution. The Institution will pay all expenses and taxes, if any, applicable to or arising from such transfers of title.

Installment Purchase Payments and other Amounts Payable (Section 5.3)

The Institution shall pay installment purchase payments for the Project Facility as follows: on or before each Bond Payment Date, the Institution shall make available moneys to the Trustee for deposit into the Bond Fund, in an amount which, when added to any amounts then held in the Bond Fund, shall equal the amount payable as principal, interest and premium, if any, on the Bonds on such Bond Payment Date.

The Institution shall pay as additional installment purchase payments under the Installment Sale Agreement any premium when due on the Bonds and the following:

(1) Within thirty (30) days after receipt of a demand therefor from the Trustee, the Institution shall pay to the Trustee the following amounts: (a) the reasonable fees, costs and expenses of the Trustee for performing the obligations of the Trustee under the Indenture and the other Financing Documents; (b) the sum of the expenses of the Trustee reasonably incurred in performing the obligations of (i) the Institution under the Installment Sale Agreement, or (ii) the Issuer under the Bonds, the Indenture or the Installment Sale Agreement; and (c) the Trustee's reasonable attorneys' fees incurred in connection with the foregoing and other moneys due the Trustee pursuant to the provisions of any of the Financing Documents.

(2) (a) On the Closing Date, the Company shall pay to the Issuer, as the basic payments due to the Issuer under the Installment Sale Agreement, (i) a single lump sum basic installment purchase payment in an amount equal to the Issuer's administration fee for the issuance of the Initial Bonds; plus (ii) an additional lump sum basic installment purchase payment in an amount equal to the fees and expenses of general counsel and Bond Counsel to the Issuer relating to the Project.

(b) Within thirty (30) days after receipt of a demand therefor from the Issuer, the Institution shall pay to the Issuer the sum of the reasonable expenses (including, without limitation, reasonable attorney's fees and expenses) of the Issuer and the officers, members, agents and employees thereof incurred by reason of the Issuer's ownership, financing or sale of the Project Facility or in connection with the carrying out of the Issuer's duties and obligations under the Installment Sale Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Institution, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under the Installment Sale Agreement.

In the event the Institution fails to make any of the above payments for a period of more than ten (10) days from the date such payment is due, the Institution shall pay the same, together with interest thereon, at Default Interest Rate, from the date on which such payment was due until the date on which such payment is made.

Nature of Obligations of Institution under the Installment Sale Agreement (Section 5.4)

The obligations of the Institution under the Installment Sale Agreement will be general obligations of the Institution and will be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, counterclaim or abatement that the Institution may otherwise have against the Issuer or the Trustee. The Institution agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants contained in, the Installment Sale Agreement, or terminate the Installment Sale Agreement for any cause whatsoever.

Prepayment of Installment Purchase Payments (Section 5.5)

At any time that the Bonds are subject to redemption under Section 301(B) of the Indenture, the Institution may, at its option, prepay, in whole or in part, the installment purchase payments payable under the Installment Sale Agreement by causing there to be moneys in an amount equal to the Redemption Price of the Bonds being redeemed on deposit with the Trustee no more than sixty (60) days and no less than thirty (30) days prior to the date such moneys are to be applied to the redemption of such Bonds under Section 301 of the Indenture.

Maintenance and Modification of the Project Facility (Section 6.1)

So long as any of the Bonds are Outstanding, and during the term of the Installment Sale Agreement, the Institution will keep the Project Facility in good condition and make all necessary repairs.

Taxes, Assessments And Utility Charges (Section 6.2)

So long as any of the Bonds are Outstanding, and during the term of the Installment Sale Agreement, the Institution will pay or cause to be paid all taxes, assessments, and utility charges associated with the Project Facility.

Insurance Required (Section 6.3)

So long as any of the Bonds are Outstanding, and during the term of the Installment Sale Agreement, the Institution is required to maintain insurance to protect the interests of the Institution, the Issuer and the Trustee.

Damage, Destruction and Condemnation (Section 7.1 and Section 7.2)

In the case of damage to or the destruction or Condemnation of the Project Facility, the Institution, but not the Issuer, will have an obligation to replace, repair, rebuild or restore the Project Facility, using insurance or Condemnation proceeds for this purpose to the extent available, unless the Institution elects not to replace, repair, rebuild or restore the Project Facility.

Assignment of the Installment Sale Agreement (Section 9.1)

The Installment Sale Agreement may not be assigned by the Institution, in whole or in part, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed.

Pledge and Assignment of the Issuer's Interests to the Trustee (Section 9.2)

The Issuer will assign certain of its rights and interests under the Installment Sale Agreement pursuant to the Pledge and Assignment, to the Trustee as security for the payment of the principal of, premium, if any, on and interest on the Bonds. The Institution will acknowledge and consent to such assignment by the Issuer to the Trustee and will agree to perform for the benefit of the Trustee all of its duties and undertakings under the Installment Sale Agreement (except duties undertaken with respect to the Unassigned Rights).

Sale or Lease of Project Facility (Section 9.4)

Except for leases or subleases of portions of the Project Facility entered into in the ordinary course of business and in compliance with the provisions of the Tax Documents, the Institution may not sell, lease, transfer, convey or otherwise dispose of the Project Facility or any part thereof without providing to the Issuer and the Trustee an opinion of Bond Counsel that such disposition will not adversely affect the exclusion of the interest payable on the Tax-Exempt Bonds from gross income of the holders thereof for Federal income tax purposes.

Notwithstanding anything to the contrary contained herein, in any instance after the Completion Date where the Institution reasonably determines that any portion of the Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Institution may remove such portion of the Equipment and may sell, trade in, exchange or otherwise dispose of the same, as a whole or in part. At the request of the Institution, the Issuer shall execute and deliver, and shall request the Trustee to execute and deliver, to the Institution all instruments necessary or appropriate to enable the Institution to sell or otherwise dispose of any such portion of the Equipment free from any Liens of the Financing Documents. The Institution shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from any Liens of the Financing Documents any portion of the Equipment removed pursuant to Section 9.4 of the Installment Sale Agreement.

Events of Default Defined (Section 10.1)

Under the Installment Sale Agreement, one or more of the following events will constitute an "Event of Default":

- (1) A default by the Institution in the due and punctual payment of the amounts specified to be paid pursuant to Section 5.3(A) of the Installment Sale Agreement.
- (2) A default in the performance or observance of any other of the covenants, conditions or agreements on the part of the Institution in the Installment Sale Agreement and the continuance thereof for a period of thirty (30) days after written notice is given by the Issuer or the Trustee to the Institution (with a copy to the Trustee, if given by the Issuer), or, if such covenant, condition or agreement is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Institution to commence to cure within such thirty (30) day period and to thereafter prosecute the same with due diligence and, in any event, to cure such default within sixty (60) days after such written notice is given.
- (3) The occurrence of an "Event of Default" under any of the other Financing Documents.
- (4) Any representation or warranty made by the Institution herein or in any other Financing Document proves to have been materially false at the time it was made.

(5) The Institution shall generally not pay its debts as such debts become due or admits its inability to pay its debts as they become due.

(6) Any sale, conveyance, lease agreement or any other change of ownership, whether occurring voluntarily or involuntarily, or by operation of law or otherwise, by the Issuer or the Institution (except pursuant to the Installment Sale Agreement or a Permitted Encumbrance) of their respective interests in the Project Facility or any part thereof, or the granting of any easements or restrictions or the permitting of any encroachments on the Project Facility, except as permitted in the Installment Sale Agreement or a Permitted Encumbrance.

(7) (a) The filing by the Institution (as debtor) of a voluntary petition under the Bankruptcy Code or any other federal or state bankruptcy statute; (b) the failure by the Institution within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair the Institution's ability to carry out its obligations under the Installment Sale Agreement; (c) the commencement of a case under the Bankruptcy Code against the Institution as the debtor or commencement under any other federal or state bankruptcy statute of a case, action or proceeding against the Institution and continuation of such case, action or proceeding without dismissal for a period of sixty (60) days; (d) the entry of an order for relief by a court of competent jurisdiction under the Bankruptcy Code or any other federal or state bankruptcy statute with respect to the debts of the Institution; or (e) in connection with any insolvency or bankruptcy case, action or proceeding, appointment by final order, judgment or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Institution, unless such order, judgment or decree is vacated, dismissed or dissolved within sixty (60) days of such appointment.

(8) The removal of the Equipment or any portion thereof outside Rensselaer County, New York, without the prior written consent of the Issuer, other than in connection with a removal under Section 9.4(B) of the Installment Sale Agreement.

Notwithstanding the provisions of Section 10.1(A) of the Installment Sale Agreement, if by reason of force majeure (as hereinafter defined) either party hereto shall be unable, in whole or in part, to carry out its obligations under the Installment Sale Agreement and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee within a reasonable time after the occurrence of the event or cause relied upon, the obligations under the Installment Sale Agreement of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The suspension of such obligations for such period pursuant to this subsection (B) shall not be deemed an Event of Default under Section 10.1 of the Installment Sale Agreement. Notwithstanding anything to the contrary in this paragraph, an event of force majeure shall not excuse, delay or in any way diminish the obligations of the Institution to make the payments required by Sections 4.5, 5.3 and 6.6 of the Installment Sale Agreement, to obtain and continue in full force and effect the insurance required by Article VI of the Installment Sale Agreement, to provide the indemnity required by Sections 8.2 and 8.13 of the Installment Sale Agreement and to comply with the provisions of Sections 2.2(G), 3.3, 4.5, 6.6, 8.2, 8.4, 8.5 and 8.7(C) of the Installment Sale Agreement. The term "force majeure" as used herein shall include acts outside of the control of the Issuer and the Institution, including but not limited to acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of any Governmental Authority or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, and partial or entire failure of utilities. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and

the party having difficulty shall not be required to settle any strike, lockout or other industrial disturbances by acceding to the demands of the opposing party or parties.

Remedies on Default (Section 10.2)

Whenever any Event of Default shall have occurred and be continuing, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

- (1) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all unpaid installment purchase payments payable pursuant to Section 5.3(A) hereof, and (b) all other payments due under the Installment Sale Agreement or any of the other Financing Documents;
- (2) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or thereafter to become due under the Installment Sale Agreement and to enforce the obligations, agreements or covenants of the Institution under the Installment Sale Agreement
- (3) terminate disbursement of the Bond Proceeds; or
- (4) exercise any remedies available pursuant to any of the other Financing Documents.

No Recourse; Special Obligation (Section 11.10)

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

The obligations and agreements of the Issuer contained in the Installment Sale Agreement or such other documents will not constitute or give rise to an obligation of the State of New York or of Rensselaer County, New York, and neither the State of New York nor Rensselaer County, New York will be liable hereon or thereon, and, further, such obligations and agreements will not constitute or give rise to a general obligation of the Issuer, but rather will constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

No order or decree of specific performance with respect to any of the obligations of the Issuer under the Installment Sale Agreement will be sought or enforced against the Issuer unless (A) the party seeking such order or decree will first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer will have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten days, will have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (B) if the Issuer refuses to comply with such request and the Issuer's refusal to

comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree will have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Institution) or employees will be subject to potential liability, the party seeking such order or decree (1) agrees to indemnify and hold harmless the Issuer and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Issuer, furnishes to the Issuer satisfactory security to protect the Issuer and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this paragraph shall not affect the full force and effect of an Event of Default under the Installment Sale Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE PLEDGE AND ASSIGNMENT

The foregoing is a brief summary of the Pledge and Assignment and should not be considered a complete statement thereof. Reference is made to the Pledge and Assignment for complete details of the terms thereof.

Pursuant to the Pledge and Assignment, to further secure the payment of the Bonds, the Issuer will pledge, assign, transfer and set over to the Trustee, and grant the Trustee a lien on and security interest in, all of the Issuer's right, title and interest in the Installment Sale Agreement and any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Installment Sale Agreement, except for the Unassigned Rights.

SUMMARY OF CERTAIN PROVISIONS OF THE GUARANTY

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

Guaranty

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

Additional Covenants. (Schedule C)

Additional Definitions. (Section 1 of Schedule C)

The following words and terms used in Schedule C to the Guaranty shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“Cash and Investments” means the sum of (A) cash and cash equivalents and (B) investments, as reported on the audited financial statements of the Institution for the most recently completed fiscal year.

“Indebtedness” means 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.

“Long-Term Indebtedness” means Indebtedness which is not Short-Term Indebtedness.

“Short-Term Indebtedness” means any Indebtedness no portion of which has a date of maturity more than a year from the date of original issuance thereof.

Additional Bonds. (Section 2 of Schedule C)

The Institution may not request the issuance of Additional Bonds pursuant to Section 214 of the Indenture unless, prior to the issuance of such Additional Bonds pursuant to Section 214(B) of the Indenture and subject to the provisions therein, the Institution shall provide to the Trustee the following certificate (the “Additional Bond Eligibility Certificate”): a certificate of an Authorized Officer of the Institution to the effect that, immediately following the issuance of such Additional Bonds, the sum of the Bonds then Outstanding, plus all other Long-Term Indebtedness then Outstanding, shall not exceed 50% of the Institution’s Cash and Investments.

Additional Debt. (Section 3 of Schedule C)

The Institution may incur additional Indebtedness so long as (A) no Event of Default under any of the Financing Documents exists or would exist as a result of the incurrence of such Indebtedness; or (B) upon the incurrence of the additional Indebtedness, the sum of the Bonds then Outstanding plus all other Long-Term Indebtedness then Outstanding, shall not exceed 50% of the Institution’s Cash and Investments, provided, however, that the foregoing provision shall not restrict nor operate to prevent: (1) Indebtedness of the Institution with respect to the Bonds; (2) Indebtedness in connection with the purchase or lease (including capitalized leases) of personal property secured by non-recourse purchase money security interests with respect to such personal property; (3) Indebtedness secured by Permitted Encumbrances; (4) Indebtedness in connection with the acquisition or lease (including capitalized leases) of real property secured solely by non-recourse purchase money mortgages on such real property; (5) Indebtedness in connection with a Lease Agreement between Silhouette Optical, Ltd. and the Institution relating to a lease by the Institution, with an option to purchase, of a boathouse and the land on which it sits on the Mohawk River and Hudson River; and (6) Short-Term Indebtedness.

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by Emma Willard School (the “Institution”) and The Bank of New York, as trustee (the “Trustee”), in connection with the issuance of \$19,785,000 Rensselaer County Industrial Development Agency, Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of August 1, 2015 (the “Indenture”) by and among the Rensselaer County Industrial Agency (the “Issuer”) and the Trustee. The proceeds of the Bonds are being used to finance or refinance a project of the Institution. The Institution will make installment sale payments to the Trustee, as assignee of the Issuer, sufficient to pay the principal of, premium, if any, and interest on the Bonds when due pursuant to the terms of the Installment Sale Agreement, dated as of August 1, 2015 (the “Installment Sale Agreement”), by and between the Issuer and the Institution.

The Institution and the Trustee covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Institution and the Trustee for the benefit of the Bondowners and in order to assist the Underwriter (defined below) in complying with the Rule (defined below). The Institution and the Trustee acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement and has no liability to any person, including any Bondowner of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Bondowner” shall mean the registered owner of a Bond and any beneficial owner thereof, as established to the reasonable satisfaction of the Trustee or Institution.

“Dissemination Agent” shall mean any Dissemination Agent or successor Dissemination Agent designated in writing by the Institution and which has filed with the Institution, the Trustee and the Issuer a written acceptance of such designation. The same entity may serve as both Trustee and Dissemination Agent. In the absence of a third-party Dissemination Agent, the Institution shall serve as the Dissemination Agent. Initially, the Trustee shall serve as the Dissemination Agent..

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB as contemplated by this Disclosure Agreement.

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

“Official Statement” shall mean the final Official Statement dated July 29, 2015, used in connection with the sale of the Bonds.

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

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

SECTION 3. Provision of Annual Reports.

(a) The Dissemination Agent, not later than 180 days after the end of each fiscal year (the “MSRB Filing Deadline”) beginning with the fiscal year ending June 30, 2014, shall provide to the MSRB an Annual Report provided by the Institution, which Annual Report the Institution agrees shall be consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than two (2) Business Days prior to each MSRB Filing Deadline (the “Institution Filing Deadline”), the Institution (if it is not the Dissemination Agent) shall provide the Annual Report to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Institution may be submitted separately from, and at a later date than, the balance of the Annual Report if such audited financial statements are not available by the Institution as of the Institution Filing Deadline. If the audited financial statements are not available as of the Institution Filing Deadline, the Institution shall provide to the Dissemination Agent no later than the Institution Filing Deadline, unaudited financial statements, and the Dissemination Agent shall provide such unaudited financial statements to the MSRB by the MSRB Filing Deadline. The Institution shall provide the audited financial statements to the Dissemination Agent and the Trustee (if not also the Dissemination Agent) as soon as practicable after they become available and the Dissemination Agent shall submit the audited financial statements to the MSRB as soon as practicable thereafter. The Institution shall provide a copy of each Annual Report to the Trustee, if the Trustee is not then acting as Dissemination Agent.

(b) On or before the MSRB Filing Deadline, the Dissemination Agent shall file a report with the Institution and the Trustee (if the Trustee is not then acting as Dissemination Agent) certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided (the “Compliance Certificate”); such report shall include a certification from the Institution that the Annual Report complies with the requirements of this Disclosure Agreement.

(c) If the Trustee has not received a Compliance Certificate by the MSRB Filing Deadline, the Trustee shall send, and the Institution hereby authorizes and directs the Trustee to submit on its behalf, a notice to the MSRB in substantially the form attached as Exhibit A.

(d) If the Dissemination Agent has not provided the Annual Report to the MSRB by the MSRB Filing Deadline, the Institution shall send, or cause the Dissemination Agent to send, a notice substantially in the form of Exhibit A irrespective of whether the Trustee submits such written notice.

SECTION 4. Content of Annual Reports. Subject to the provisions of Section 3, the Annual Report submitted by the Institution shall contain or incorporate by reference the following data as of the most recently completed fiscal year:

- 1) Audited Financial Statements of the Institution; and
- 2) the information and operating data relating to the information of the type provided in the Official Statement and in each case substantially in the same level of detail as is found in such Official Statement, under the following tables:
 1. under the tables “Enrollment,” “Admissions Statistics” and “Attrition and Retention”;
 2. under the table “Tuition and Fees”;
 3. under the table “Comparative Tuition Schedule for Peer Institutions”;
 4. under the table “Student Financial Assistance”; and
 5. under the table “Investment Funds”.

The financial statements provided pursuant to Sections 3 and 4 of this Disclosure Agreement shall be prepared in conformity with generally accepted accounting principles, as in effect from time to time. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues which (i) are available to the public at the MSRB or (ii) have been filed with the Securities and Exchange Commission. The Institution shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events, each of which is a “Listed Event”, with respect to the Bonds:

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 or determinations affecting the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondowners, if material;
8. Bond calls, if material (the giving of notice of regularly scheduled mandatory sinking fund redemption shall not be deemed material for this purpose under clause (b) of this Section 5), and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event with respect to an obligated person;[†]
13. The consummation of a merger, consolidation or acquisition involving the Institution or the sale of all or substantially all of the assets of the Institution, other than in the ordinary course of business, and 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 an additional trustee or change of name of a trustee, if material.

(b) Whenever the Institution obtains knowledge of the occurrence of a Listed Event, the Institution shall, in a timely manner not to exceed ten (10) Business Days, direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Institution shall provide a copy of each such notice to the Issuer and the Trustee. The Dissemination Agent, if other than the Institution, shall have no duty to file a notice of an event described hereunder unless it is directed in writing to do so by the Institution, and shall have no responsibility for verifying any of the information in any such notice or determining the materiality of the event described in such notice.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Information must be provided to the MSRB through its Electronic Municipal Market Access (“EMMA”) system, located at <http://emma.msrb.org/> or any successor website as announced by the MSRB from time to time.

SECTION 7. Termination of Reporting Obligation. The Institution’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or

[†] As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Institution in a proceeding under the U.S. Bankruptcy Code or in any 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 Institution, 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 (ii) 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 Institution.

payment in full of all of the Bonds or upon delivery to the Trustee of an opinion of counsel expert in federal securities laws selected by the Institution and acceptable to the Trustee to the effect that compliance with this Disclosure Agreement no longer is required by the Rule. If the Institution's obligations under this Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Institution and the original Institution shall have no further responsibility hereunder.

SECTION 8. Dissemination Agent. The Institution may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Institution and the Trustee may amend this Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Institution that does not affect the rights and remedies of, or materially increase the responsibilities of, the Trustee or Dissemination Agent) and any provision of this Disclosure Agreement, may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Institution and the Trustee to the effect that such amendment or waiver would not in and of itself, violate the Rule. Without limiting the foregoing, the Institution and the Trustee may amend this Disclosure Agreement if (a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Institution or of the type of business conducted by the Institution; (b) this Disclosure Agreement, as so amended, would have complied with the requirements of the Rule at the time the Bonds were issued, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c)(i) the Trustee receives an opinion of counsel expert in federal securities laws and acceptable to the Trustee, to the effect that the amendment does not materially impair the interests of the Bondowners or (ii) the amendment is consented to by the Bondowners as though it were an amendment permitted by the Indenture. The annual financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment is made to an undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made should present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Institution from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Institution chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Institution shall

have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Institution or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written request of the Underwriter or the Bondowners of at least 25% aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be to comply with its obligations under this Disclosure Agreement. Without regard to the foregoing, any Bondowner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution or the Dissemination Agent, as the case may be to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Institution or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance and not for money damages in any event.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. As to the Trustee, Article VII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Institution agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including reasonable fees, costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. Notwithstanding anything to the contrary herein, the Trustee shall have the same rights, indemnities, privileges and protections in the discharge of its obligations hereunder as it would have in discharging any of its obligations under the Indenture. The obligations of the Institution under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Institution covenants that whenever it is serving as Dissemination Agent, it shall take any action required of the Dissemination Agent under this Disclosure Agreement.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Institution, the Trustee, the Dissemination Agent, the Underwriter, and Bondowners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Disclaimer. No Annual Report or notice of a Listed Event filed by or on behalf of the Institution under this Disclosure Agreement shall obligate the Institution to file any information regarding matters other than those specifically described in Sections 3, 4 and 5 hereof, nor shall any such filing constitute a representation by the Institution or raise any inference that no other material events have occurred with respect to the Institution or the Bonds or that all material information regarding the Institution or the Bonds has been disclosed. The

Institution shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

SECTION 15. Governing Law. This instrument shall be governed by the laws of The State of New York.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: August 19, 2015

EMMA WILLARD SCHOOL

Name:
Title:

THE BANK OF NEW YORK, as Trustee and
Dissemination Agent

Name:
Title:

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Rensselaer County Industrial Development Agency

Name of Bond Issue: \$19,785,000 Rensselaer County Industrial Development Agency Civic Revenue Bonds (The Emma Willard School Refunding Project), Series 2015A

Name of Institution: Emma Willard School

Date of Issuance: August 19, 2015

NOTICE IS HEREBY GIVEN that the Institution has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Disclosure Agreement between the Institution and The Bank of New York, as Trustee. The Institution anticipates that the Annual Report will be filed by .

Dated:

The Bank of New York, [trustee] [Dissemination Agent]

By _____

Name:

Title:

cc: Institution

APPENDIX F

FORM OF APPROVING OPINION OF BOND COUNSEL

On the date of issuance of the Initial Bonds, Hodgson Russ LLP, Albany, New York, Bond Counsel, proposes to issue its approving opinion as to the Initial Bonds in substantially the following form:

[LETTERHEAD OF HODGSON RUSS LLP, BOND COUNSEL]

August 19, 2015

Rensselaer County Industrial Development Agency
c/o Rensselaer County Department of Economic Development and Planning
County Office Building, 1600 Seventh Avenue
Troy, New York 12180
Attention: Chairman

Re: Rensselaer County Industrial Development Agency
Civic Facility Revenue Bonds
(Emma Willard School Refunding Project), Series 2015A
in the aggregate principal amount of \$19,785,000

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof of the Civic Facility Revenue Bonds (Emma Willard School Refunding Project), Series 2015A in the aggregate principal amount of \$19,785,000 (the "Initial Bonds") by Rensselaer County Industrial Development Agency (the "Issuer"), a public benefit corporation organized and existing pursuant to Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 128 of the 1974 Laws of New York, as amended, codified as Section 903-d of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act").

The Initial Bonds are being issued under and pursuant to a bond resolution adopted by the members of the Issuer on July 9, 2015, a certificate of determination effectuated by an authorized officer of the Issuer and a trust indenture dated as of August 1, 2015 (the "Indenture") by and between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"), in connection with a project (the "Project") to be undertaken by the Issuer for the benefit of Emma Willard School (the "Institution"), said Project consisting of the following: (A) refinancing, in whole or in part, of the outstanding Civic Facility Revenue Bonds (Emma Willard School Project Project), Series 2006 in the original aggregate principal amount of \$31,325,000 (the "Prior Bonds") issued on or about June 27, 2006 by the Issuer, the proceeds of which Prior Bonds were used to finance the following project (the "Prior Project Facility"): (1) the acquisition of an interest in an approximately 7.4 acre parcel of land located on the Institution's campus (the "Campus") with an address of 285 Pawling Avenue in the City of Troy, Rensselaer County, New York (the "Initial Land"), together with four (4) buildings containing in the aggregate approximately 96,972 square feet of space (collectively, the "Initial Facility"), (2) the renovation of the Initial Facility and the making of infrastructure improvements on the Initial Land (collectively, the "Initial Improvements"), (3) the acquisition and installation thereon and therein of various machinery and

equipment (the “Initial Equipment”) (the Initial Land, the Initial Facility, the Initial Improvements and the Initial Equipment being hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to be operated by the Institution as an educational facility and other directly and indirectly related activities, (4) the refinancing of certain debt previously incurred by the Institution to provide financing for previously completed projects, including but not limited to (a) the development of a campus master plan, and (b) the execution of various capital projects deemed to support the mission of the school, including (i) improvements to Mott Gym and various buildings on the Campus, (ii) the replacement of windows in various buildings on the Campus, and (iii) the acquisition of various homes that have become part of the Campus and used for school faculty, including properties located at 20 Parmenter, 109 Elmgrove, 137 Elmgrove and 170 Central Avenue in the City of Troy, Rensselaer County, New York, and (5) additional capital improvements to the Campus, including but not limited to (a) heating system upgrades for the library complex, Weaver and other buildings on the Campus, (b) extending the fire alarm system to outlying buildings, (c) miscellaneous repairs to other buildings on the Campus, and (d) additional faculty housing; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) paying a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Bonds; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes and mortgage recording taxes (collectively with the Initial Bonds, the “Initial Financial Assistance”); and (E) the sale of the Initial Project Facility to the Institution pursuant to the terms of an installment sale agreement dated as of August 1, 2015 (the “Installment Sale Agreement”).

The Initial Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest at the rates set forth therein. The Initial Bonds are (A) subject to optional, special and mandatory redemption prior to maturity, and (B) acceleration prior to maturity, all as set forth in the Indenture and in the Initial Bonds.

The principal of, redemption premium, if any, and interest on the Initial Bonds are payable from installment purchase payments to be made by the Institution under the Installment Sale Agreement. As security for the Initial Bonds, the Issuer has executed and delivered to the Trustee a pledge and assignment dated as of August 1, 2015 (the “Pledge and Assignment”) which assigns to the Trustee certain of the Issuer’s rights under the Installment Sale Agreement.

The repayment of the Initial Bonds will be further secured by a guaranty dated as of August 1, 2015 (the “Guaranty”) from the Institution to the Trustee.

We have examined a specimen Initial Bond and executed counterparts of the Indenture, the Installment Sale Agreement and the Pledge and Assignment (collectively, the “Issuer Documents”) and a certain tax regulatory agreement dated the date hereof from the Institution to the Trustee and the Issuer (the “Tax Regulatory Agreement”) and such certified proceedings and such other documents as we deemed necessary to render this opinion.

With respect to the due authorization, execution and delivery by the Institution of the agreements to which it is a party, we have relied on the opinion of Whiteman Osterman & Hanna, LLP, counsel to the Institution. With respect to the due authorization, execution and delivery by The Bank of New York Mellon (both in its corporate capacity as signatory of the Indenture and in its capacity as Trustee) of the agreements to which it is a party, we have relied on the opinion of Hinckley, Allen & Snyder, LLP, counsel to the Trustee.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Issuer were duly executed and delivered by said other person or persons and that said documents constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

In rendering the opinions expressed in paragraphs (D) and (E) below, we note that the exclusion of the interest on the Initial Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 145 and 147 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (collectively, the "Tax Requirements"). In our opinion, the Tax Regulatory Agreement and the other Financing Documents (as defined in the Indenture) establish requirements and procedures, compliance with which will satisfy the Tax Requirements on the date of issuance of the Initial Bonds. It should be noted, however, that compliance with certain Tax Requirements necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Initial Bonds may necessitate the taking of action, or refraining to take action, by persons not within the control of the Issuer or the Institution.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained herein, we are of the opinion, as of the date hereof and under existing law, as follows:

(A) The Issuer was duly created and is validly existing as a corporate governmental agency constituting a public benefit corporation of the State of New York with the corporate power to enter into and perform its obligations under the Issuer Documents and to issue the Initial Bonds.

(B) The Issuer Documents have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as specified below.

(C) The Initial Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authentication thereof by the Trustee, are valid and binding special obligations of the Issuer payable with respect to the Issuer solely from the revenues derived by the Issuer from the revenues derived from the Installment Sale Agreement.

(D) (1) The interest on the Initial Bonds is excludable from gross income for federal income tax purposes and is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code; provided, however, that (a) the Institution or another Person, by failing to comply with the Tax Requirements, may cause interest on the Initial Bonds to become subject to federal income taxation from the date of issuance thereof, and (b) interest on the Initial Bonds is included in determining (i) the tax base for purposes of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes) under Section 56 of the Code, and the branch profits tax imposed on foreign corporations doing business in the United States under Section 884 of the Code, (ii) passive investment income for purposes of computing the tax on net passive income imposed on certain subchapter S corporations under Section 1375 of the Code, and (iii) the modified adjusted gross income of a taxpayer for purposes of computing the portion of Social Security or Railroad Retirement benefits included in gross income under Section 86 of the Code.

(2) The original issue discount in the selling price of certain maturities of the Initial Bonds, to the extent properly allocable to each holder of such Initial Bonds, is excludable from gross income for federal income tax purposes with respect to such holder. The original issue discount is the difference between the initial offering price by the underwriters to the public of the Initial Bonds initially sold at a discount (as adjusted to reflect the accretion of original issue discount to the date of original delivery) and the principal amount of such Initial Bonds. Under published rulings of the Internal Revenue Service, the original issue discount is generally apportioned among the original and succeeding holders of a tax-exempt bond so that each holder is entitled to treat as tax-exempt interest (and not as capital gain) that portion of the original issue discount which the number of days the bond is owned by him bears to the total number of days from the date of issuance of the bond to its stated maturity. In the event a bond is called for optional redemption, the rulings indicate that the original issue discount which would otherwise have accrued between the redemption date and the stated maturity is not allocated to any holder. There is no published ruling as to the treatment of original issue discount in the case of mandatory redemption of a tax-exempt bond.

(E) The Initial Bonds do not constitute “arbitrage bonds”, within the meaning of Section 148 of the Code, except as specified below.

(F) The interest on the Initial Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

(G) The Initial Bonds do not constitute a debt of the State of New York or of Rensselaer County, New York, and neither the State of New York nor Rensselaer County, New York is liable thereon.

We call your attention to the fact that the Institution or another person, by failing to comply with the Tax Requirements as set forth in the Code and the Tax Regulatory Agreement, may cause interest on the Initial Bonds to become subject to federal income taxation from the date hereof. We express no opinion regarding other federal tax consequences arising with respect to the Initial Bonds.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors’ rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Initial Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Initial Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of

title to the Initial Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Initial Project Facility or with respect to the requirements of filing or recording of any of the Financing Documents, or (D) the laws of any jurisdiction other than the State of New York and other than the securities and the tax laws of the United States of America.

The scope of our engagement has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Issuer or the Bonds other than specifically hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Initial Bonds.

Our opinions set forth herein are based upon the facts in existence and the laws in effect on the date hereof and we expressly disclaim any obligation to update our opinions herein, regardless of whether changes in such facts or laws come to our attention after the delivery hereof

Very truly yours,

HODGSON RUSS LLP

By: _____

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EMMA WILLARD
S C H O O L



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