



\$155,200,000
CLARK UNIVERSITY
Taxable Bonds, Series 2021

\$5,640,000	2.613%	Bonds, due July 1, 2031	Price: 100%	CUSIP No. 18190C AA3*	ISIN US18190CAA36*	Common Code 241484815 [†]
\$24,525,000	3.113%	Bonds, due July 1, 2036	Price: 100%	CUSIP No. 18190C AB1*	ISIN US18190CAB19*	Common Code 241484823 [†]
\$39,460,000	3.216%	Bonds (Green Bonds), due July 1, 2042	Price: 100%	CUSIP No. 18190C AD7*	ISIN US18190CAD74*	Common Code 241484858 [†]
\$85,575,000	3.316%	Bonds, due July 1, 2052	Price: 100%	CUSIP No. 18190C AC9*	ISIN US18190CAC91*	Common Code 241484882 [†]

Interest payable: January 1 and July 1

Dated: Date of Delivery

Clark University Taxable Bonds, Series 2021 (the “Bonds”) will be issued pursuant to the terms of an Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between Trustees of Clark University (the “Institution” or “Clark University”) and U.S. Bank National Association, as trustee (the “Trustee”). The proceeds of the Bonds will be used by the Institution for its general corporate purposes and consistent with its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including, without limitation, (i) to finance or refinance (including through reimbursement to the Institution) various capital projects, operating costs, investments and other activities approved from time to time by the Institution, (ii) to refund the Refunded Bonds (as defined herein), (iii) to pay the swap termination fee due in connection with the termination of the swap associated with the Series 2008 Bonds (as defined herein) and (iv) to pay costs of issuing the Bonds.

The Bonds will be issued in fully-registered form in denominations of \$1,000 and any integral multiple thereof and, when issued, will be registered under a global book-entry system in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases will be made in Book-Entry Form only, in principal amounts of \$1,000 and any integral multiple thereof. Purchasers of the Bonds will not receive physical certificates (except under certain circumstances described in the Indenture) representing their ownership interests in the Bonds purchased.

Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing on July 1, 2022. So long as the Bonds are held by DTC, the principal or Redemption Price (as defined herein) of and interest on the Bonds will be payable by wire transfer to DTC, which in turn is required to remit such principal or Redemption Price and interest to the Direct Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds, as more fully described in “BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES” herein.

The Bonds are subject to redemption prior to their stated maturity as described herein. See “THE BONDS – Redemption” herein.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption from registration set forth in Section 3(a)(4) of such Act.

Interest on and profit, if any, on the sale of the Bonds are not excludable from gross income for federal, state or local income tax purposes. See “CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS” herein.

The Bonds constitute unsecured general obligations of the Institution. The Institution has other unsecured general obligations outstanding. See APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND 2020” attached hereto. Moreover, the Institution is not restricted by the Indenture or otherwise from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured. See “SECURITY FOR THE BONDS” herein.

This cover page contains certain information for quick reference only. It is not intended to be a summary of this issue. Investors must read the entire Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered by the Underwriter, when, as and if issued by the Institution and accepted by the Underwriter, subject to the approval of legality by Bowditch & Dewey, LLP, Boston, Massachusetts, counsel to the Institution. In addition, certain other legal matters will be passed upon for the Underwriter by its counsel, Locke Lord LLP, Boston, Massachusetts. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about November 24, 2021.

Goldman Sachs & Co. LLC

November 17, 2021

* CUSIP Copyright, American Bankers Association. CUSIP and ISIN data is provided by CUSIP Global Services, managed by S&P Global Market Intelligence. CUSIP and ISIN numbers are included solely for the convenience of the owners of the Bonds. None of the Institution, the Trustee or the Underwriter is responsible for the selection or uses of the CUSIP or ISIN numbers, and no representation is made as to their correctness on the Bonds or as indicated above.

† The Common Codes are provided herein by Euroclear Bank S.A./N.V. Common Codes are included solely for the convenience of the owners of the Bonds. None of the Institution, the Trustee or the Underwriter is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above.

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GENERAL INFORMATION

This Offering Memorandum does not constitute an offer to sell the Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by Goldman Sachs & Co. LLC (the “Underwriter”) or the Institution to give any information or to make any representations, other than those contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS, OR DETERMINED THAT THIS OFFERING MEMORANDUM IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), and are being issued in reliance on the exemption contained in Section 3(a)(4) thereof. The Bonds are not exempt in every jurisdiction in the United States; some jurisdictions’ securities laws (the “blue sky laws”) may require a filing and a fee to secure the Bonds’ exemption from registration.

The distribution of this Offering Memorandum and the offer or sale of Bonds may be restricted by law in certain jurisdictions. Neither the Institution nor the Underwriter represents that this Offering Memorandum may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Institution or the Underwriter which would permit a public offering of any of the Bonds or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Action may be required to secure exemptions from the blue sky registration requirements either for the primary distribution or any secondary sales that may occur. Accordingly, none of the Bonds may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

All information set forth herein has been obtained from the Institution and other sources. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Institution since the date hereof.

Certain statements included or incorporated by reference in this Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend,” “projection” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in APPENDIX A – “CERTAIN INFORMATION CONCERNING CLARK UNIVERSITY” and APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND 2020.” A number of important factors, including factors affecting the Institution’s financial condition and factors which are otherwise unrelated thereto, could cause actual results to differ materially from those stated in such forward-looking statements. THE INSTITUTION DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS CHANGE, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

The Underwriter has provided the following sentence for inclusion in this Offering Memorandum. The Underwriter has reviewed the information in this Offering Memorandum 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 THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES HEREIN TO THE “ISSUER” MEAN CLARK UNIVERSITY AND REFERENCES TO “BONDS” OR “SECURITIES” MEAN THE BONDS OFFERED HEREBY.

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”)

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, AN “EEA RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “EU PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE EEA WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE EU PROSPECTUS REGULATION. THE ISSUER AND THE UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM (“UK”)

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES A “UK RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE

“EUWA”); OR (II) A CUSTOMER WITHIN THE MEANING OF PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A “QUALIFIED INVESTOR” AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PROSPECTUS REGULATION”). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (AS AMENDED, THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE UK PROSPECTUS REGULATION. THE ISSUER AND THE UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

UK RESTRICTIONS ON SALES - THE BONDS MUST NOT BE OFFERED OR SOLD AND THIS OFFERING MEMORANDUM AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE BONDS MUST NOT BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19 (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (AS AMENDED, THE “ORDER”) OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A)-(D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, “FSMA”) DOES NOT APPLY TO THE ISSUER OR ARE PERSONS TO WHOM THIS OFFERING MEMORANDUM OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS

THIS OFFERING MEMORANDUM DOES NOT COMPRISE A PROSPECTUS WITH REGARD TO THE ISSUER OR THE BONDS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION IN RESPECT OF THE EEA OR UNDER THE UK PROSPECTUS REGULATION IN RESPECT OF THE UK. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN

CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITER TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITER HAS AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITER, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFERING MEMORANDUM.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFERING MEMORANDUM HAVE NOT BEEN REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFERING MEMORANDUM. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFERING MEMORANDUM, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) (“*CWUMPO*”) OR WHICH DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) (“*SFO*”), OR (II) TO “*PROFESSIONAL INVESTORS*” AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “*PROSPECTUS*” AS DEFINED IN THE *CWUMPO*. NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “*PROFESSIONAL INVESTORS*” IN HONG KONG AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO INVESTORS IN SINGAPORE

NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH ANY OFFER OF THE BONDS HAS BEEN OR WILL BE LODGED OR REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE (“*MAS*”) UNDER THE SECURITIES AND FUTURES ACT (CAP. 289) OF SINGAPORE (“*SFA*”). ACCORDINGLY, MAS ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM IS NOT A PROSPECTUS AS DEFINED IN THE SFA AND STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENTS OF PROSPECTUSES WOULD NOT APPLY. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR IT.

THIS OFFERING MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE BONDS MAY NOT BE DIRECTLY OR INDIRECTLY ISSUED, CIRCULATED OR DISTRIBUTED, NOR MAY THE BONDS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR (AS DEFINED IN SECTION 4A(1)(C) OF THE SFA) (“*INSTITUTIONAL INVESTOR*”) PURSUANT TO SECTION 274 OF THE SFA; (II) TO AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A(1)(A) OF THE SFA) (“*ACCREDITED INVESTOR*”) PURSUANT TO SECTION 275(1) OF THE SFA, AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275 OF THE SFA; OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISIONS OF THE SFA.

UNLESS SUCH BONDS ARE OF THE SAME CLASS AS OTHER BONDS OF THE ISSUER THAT ARE LISTED FOR QUOTATION ON AN APPROVED EXCHANGE (AS DEFINED IN SECTION 2(1) OF THE SFA) (“*APPROVED EXCHANGE*”) AND IN RESPECT OF WHICH ANY OFFER INFORMATION STATEMENT, INTRODUCTORY DOCUMENT, SHAREHOLDERS’ CIRCULAR FOR A REVERSE TAKE-OVER, DOCUMENT ISSUED FOR THE PURPOSES OF A SCHEME OF ARRANGEMENT, PROSPECTUS, OR ANY OTHER SIMILAR DOCUMENT APPROVED BY AN APPROVED EXCHANGE, WAS ISSUED IN CONNECTION WITH AN OFFER, OR THE LISTING FOR QUOTATION, OF THOSE BONDS, ANY SUBSEQUENT OFFERS IN SINGAPORE OF BONDS ACQUIRED PURSUANT TO AN INITIAL OFFER MADE IN RELIANCE ON AN EXEMPTION UNDER SECTION 274 OF THE SFA OR SECTION 275(1) OF THE SFA MAY ONLY BE MADE, PURSUANT TO THE REQUIREMENTS OF SECTION 276 OF THE SFA, FOR THE INITIAL 6 MONTHS PERIOD AFTER SUCH ACQUISITION, TO PERSONS WHO ARE INSTITUTIONAL INVESTORS OR ACCREDITED INVESTORS. ANY TRANSFER AFTER SUCH INITIAL 6 MONTHS PERIOD IN SINGAPORE SHALL BE MADE IN RELIANCE ON ANY APPLICABLE EXEMPTION UNDER SUBDIVISION (4) OF DIVISION 1 OF PART XIII OF THE SFA (OTHER THAN SECTION 280 OF THE SFA).

IN ADDITION TO THE ABOVE, WHERE THE BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275(1) OF THE SFA BY A RELEVANT PERSON (AS DEFINED IN SECTION 275(2) OF THE SFA) WHICH IS:

- (1) A CORPORATION (OTHER THAN A CORPORATION THAT IS AN ACCREDITED INVESTOR), THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR
- (2) A TRUST (OTHER THAN A TRUST THE TRUSTEE OF WHICH IS AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR,

SECURITIES (AS DEFINED IN SECTION 2(1) OF THE SFA) OR SECURITIES-BASED DERIVATIVES CONTRACTS (AS DEFINED IN SECTION 2(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES’ RIGHTS AND INTEREST (HOWSOEVER

DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN 6 MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE BONDS PURSUANT TO AN OFFER MADE UNDER SECTION 275(1) OF THE SFA EXCEPT:

- (a) TO INSTITUTIONAL INVESTORS;
- (b) TO RELEVANT PERSONS (AS DEFINED IN SECTION 275(2) OF THE SFA);
- (c) WHERE SUCH TRANSFER ARISES FROM AN OFFER MADE ON TERMS THAT SUCH SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS OF THAT CORPORATION OR SUCH BENEFICIARIES' RIGHTS AND INTEREST IN THAT TRUST, THE SUBJECT OF TRANSFER, ARE ACQUIRED AT A CONSIDERATION OF NOT LESS THAN S\$200,000 (OR ITS EQUIVALENT IN A FOREIGN CURRENCY) FOR EACH TRANSACTION, PROVIDED THAT THE PERSON ACQUIRING SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS OF SUCH CORPORATION MUST ACT AS PRINCIPAL;
- (d) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;
- (e) WHERE THE TRANSFER IS BY OPERATION OF LAW; OR
- (f) WHERE SUCH BONDS ARE OF THE SAME CLASS AS OTHER BONDS OF THE ISSUER THAT ARE LISTED FOR QUOTATION ON AN APPROVED EXCHANGE AND IN RESPECT OF WHICH ANY OFFER INFORMATION STATEMENT, INTRODUCTORY DOCUMENT, SHAREHOLDERS' CIRCULAR FOR A REVERSE TAKE-OVER, DOCUMENT ISSUED FOR THE PURPOSES OF A SCHEME OF ARRANGEMENT, PROSPECTUS, OR ANY OTHER SIMILAR DOCUMENT APPROVED BY AN APPROVED EXCHANGE, WAS ISSUED IN CONNECTION WITH AN OFFER, OR THE LISTING FOR QUOTATION, OF THOSE BONDS.

AS THE BONDS ARE ONLY OFFERED TO PERSONS IN SINGAPORE WHO QUALIFY AS AN ACCREDITED INVESTOR, AN EXPERT INVESTOR (AS DEFINED IN SECTION 4A(1)(B) OF THE SFA), AN INSTITUTIONAL INVESTOR AND/OR ANY OTHER PERSON THAT IS NOT AN INDIVIDUAL, THE ISSUER IS NOT REQUIRED TO DETERMINE THE CLASSIFICATION OF THE BONDS PURSUANT TO SECTION 309B OF THE SFA.

NOTHING SET OUT IN THIS NOTICE SHALL BE CONSTRUED AS LEGAL ADVICE AND (1) EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL COUNSEL. THIS NOTICE IS FURTHER SUBJECT TO THE PROVISIONS OF THE SFA AND ITS REGULATIONS, AS THE SAME MAY BE AMENDED OR CONSOLIDATED FROM TIME TO TIME, AND DOES NOT PURPORT TO BE EXHAUSTIVE IN ANY RESPECT.

NOTICE TO INVESTORS IN JAPAN

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS

AMENDED), OR THE FIEA. THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN (INCLUDING ANY PERSON RESIDENT IN JAPAN OR ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS OF JAPAN) OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE FIEA AND OTHERWISE IN COMPLIANCE WITH ANY RELEVANT LAWS AND REGULATIONS OF JAPAN.

NOTICE TO INVESTORS IN CANADA

THE BONDS MAY BE SOLD IN CANADA ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFERING MEMORANDUM (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER'S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (NI 33-105), THE UNDERWRITER IS NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER'S CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN (THE REPUBLIC OF CHINA)

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN (THE "FSC") PURSUANT TO APPLICABLE SECURITIES LAWS AND REGULATIONS OF TAIWAN AND THE BONDS, INCLUDING ANY COPY OF THIS OFFERING MEMORANDUM OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, SOLD, DELIVERED OR DISTRIBUTED WITHIN TAIWAN (THE REPUBLIC OF CHINA) THROUGH A PUBLIC OFFERING OR IN

CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION WITH OR APPROVAL OF THE FSC. NO PERSON OR ENTITY IN TAIWAN (THE REPUBLIC OF CHINA) HAS BEEN AUTHORIZED TO OFFER, SELL, DISTRIBUTE, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING, SALE OR DISTRIBUTION OF THE BONDS UNLESS THE BONDS OFFERED OR SOLD TO INVESTORS IN TAIWAN ARE OTHERWISE THROUGH TAIWAN LICENSED FINANCIAL INSTITUTIONS TO THE EXTENT PERMITTED UNDER RELEVANT TAIWAN LAWS OR REGULATIONS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

NOTICE TO INVESTORS IN SWITZERLAND

THE BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE (“SIX”) OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFERING MEMORANDUM HAS BEEN PREPARED WITHOUT REGARD TO THE DISCLOSURE STANDARDS FOR ISSUANCE PROSPECTUSES OR KEY INFORMATION DOCUMENTS UNDER THE SWISS FEDERAL ACT ON FINANCIAL SERVICES (“FINSA”) OR THE DISCLOSURE STANDARDS FOR LISTING PROSPECTUSES UNDER ART. 27 FF. OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS OR THE OFFERING MAY BE PUBLICLY OFFERED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NONE OF THIS OFFERING MEMORANDUM OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFERING MEMORANDUM WILL NOT BE FILED WITH, AND THE OFFER OF THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (“FINMA”), AND THE OFFER OF BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF KOREA

THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKET ACT OF KOREA. THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY THE “FSCMA”). THE BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA

OR TO ANY RESIDENT OF SOUTH KOREA EXCEPT AS OTHERWISE PERMITTED UNDER THE APPLICABLE LAWS AND REGULATIONS OF SOUTH KOREA, INCLUDING THE FSCMA AND THE FOREIGN EXCHANGE TRANSACTION LAW AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE “*FETL*”). WITHOUT PREJUDICE TO THE FOREGOING, THE NUMBER OF INVESTORS OFFERED IN SOUTH KOREA OR THE NUMBER OF INVESTORS WHO ARE RESIDENTS IN SOUTH KOREA SHALL BE LESS THAN FIFTY AND FOR A PERIOD OF ONE YEAR FROM THE ISSUE DATE OF THE BONDS, NONE OF THE BONDS MAY BE DIVIDED RESULTING IN AN INCREASED NUMBER OF THE BONDS. FURTHERMORE, THE BONDS MAY NOT BE RESOLD TO SOUTH KOREAN RESIDENTS UNLESS THE PURCHASER OF THE BONDS COMPLIES WITH ALL APPLICABLE REGULATORY REQUIREMENTS (INCLUDING BUT NOT LIMITED TO GOVERNMENT REPORTING REQUIREMENTS UNDER THE *FETL*) IN CONNECTION WITH THE PURCHASE OF THE BONDS.

SUMMARY OF THE OFFERING

Issuer	Trustees of Clark University
Securities Offered	\$5,640,000 2.613% Taxable Bonds, Series 2021 due July 1, 2031, \$24,525,000 3.113% Taxable Bonds, Series 2021 due July 1, 2036, \$39,460,000 3.216% Taxable Bonds, Series 2021 (Green Bonds) due July 1, 2042, and \$85,575,000 3.316% Taxable Bonds, Series 2021 due July 1, 2052
Interest Accrual Dates	Interest will accrue from the Date of Issuance
Interest Payment Dates	January 1 and July 1 of each year, commencing July 1, 2022
Redemption	The Bonds will be subject to redemption prior to the Maturity Date in whole or in part on any date, at the option of the Institution: (i) prior to (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, in each case at their Make-Whole Redemption Price (as defined herein); and (ii) on or after (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, at a Redemption Price equal to the principal amount of the Bonds to be redeemed together with the accrued interest to the date fixed for redemption. The Bonds are also subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date as more fully described herein. See “THE BONDS - Redemption” herein.
Date of Issuance	November 24, 2021
Authorized Denominations	\$1,000 and any integral multiple thereof
Form and Depository	The Bonds will be delivered solely in registered form under a global book-entry system through the facilities of DTC.
Use of Proceeds	The proceeds of the Bonds will be used by the Institution for its general corporate purposes and consistent with its status as an organization described in Section 501(c)(3) of the Code, including, without limitation, (i) to finance or refinance (including through reimbursement to the Institution) various capital projects, operating costs, investments and other activities approved from time to time by the Institution, (ii) to refund the Refunded Bonds, (iii) to pay the swap termination fee due in connection with the termination of the swap associated with the Series 2008 Bonds (as defined herein) and (iv) to pay costs of issuing the Bonds.
Rating	Moody’s: A2

OFFERING MEMORANDUM

Relating to

\$155,200,000

CLARK UNIVERSITY TAXABLE BONDS, SERIES 2021

INTRODUCTION

The purpose of this Offering Memorandum, which includes the cover page, the table of contents and appendices, is to provide certain information concerning the sale and delivery by Trustees of Clark University (the “Institution”) of its \$155,200,000 aggregate principal amount of the Clark University Taxable Bonds, Series 2021 (the “Bonds”). This Introduction contains only a brief summary of certain of the terms of the Bonds being offered and a brief description of the Offering Memorandum. All statements contained in this Introduction are qualified in their entirety by reference to the entire Offering Memorandum.

Purpose of the Bonds and the Plan of Finance and Refunding

The proceeds of the Bonds will be used by the Institution for its general corporate purposes and consistent with its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including, without limitation, (i) to finance or refinance (including through reimbursement to the Institution) various capital projects, operating costs, investments and other activities approved from time to time by the Institution, (ii) to refund the (a) Massachusetts Development Finance Agency Variable Rate Demand Revenue Bonds, Clark University Issue, Series 2008 (the “Series 2008 Bonds”) issued in the original aggregate principal amount of \$50,255,000 and currently outstanding in the aggregate principal amount of \$30,465,000, (b) Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2015 (the “Series 2015 Bonds”) issued in the original aggregate principal amount of \$17,895,000 and currently outstanding in the aggregate principal amount of \$12,980,000 and (c) Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2020 (the “Series 2020 Bonds” and collectively with the Series 2008 Bonds and the Series 2015 Bonds, the “Refunded Bonds”) issued in the original aggregate principal amount of \$10,750,000 and currently outstanding in the aggregate principal amount of \$9,615,000, (iii) to pay the swap termination fee due in connection with the termination of the swap associated with the Series 2008 Bonds and (iv) to pay costs of issuing the Bonds.

See “ESTIMATED SOURCES AND USES OF FUNDS” and “GREEN BOND PROJECTS” herein.

The Institution

The Institution is an educational nonprofit corporation existing under the laws of The Commonwealth of Massachusetts. Important information about the Institution is set forth in APPENDIX A – “CERTAIN INFORMATION CONCERNING CLARK UNIVERSITY” and

APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND 2020” attached hereto, both of which should be read in their entirety.

The Bonds

The Bonds are being issued pursuant to an Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between the Institution and U.S. Bank National Association, as trustee (the “Trustee”). Pursuant to the Indenture, on each Payment Date, until the principal of and interest on the Bonds shall have been paid or provision for such payment shall have been made as provided in the Indenture, the Institution will pay the Trustee a sum equal to the amount payable on such Payment Date as principal of or interest on the Bonds. See “THE BONDS” herein.

Security for the Bonds

The Bonds constitute unsecured general obligations of the Institution. The Institution has other unsecured general obligations outstanding. See “Outstanding Indebtedness” below. Moreover, the Institution is not restricted by the Indenture or otherwise from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured. See “SECURITY FOR THE BONDS” herein.

Outstanding Indebtedness

As of May 31, 2021, the Institution had approximately \$56.2 million principal amount of indebtedness outstanding, including long-term debt. All of such indebtedness is expected to be redeemed or defeased with proceeds of the Bonds upon or shortly after delivery of the Bonds.

For additional information regarding the outstanding indebtedness of the Institution, see APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND 2020” attached hereto.

Redemption

The Bonds are subject to optional and mandatory sinking fund redemption by the Institution prior to maturity, as described herein. See “THE BONDS – Redemption” herein.

Additional Bonds; Additional Indebtedness

The Institution may, from time to time, without the consent of the holders of the Bonds, issue additional bonds under the Indenture (the “Additional Bonds”). Additional Bonds shall be authorized by a Supplemental Indenture. Each Supplemental Indenture authorizing the issuance of Additional Bonds shall specify the following: (i) the authorized principal amount of Additional Bonds to be issued; (ii) the first interest payment date for the Additional Bonds; (iii) directions for the application of the proceeds of the Additional Bonds; and (iv) such other provisions as the Institution deems advisable.

The Additional Bonds so authorized shall be issued from time to time and in such amounts as directed by the Institution, shall be authenticated by the Trustee and shall be delivered by the Trustee to or upon the order of the Institution upon receipt of the consideration therefor. All such

Additional Bonds shall mature on the maturity date for the Bonds and shall bear interest at the same rate per annum as the Bonds. Additional Bonds shall: (i) be identical in all respects to the Bonds except for their date of issuance and initial interest payment date; (ii) without limiting the foregoing, be subject to redemption at the same times and at the same Redemption Price as the Bonds, provided that the mandatory sinking fund redemptions for any Additional Bonds shall be structured in a manner that produces a weighted average life for such Additional Bonds that is equal to the remaining weighted average life of the Bonds as of the issuance date of such Additional Bonds; (iii) following the initial interest payment date for the applicable Additional Bonds, or upon issuance, if such Additional Bonds are issued on an interest payment date, bear the same CUSIP identifier as the Initial Bonds.

The Institution is not restricted by the Indenture or otherwise from incurring additional indebtedness in addition to the Additional Bonds. Such additional indebtedness, if issued, may be either secured or unsecured.

Book-Entry Only System and Global Clearance Procedures

When delivered, the Bonds will be registered in the name of Cede & Co., the nominee of The Depository Trust Company (“DTC”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds may be made in Book-Entry Form only, through brokers and dealers who are, or who act through, Direct Participants (as defined herein). Beneficial Owners of the Bonds will not receive physical delivery of certificated securities (except under certain circumstances described in the Indenture). Payment of the principal or Redemption Price of and interest on the Bonds are payable by the Trustee to DTC, which will in turn remit such payments to the Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Bonds. In addition, so long as Cede & Co. is the registered owner of the Bonds, the right of any Beneficial Owner to receive payment for any Bond will be based only upon and subject to the procedures and limitations of the DTC book-entry system. Beneficial interests in the Bonds may be held through DTC, Clearstream Banking, S.A. (“Clearstream Banking”) or Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”), directly as a participant or indirectly through organizations that are participants in such system. See “BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES” herein.

Certain Information Related to this Offering Memorandum

The descriptions herein of the Indenture and other documents relating to the Bonds do not purport to be complete and are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by the form thereof and the information with respect thereto included in such documents. See APPENDIX C – “FORM OF INDENTURE” attached hereto for descriptions of certain duties of the Trustee, rights and remedies of the Trustee and the Bondholders upon an Event of Default, and provisions relating to amendments of the Indenture and procedures for defeasance of the Bonds.

All capitalized terms used in this Offering Memorandum and not otherwise defined herein have the same meanings as in the Indenture. See APPENDIX C – “FORM OF INDENTURE” attached hereto, which includes definitions of certain words and terms used but not otherwise defined herein.

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither delivery of this Offering Memorandum nor any sale made hereunder nor any future use of this Offering Memorandum will, under any circumstances, create any implication that there has been no change in the affairs of the Institution.

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds:	<u>Total</u>
Principal Amount of Bonds	\$155,200,000
Total Sources.....	<u>\$155,200,000</u>
Uses of Funds:	
Capital Projects.....	\$100,000,000
Series 2008 Bonds Redemption.....	30,754,994
Series 2008 Swap Termination	457,091
Series 2015 Bonds Redemption.....	13,291,521
Series 2020 Bonds Redemption.....	9,838,379
Costs of Issuance ⁽¹⁾	858,015
Total Uses.....	<u>\$155,200,000</u>

⁽¹⁾ Includes the Underwriter’s compensation and other costs of issuing the Bonds.

GREEN BOND PROJECTS

Approximately \$39.25 million of the proceeds of the Bonds, consisting of the term bond maturing July 1, 2042 (the “Green Term Bonds”), will be expended by the Institution for the construction of various potential projects, including: (i) construction of a new athletic complex; (ii) construction of a new dining and student center; and (iii) renovations and capital maintenance of existing facilities such as the Goddard Library and the new Interactive Media Arts, Computing and Design Building (collectively, the “Green Bond Projects”). Although the Institution does not at this time anticipate pursuing LEED certification for the Interactive Media Arts, Computing and Design Building, the Institution plans to construct such building in accordance with LEED Silver standards.

The purpose of labeling the Green Term Bonds as “Green Bonds” is to allow investors to invest directly in the Green Bond Projects that the Institution has identified as promoting environmental sustainability on the Institution’s campus and to help the Institution make progress on its objective of net zero carbon emissions. The Institution plans to deposit the proceeds of the Green Term Bonds into a segregated account, track the expenditures of these proceeds and post a final report on Munita once all of such proceeds have been expended on the Institution’s investor relations page.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

American Municipal Tax-Exempt Compliance Corporation dba AMTEC, of Avon, Connecticut (the “Verification Agent”), will deliver to the Institution, on or before the delivery date of the Bonds, its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Underwriter on behalf of the Institution. Included in the scope of the report will be a verification of the mathematical accuracy of mathematical computations of the adequacy of the cash and, if applicable, the maturing principal of and interest on, the investment securities to pay, when due, the maturing principal of and interest on the Series 2015 Bonds to be defeased and redeemed with the proceeds of the Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Underwriter. The Verification Agent’s report of its verification will state that the Verification Agent has no obligation to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

THE BONDS

Description of the Bonds

The Bonds will be dated as of the date of their original issuance and will bear interest and mature (subject to prior redemption) as shown on the front cover page hereof. The Bonds will be delivered in the form of fully-registered Bonds in denominations of \$1,000 and any integral multiple thereof. The Bonds will be registered initially in the name of “Cede & Co.,” as nominee of the Securities Depository and will be evidenced by one Bond for each maturity in the aggregate principal amounts set forth on the cover page hereof.

Registered ownership of the Bonds, or any portions thereof, may not thereafter be transferred except as set forth in the Indenture. See APPENDIX C – “FORM OF INDENTURE.”

Interest on the Bonds will be payable on January 1 and July 1 of each year (each, an “Interest Payment Date”), commencing on July 1, 2022, and will be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months.

The principal and Redemption Price of the Bonds will be payable by check or by wire transfer of immediately available funds in lawful money of the United States of America at the Designated Office of the Trustee.

Interest on the Bonds will be payable from the later of (i) the date of issuance and (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for. Payment of the interest on each Interest Payment Date will be made to the Person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of Bonds, submitted to the Trustee at least one (1) Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States designated by such Holder. The Record

Date is the 15th day of the month immediately preceding each Interest Payment Date. Notwithstanding the foregoing, as long as the Securities Depository is the Holder of all or part of the Bonds in Book-Entry Form, said principal or Redemption Price and interest payments will be made to the Securities Depository by wire transfer in immediately available funds.

Redemption

Optional Redemption

The Bonds will be subject to optional redemption prior to maturity, at the written direction of the Institution to the Trustee at least thirty (30) days before the redemption date, in whole or in part (and, if in part, in Authorized Denominations and on a pro rata basis, subject to the provisions described below under “Selection of Bonds for Redemption”), on any date, as directed by the Institution, at the Redemption Price. At the request of the Trustee to the Institution, the Redemption Price of Bonds to be redeemed shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Institution at the Institution’s expense to calculate the Redemption Price. The Trustee and the Institution may conclusively rely on the determination of the Redemption Price by such independent accounting firm, investment banking firm or financial advisor, and neither the Trustee nor the Institution will have any liability for their reliance.

“Redemption Price” means: (i) with respect to Bonds redeemed prior to (a) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (b) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (c) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (d) January 1, 2052 in the case of the Bonds maturing July 1, 2052, the Make-Whole Redemption Price; and (ii) with respect to Bonds redeemed on or after (a) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (b) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (c) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (d) January 1, 2052 in the case of the Bonds maturing July 1, 2052, 100% of the principal amount of the Bonds to be redeemed.

“Make-Whole Redemption Price” means the greater of (i) 100% of the principal amount of the Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed (exclusive of interest accrued to the date of redemption), discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus (i) fifteen (15) basis points in the case of the Bonds maturing July 1, 2031, (ii) twenty-five (25) basis points in the case of the Bonds maturing July 1, 2036, (iii) twenty (20) basis points in the case of the Bonds maturing July 1, 2042, and (iv) twenty (20) basis points in the case of the Bonds maturing July 1, 2052, plus, in each case, accrued and unpaid interest on the Bonds to be redeemed to, but excluding, the redemption date.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed. If the period from the redemption date to such maturity

date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

“Business Day” means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Designated Office of the Trustee is located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange is closed.

Mandatory Redemption

The Bonds are subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date on July 1 of each of the years and in the principal amounts as follows:

\$5,640,000 Term Bond Due July 1, 2031

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2029	\$1,000,000	2031*	\$3,105,000
2030	1,535,000		

* Final maturity.

\$24,525,000 Term Bond Due July 1, 2036

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2032	\$3,710,000	2035	\$5,655,000
2033	4,340,000	2036*	5,835,000
2034	4,985,000		

* Final maturity.

\$39,460,000 Term Bond Due July 1, 2042

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2037	\$6,070,000	2040	\$6,670,000
2038	6,265,000	2041	6,885,000
2039	6,465,000	2042*	7,105,000

* Final maturity.

\$85,575,000 Term Bond Due July 1, 2052

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2043	\$7,330,000	2048	\$8,660,000
2044	7,580,000	2049	8,960,000
2045	7,835,000	2050	9,260,000
2046	8,100,000	2051	9,575,000
2047	8,375,000	2052*	9,900,000

* Final maturity.

Partial Redemption of Bonds

Upon surrender of any Bond redeemed in part only, the Institution will execute (but need not prepare) and the Trustee will prepare or cause to be prepared, authenticate and deliver to the Holder thereof, at the expense of the Institution, a new Bond or Bonds of Authorized Denominations, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

Notice of Redemption

Notice of redemption will be mailed by the Trustee by first class mail not less than thirty (30) days, nor more than sixty (60) days prior to the redemption date, to the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Institution will provide the Trustee notice of redemption not less than thirty-five (35) days prior to the date of redemption. If the Bonds are no longer held by the Securities Depository or its successor or substitute, the Trustee shall also give notice of redemption by first class mail to such securities depositories and/or securities information services as shall be designated in a certificate of the Institution. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the method of calculating the Redemption Price (if applicable), the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the maturity (including CUSIP number, if any), and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Failure by the Trustee to give notice as described above to any one or more of the securities information services or depositories designated by the Institution, or the insufficiency of any such notice will not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption to any one or more of the respective Holders of any Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

The Institution may instruct the Trustee to provide conditional notice of redemption, which may be conditioned upon the receipt of moneys or any other event. Additionally, any such notice may be rescinded by written notice given to the Trustee by the Institution no later than five (5) Business Days prior to the date specified for redemption. The Trustee will give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same Persons, as notice of such redemption was given.

The Trustee will not be required to transfer or exchange (i) any Bond during the fifteen (15) days next preceding the selection of Bonds for redemption or (ii) any Bond called for redemption.

Effect of Redemption

Notice of redemption having been duly given as provided in the Indenture and as described above, and moneys for payment of the Redemption Price of the Bonds (or portion thereof) together with interest thereon to the date of redemption so called for redemption being held by the Trustee, on the date fixed for redemption designated in such notice, the Bonds (or portion thereof) so called for redemption shall become due and payable at the Redemption Price (determined as specified in such notice), interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portion thereof) will cease to be entitled to any benefit or security under the Indenture, and the Holders of said Bonds will have no rights in respect thereof except to receive payment of said Redemption Price from funds held by the Trustee for such payment.

Selection of Bonds for Redemption

If the Bonds are registered in Book-Entry Form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in Book-Entry Form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with the DTC procedures, by lot or in such other manner as in accordance with the applicable arrangements of DTC.

The Institution intends that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Institution nor the Underwriter can provide any assurance that DTC, DTC's Direct and Indirect Participants (as defined herein) or any other intermediary will allocate the redemption of Bonds on such basis.

For purposes of calculation of the pro rata pass-through distribution of principal, "pro rata," means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Bonds where (a) the numerator is equal to the amount due to the respective bondholders on a payment date, and (b) the denominator is equal to the total original par amount of the respective Bonds.

If the Bonds are no longer registered only in book-entry-only form, each owner will receive an amount of Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Bonds of any maturity will continue to be paid to the registered owners of such Bonds on a pro-rata basis, based on the portion of the original face amount of any such Bonds to be redeemed.

BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream Banking (DTC, Euroclear and Clearstream Banking together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Institution believes to be reliable, but none of the Institution, the Trustee or the Underwriter take any

responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Institution will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

NEITHER THE INSTITUTION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

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

Clearing Systems

DTC Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of each maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with Direct Participants,

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

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 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.

Redemption notices shall be sent to DTC. Subject to the provisions described above in “THE BONDS—Selection of Bonds for Redemption,” if less than all of the Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Institution 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).

Payments of principal and Redemption Price 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 Institution or the Trustee, on the payment 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 Underwriter, the Trustee or the Institution, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Redemption Price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Institution or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Institution or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, such Bond certificates are required to be printed and delivered. The Institution may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC. See “Certificated Bonds” below.

The information herein concerning DTC and DTC’s book-entry system has been obtained from sources that the Institution and the Underwriter believe to be reliable, but the Institution and the Underwriter takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. **NONE OF THE INSTITUTION, THE UNDERWRITER OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS.**

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to Bondholders or registered owners of the Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Trustee to DTC only.

For every transfer and exchange of Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

In the event the Institution determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bond certificates, the Institution may so notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by the Securities Depository in

appropriate amounts and in authorized denominations. Whenever the Securities Depository requests the Institution and the Trustee to do so, the Trustee and the Institution will cooperate with the Securities Depository in taking appropriate action after reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

NONE OF THE INSTITUTION, THE UNDERWRITER OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE INDENTURE; (III) 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; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE BONDS; OR (VI) ANY OTHER MATTER.

Euroclear and Clearstream Banking

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures

The Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream Banking and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Bonds, the record holder will be DTC's nominee. Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a Direct Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The Institution will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement

Interests in the Bonds will be in uncertified Book-Entry Form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Bonds will be credited to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the Bonds against payment (value as on the date of delivery of the Bonds). Direct Participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. Direct Participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the Institution on the date of delivery of the Bonds.

Secondary Market Trading

Secondary market trades in the Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Bonds between Euroclear or Clearstream Banking and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

General

None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the Institution nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

The information herein concerning Euroclear, Clearstream Banking and DTC has been obtained from sources that the Institution and the Underwriter believe to be reliable, but the Institution and the Underwriter takes no responsibility for the accuracy thereof.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Institution or the Trustee. In addition, the Institution may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners. If for either reason the book-entry-only system is discontinued, Bond certificates will be delivered as described in the Indenture, and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondowner. Thereafter, the Bonds may be exchanged for an equal aggregate principal amount of the Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee for such purpose only upon assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of the Bonds, the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, and the Trustee may also require the Bondowners requesting such exchange to pay a reasonable sum to cover any expenses incurred by the Trustee or the Institution in connection with such exchange. The Trustee will not be required to exchange (i) any Bond during the fifteen (15) days next preceding the selection of Bonds for redemption or (ii) any Bond called for redemption.

PAYMENT PROVISIONS AND SECURITY FOR THE BONDS

General

The Indenture provides that, on or before each Payment Date, the Institution will pay the Trustee a sum equal to the amount payable on such Payment Date as principal of and interest on the Bonds. In addition, the Indenture provides that each such payment made will at all times be sufficient to pay the total amount of principal (whether at maturity or upon acceleration) and interest becoming due and payable on the Bonds on such Payment Date. If on any Payment Date, the amounts held by the Trustee in the accounts within the Bond Fund (as described below) are insufficient to make any required payments of principal of (whether at maturity or upon acceleration) and interest on the Bonds as such payments become due, the Institution is required to pay such deficiency to the Trustee. Upon the receipt thereof, the Trustee will deposit all payments received from the Institution into certain funds and accounts established pursuant to the Indenture. See “Certain Funds and Accounts Established by the Indenture” below. **The Make-Whole Redemption Price will not be payable in the event of acceleration of the Bonds.**

The Bonds constitute unsecured general obligations of the Institution. The Bonds are not secured by a reserve fund, mortgage lien or security interest on or in any funds or other assets of the Institution, except for funds held from time to time by the Trustee for the benefit of the Holders of the Bonds under the Indenture. As described above, the Institution is not required to deposit with the Trustee amounts necessary to pay the principal of and interest on the Bonds until the Payment Date on which such amounts become due and payable; therefore, the funds held from time to time by the Trustee for the benefit of the Holders of the Bonds under the Indenture are expected to be minimal.

The Institution has other unsecured general obligations outstanding. See APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND 2020” attached hereto. Moreover, the Institution is not restricted by the Indenture or otherwise from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured. The Indenture also does not contain any financial covenants limiting the ability of the Institution to encumber or dispose of its property or merge with any other entity, or any covenants. Further, the Institution is not required by the Indenture to produce revenues at any specified level or to obtain any insurance with respect to its property or operations.

Certain Funds and Accounts Established by the Indenture

Under the Indenture, the Trustee has established for the sole benefit of the Bondholders, a master fund referred to as the “Indenture Fund,” containing the Bond Fund and the Redemption Fund and each of the funds and accounts contained therein. The Institution has pledged, assigned and transferred the Indenture Fund and all amounts held therein to the Trustee for the benefit of the Bondholders to secure the full payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of the Indenture. The Indenture Fund and all amounts on deposit therein constitute collateral security to secure the full payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and provisions of the Indenture. Due to the timing of payments by the Institution to the Trustee, in general there is not expected to be any money in the Indenture Fund except for a brief period of time on the Interest Payment Dates.

For information on other funds and accounts established by the Indenture, see APPENDIX C – “FORM OF INDENTURE” attached hereto.

CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the Bonds. It is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, and administrative and judicial interpretations thereof, all in effect or proposed on the date hereof and all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (“IRS”) with respect to any of the U.S. federal income tax consequences discussed below. Accordingly, no assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation.

The following relates only to Bonds that are acquired in the initial offering for an amount of cash equal to the initial offering price (i.e., the price at which a substantial amount of such Bonds are first sold to the public) and that are held as “capital assets” within the meaning of Section 1221 of the Code (i.e., generally, property held for investment).

This discussion does not address all U.S. federal income tax consequences applicable to any given investor, nor does it address the U.S. federal income tax considerations applicable to investors who may be subject to special tax treatment (regardless of whether or not such persons constitute U.S. Holders (defined below)), such as banks and other financial institutions, retirement plans, employee stock ownership plans, certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships or other pass-through entities for U.S. federal income tax purposes (or investors in such entities), S corporations, estates and trusts, investors who hold their Bonds as part of a hedge, straddle, or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or persons subject to the alternative minimum tax. In addition, this discussion does not include any description of the tax laws of any state, local, or non-U.S. jurisdiction that may be applicable to a particular investor and does not consider any aspects of U.S. federal tax law other than income taxation.

BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, PROSPECTIVE HOLDERS AND BENEFICIAL OWNERS OF THE BONDS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR PARTICULAR TAX SITUATIONS AND AS TO ANY FEDERAL, FOREIGN, STATE, LOCAL OR OTHER TAX CONSIDERATIONS (INCLUDING ANY POSSIBLE CHANGES IN TAX LAW) AFFECTING THE PURCHASE, HOLDING AND DISPOSITION OF THE BONDS.

As used herein, “U.S. Holder” means a beneficial owner of a Bond that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its

source, or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or (B) the trust validly elected to be treated as a domestic trust. As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Bond (other than a partnership) who is not a U.S. Holder.

The U.S. federal income tax treatment of an entity classified as a partnership for U.S. federal income tax purposes that holds the Bonds generally will depend on such partner’s particular circumstances and on the activities of the partnership. Partners in such partnerships should consult their own tax advisors regarding the consequences of acquiring, owning and disposing of the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

U.S. Holders

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

“Original issue discount” will arise for U.S. federal income tax purposes in respect of any Bond if its stated redemption price at maturity exceeds its issue price by more than a de minimis amount (as determined for U.S. federal income tax purposes). For any Bonds issued with original issue discount, the amount of original issue discount is equal to the excess of the stated redemption price at maturity of that Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all scheduled amounts payable on such Bond other than qualified stated interest. U.S. Holders generally will be required to include any original issue discount in income for U.S. federal income tax purposes as it accrues ratably, or at the election of the U.S. Holder, on a constant-yield to maturity basis regardless of when the U.S. Holder receives the cash attributable to that income. Under the constant-yield method, U.S. Holders of Bonds issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

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

Disposition of the Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Institution), reissuance or other disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, a U.S. Holder generally will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond which will be taxed in the manner described above under “Interest”) and (ii) the U.S. Holder’s adjusted tax basis in the Bond at the time of disposition. A U.S. Holder’s adjusted basis in a Bond will generally equal the purchase price paid by the U.S. Holder for the Bond, increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Bond and decreased by any amortized premium. Any such gain or loss generally will be capital gain or loss and will be long term capital gain or

loss if such Bond is held by the U.S. Holder for more than one year. Long-term capital gain of non-corporate U.S. Holders is generally subject to tax at preferential rates. The deductibility of capital losses is subject to limitations.

Defeasance or material modification of the terms of any Bond may result in a deemed reissuance thereof, in which event a beneficial owner of the defeased or modified Bonds generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner's adjusted tax basis in the Bond.

Net Investment Income Tax. The Health Care and Reconciliation Act of 2010 requires certain U.S. Holders that are individuals, estates or trusts to pay an additional 3.8% Medicare contribution tax on "net investment income" to the extent their income exceeds certain threshold amounts. For these purposes, "net investment income" may include, among other things, interest and gains from the sale or other disposition of the Bonds. Prospective investors are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Bonds.

Information Reporting and Backup Withholding. In general, a U.S. Holder will be subject to backup withholding with respect to interest on the Bonds, and the proceeds of a sale or other disposition of the Bonds (including a redemption or retirement), at the applicable tax rate of 28%, unless such holder (a) is an entity that is exempt from backup withholding (such as a corporation) and, when required, demonstrates this fact, or (b) provides the payor with its taxpayer identification number ("TIN"), certifies that the TIN provided to the payor is correct and that the holder has not been notified by the IRS that such holder is subject to backup withholding due to underreporting of interest or dividends, and otherwise complies with applicable requirements of the backup withholding rules. In addition, such payments to U.S. Holders that are not exempt entities will generally be subject to information reporting requirements. A U.S. Holder who does not provide the payor with its correct TIN may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Non-U.S. Holders

The following discussion applies only to Non-U.S. Holders. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to Non-U.S. Holders in light of their particular circumstances. For example, special rules may apply to a Non-U.S. Holder that is a "controlled foreign corporation" or a "passive foreign investment company," and, accordingly, Non-U.S. Holders should consult their own tax advisors to determine the effect of U.S. federal, state, local and non-U.S. tax laws, as well as tax treaties, with regard to an investment in the Bonds.

Interest. Subject to the discussions below under the headings "FATCA Withholding" and "Information Reporting and Backup Withholding," a Non-U.S. Holder will not be subject to U.S. federal income or withholding taxes in respect of interest paid or accrued on a Bond (including

original interest discount income) if the interest qualifies for the “portfolio interest exemption.” This generally will be the case if each of the following applicable requirements are satisfied:

- the interest is not effectively connected with a U.S. trade or business;
- certain certification requirements are met. Under current law, the certification requirement will be satisfied in any of the following circumstances:
 - If a Non-U.S. Holder provides to the payor a statement on an applicable IRS Form W-8 (or suitable successor form), together with all appropriate attachments, signed under penalties of perjury, identifying the Non-U.S. Holder by name and address and stating, among other things, that the Non-U.S. Holder is not a United States person.
 - If a Bond is held through a securities clearing organization, bank, or another financial institution that holds customers’ securities in the ordinary course of its trade or business, (i) the Non-U.S. Holder provides such a form to such organization or institution, and (ii) such organization or institution, under penalty of perjury, certifies to the payor that it has received such statement from the beneficial owner or another intermediary and furnishes the payor with a copy thereof.
 - If a financial institution or other intermediary that holds the Bond on behalf of the Non-U.S. Holder has entered into a withholding agreement with the IRS and submits an IRS Form W-8IMY (or suitable successor form) and certain other required documentation to the payor.

If the requirements of the portfolio interest exemption described above are not satisfied, a 30% withholding tax will apply to the gross amount of interest on the Bonds that is paid to a Non-U.S. Holder, unless either: (a) an applicable income tax treaty reduces or eliminates such tax, and the Non-U.S. Holder claims the benefit of that treaty by providing a properly completed and duly executed IRS Form W-8BEN or Form W-8BEN-E, as applicable (or suitable successor or substitute form) establishing qualification for benefits under the treaty, or (b) the interest is effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the United States and the Non-U.S. Holder provides an appropriate statement to that effect on a properly completed and duly executed IRS Form W-8ECI (or suitable successor form).

If a Non-U.S. Holder is engaged in a trade or business in the United States and its investment in a Bond is effectively connected with the conduct of that trade or business, the Non-U.S. Holder generally will be required to pay U.S. federal income tax on that interest on a net income basis in the same manner as a U.S. Holder and the 30% withholding tax described above will not apply provided the duly executed IRS Form W-8ECI is provided to the Trustee. If a Non-U.S. Holder is eligible for the benefits of an income tax treaty between the U.S. and its country of residence, and the Non-U.S. Holder claims the benefit of the treaty by properly submitting an IRS Form W-8BEN or Form W-8BEN-E, as applicable, any interest income that is effectively connected with a U.S. trade or business will be subject to U.S. federal income tax in the manner specified by the treaty and generally will only be subject to such tax if such income is attributable to a permanent establishment (or a fixed base in the case of an individual) maintained by the Non-U.S. Holder in the United States. In addition, a Non-U.S. Holder that is treated as a foreign corporation for U.S. federal income tax purposes may be subject to a branch profits tax equal to

30% (or such lower rate provided by an applicable income tax treaty) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Disposition of the Bonds. Subject to the discussions below under the headings “FATCA Withholding” and “Information Reporting and Backup Withholding,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement, reissuance or other disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States (and, in the case of certain income tax treaties, is attributable to a permanent establishment or “fixed base” within the United States); or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement, reissuance or other disposition and certain other conditions are met. If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax on the net gain derived from the sale, exchange, redemption, retirement at maturity, or other taxable disposition of the Bonds in the same manner as a U.S. Holder unless an applicable income tax treaty provides otherwise. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (except as otherwise provided by an applicable income tax treaty) on the amount by which its U.S.-source capital gains exceed its U.S.-source capital losses. In addition, corporate Non-U.S. Holders may be subject to a 30% (or lower applicable treaty rate) branch profits tax on any such effectively connected earnings and profits attributable to such gain.

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

FATCA Withholding. The Foreign Account Tax Compliance Act (“FATCA”) together with administrative guidance and certain intergovernmental agreements entered into thereunder generally imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest (“withholdable payments”), paid to a “non-financial foreign entity” (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial United States beneficial owners of such entity (if any). The 30% withholding tax under FATCA applies regardless of whether the non-financial foreign entity receives payments as a beneficial owner or intermediary and whether the applicable payment otherwise is exempt from U.S. withholding (e.g., as “portfolio interest” or as capital gain upon the sale, exchange, redemption or other disposition of a Bond). Interest paid with respect to the Bonds may be subject to the 30% withholding tax if the holder fails to comply with FATCA. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other disposition of the Bonds on or after January 1, 2019, proposed U.S. Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Proposed U.S. Treasury Regulations also provide that withholding under FATCA will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Although these U.S. Treasury Regulations are not final, they can be relied upon until final U.S. Treasury Regulations are issued. Non-U.S. holders are urged to consult

their own tax advisors with respect to these information reporting rules and due diligence requirements and the potential application of FATCA to them.

Information Reporting and Backup Withholding. In general, the amount of any interest paid on the Bonds in each calendar year, and the amount of U.S. federal income tax withheld, if any, with respect to these payments will be reported to the IRS and each Non-U.S. Holder. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under an applicable income tax treaty or other information exchange agreement.

Non-U.S. Holder who have provided certification as to their non-U.S. status or who have otherwise established an exemption will generally not be subject to backup withholding tax on payments of interest if the payor does not have actual knowledge or reason to know that such certification is unreliable or that the conditions of the exemption are in fact not satisfied.

Payments of the proceeds from the disposition of a Bond (including a redemption or retirement) to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting, but generally not backup withholding, may apply to those payments if the broker is one of the following: (a) a United States person, (b) a “controlled foreign corporation” for U.S. federal income tax purposes, (c) a foreign person, 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a U.S. trade or business, or (d) a foreign partnership with specified connections to the United States, unless the Non-U.S. Holder certifies as to its non-U.S. status or otherwise establishes an exemption.

Payment of the proceeds from a disposition of a Bond (including a redemption or retirement) to or through the United States office of a broker will also be subject to information reporting and backup withholding unless the Non-U.S. Holder certifies as to its non-U.S. status or otherwise establishes an exemption from information reporting and backup withholding.

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

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

CERTAIN ERISA AND BENEFIT PLAN CONSIDERATIONS

The information under this heading summarizes certain considerations associated with the purchase of the Bonds by employee pension and welfare plans. The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain fiduciary obligations and prohibited transaction restrictions on employee benefit plans subject to Title I of ERISA (“ERISA Plans”). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on certain arrangements set forth in Section 4975(e)(1) which include, among other arrangements, tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, individual retirement accounts, individual retirement annuities, Archer MSAs, health savings accounts, and Coverdell education savings accounts, as described in Sections 4975(e)(1)(B) through (F) of the Code (collectively, “Tax-Favored Plans,” and together with ERISA Plans, the “Plans”). Certain types of U.S. employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), and church plans (as defined in Section 3(33) of ERISA and Section 4975(g)(3) of the Code) for which no election has been made under Section 410(d) of the Code, as well as non-U.S. employee benefit plans, are exempt from ERISA requirements and Code requirements but may nonetheless be subject to similar provisions of state and federal or foreign laws (“Similar Laws”). The information under this heading addresses the requirements of ERISA and the Code, but it should be understood that Similar Laws may impose comparable requirements.

General Fiduciary Matters. Among other requirements, ERISA requires fiduciaries to exercise prudence when investing ERISA Plan assets, taking into account diversification of the ERISA Plan’s portfolio, liquidity needs and the requirement that ERISA Plan investments be made in accordance with the documents governing such ERISA Plan. Under ERISA, any person who has any discretionary authority or responsibility in the administration of an ERISA Plan or who exercises any discretionary authority or control with respect to the management, or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation, direct or indirect, with respect to the assets of an ERISA Plan, or has any authority or responsibility to do so, is generally considered to be a fiduciary of the ERISA Plan, unless a statutory or administrative exemption is available. The term “plan assets” is defined at 26 CFR 2510.3-101.

Prohibited Transaction Issues. Section 406 of ERISA and Section 4975 of the Code (the “Prohibited Transaction Rules”) prohibit a broad range of transactions between plans and “Parties in Interest” under ERISA or “Disqualified Persons” under the Code. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include: (i) a fiduciary with respect to a Plan (including the owner of a Tax-Favored Plan); (ii) a person or entity providing services to a Plan; and (iii) an employer or employee organization any of whose employees or members are covered by the Plan. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax or other liability) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available and certain prohibited transactions may be subject to rescission.

ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or Disqualified Person. The acquisition of any of the Bonds by a Party in Interest or Disqualified Person would involve the

lending of money or extension of credit. In such a case, however, certain exemptions from the prohibited transaction rules might be available depending on the type and circumstances of the plan fiduciary making the decision to acquire a Bond. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or “PTCEs.” These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide limited relief from the Prohibited Transaction Rules for certain transactions, provided, among other things, that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan or Tax-Favored Plan involved in the transaction and provided further that the ERISA Plan or Tax-Favored Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied with respect to any purchase, holding or disposition of the Bonds by any investor, and even if the conditions specified in one or more of these exemptions are satisfied, the scope of relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions.

Plan Asset Issues. Under the Department of Labor’s regulations governing what constitutes “plan assets”, assets of an entity in which a Plan invests may be treated as plan assets for the purposes of ERISA and the Code only if the plan acquires an “equity interest” by reason of the investment and no other exception is available. If a Plan invests in an entity whose assets thereby are considered plan assets, the manager of the entity would be a plan fiduciary to the extent it exercises any authority or control respecting management or disposition of the entity’s assets or provides investment advice for a fee. Any such manager that is considered a plan fiduciary would be separately required to comply with ERISA’s prohibited transaction provisions. An equity interest is defined for this purpose as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Bonds should be treated as debt for these purposes.

Representation and Warranty. By acquiring a Bond, each purchaser of a Bond will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser to acquire or hold the Bonds constitutes assets of any ERISA Plan or Tax-Favored Plan or of a plan subject to Similar Laws or (ii) the acquisition and holding of the Bonds will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of the “plan asset” rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that Plan fiduciaries and other fiduciaries, and other persons considering purchasing the Bonds, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to the assets intended to be used in the acquisition of such investment and to the particular circumstances of the transaction.

UNDERWRITING

The Institution has entered into a purchase contract with Goldman Sachs & Co. LLC, as underwriter for the Bonds (the “Underwriter”), pursuant to which the Underwriter has agreed to purchase the Bonds from the Institution at a purchase price of \$154,805,643.90 (representing the principal amount of the Bonds, less an underwriting discount of \$394,356.10).

The purchase contract pursuant to which the Bonds are being sold provides that the Underwriter will purchase not less than all of the Bonds. The Underwriter’s obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at a price lower than the initial offering price. The offering price of Bonds may be changed from time to time by the Underwriter. The Underwriter and its affiliates have provided, and may in the future provide, a variety of these services to the Institution and to persons and entities with relationships with the Institution, for which they received or will receive customary fees and expenses.

The Underwriter and its respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriter and its respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

No Continuing Disclosure Obligations Pursuant to Rule 15c2-12

The Bonds are not subject to the provisions (including the continuing disclosure provisions) of Rule 15c2-12, as amended, supplemented and officially interpreted from time to time, promulgated by the Securities and Exchange Commission (“SEC”) pursuant to the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). The Institution has entered into continuing disclosure undertakings pursuant to Rule 15c2-12 (the “Continuing Disclosure Undertakings”) in connection with certain tax-exempt revenue bonds issued for the benefit of the Institution (the

“Tax Exempt Bonds”). See APPENDIX B – “FINANCIAL STATEMENTS OF CLARK UNIVERSITY – FISCAL YEARS 2021 AND 2020.” Upon the issuance of the Bonds and the refunding of the Refunded Bonds, (i) there shall be no series of bonds in which the Institution is subject to such Continuing Disclosure Undertakings that remain outstanding and (ii) there shall be in effect no Continuing Disclosure Undertakings of the Institution, as an obligated person, pursuant to Rule 15c2-12.

Contractual Annual Disclosure Obligation

Unless otherwise available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”), the Institution covenants in the Indenture to furnish to the Trustee and post on Munita (Clark University - Munita Financials), or any successor thereto or to the functions thereof, within two hundred ten (210) days after the close of each of its fiscal years (i) copies of its audited financial statements and (ii) the following information: (a) applications for admissions, acceptances and matriculations for the then-current academic year and (b) full-time equivalent enrollment statistics (fall semester) for the then-current academic year. For more information regarding the contractual annual disclosure obligations of the Institution, see APPENDIX C – “FORM OF INDENTURE.”

Except for providing such annual audited financial statements, the Institution has not undertaken either to supplement or update the information included in this Offering Memorandum.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (the “Financial Advisor”) has been retained by the University to serve as its financial advisor in connection with the issuance of the Bonds. The following two sentences have been provided by the Financial Advisor. The Financial Advisor is not obligated to make, and has not undertaken, an independent verification of any of the information contained in this Offering Memorandum and makes no guarantee as to the accuracy, completeness or fairness of such information. The Financial Advisor is an independent financial advisory and consulting firm and is not engaged in the underwriting or trading of municipal securities or other negotiable instruments.

LEGAL MATTERS

Legal matters incident to validity of the Bonds and certain other matters are subject to the approving opinion of Bowditch & Dewey, LLP, bond counsel to the Institution. The proposed form of opinion of bond counsel to the Institution relating to the validity of the issuance of the Bonds and certain other matters is attached hereto as Appendix D. In addition, certain other legal matters will be passed upon for the Underwriter by its counsel, Locke Lord LLP.

There is no litigation pending or, to the Institution’s knowledge, threatened against the Institution or its officers or trustees contesting or questioning the validity of the issuance or sale of the Bonds, or the ability of the Institution to perform its obligations under the Indenture. See APPENDIX A – “CERTAIN INFORMATION CONCERNING CLARK UNIVERSITY – Litigation” with respect to litigation affecting the Institution.

FINANCIAL STATEMENTS

The financial statements of the Institution presented in Appendix B hereto present the statement of financial position as of May 31, 2021 and 2020, and the statements of activities and cash flows for the years ended May 31, 2021 and 2020. These financial statements should be read in their entirety.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The financial statements of the Institution as of and for the years ended May 31, 2021 and 2020, included in Appendix B to this Offering Memorandum, have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing in Appendix B hereto.

RATING

Moody's Investors Service ("Moody's") assigned a rating of "A2" on the Bonds. Any explanation of the significance of such rating may only be obtained from Moody's. Generally, rating agencies base their ratings on information and materials furnished and on investigation, studies, and assumptions by the rating agencies. There is no assurance that the rating mentioned above will remain in effect for any given period of time or that a rating might not be lowered or withdrawn entirely, if in the judgment of the rating agency originally establishing the rating, circumstances so warrant. Any such downward change in or withdrawal of a rating might have an adverse effect on the market price or marketability of the Bonds.

MISCELLANEOUS

The references to the Indenture are brief summaries of certain provisions thereof. All quotations from and summaries and explanations of the Indenture and of other statutes and documents contained herein do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions. Copies of the Indenture may be obtained upon request directed to the Underwriter or the Institution.

Any statements in this Offering Memorandum involving matters of opinion are intended as such and not as representations of fact. This Offering Memorandum is not to be construed as a contract or agreement between the Institution and Holders of any of the Bonds.

Appendix A to this Offering Memorandum contains certain information relating to the Institution. While such information contained therein is believed to be reliable, the Underwriter does not make any representations or warranties whatsoever with respect to such information.

Appendix B to this Offering Memorandum contains the financial statements of the Institution as of and for the fiscal years ended May 31, 2021 and 2020, which have been audited by Grant Thornton LLP, the independent certified public accountants of the Institution, as stated in their report appearing therein.

The Underwriter has relied on the information contained in Appendix A and the financial statements contained in Appendix B.

Appendix C – “FORM OF INDENTURE” has been prepared by Bowditch & Dewey, LLP, bond counsel to the Institution.

Appendix D – “PROPOSED FORM OF OPINION OF COUNSEL TO THE INSTITUTION” has been prepared by Bowditch & Dewey, LLP, counsel to the Institution.

All appendices are incorporated as integral parts of the Offering Memorandum.

The execution and delivery of this Offering Memorandum has been duly authorized by the Institution.

TRUSTEES OF CLARK UNIVERSITY

By: /s/ Danielle Manning
Executive Vice President and Chief Financial Officer

APPENDIX A

CERTAIN INFORMATION CONCERNING CLARK UNIVERSITY

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CERTAIN INFORMATION CONCERNING CLARK UNIVERSITY

INTRODUCTION

Trustees of Clark University (“Clark” or the “University”), located in Worcester, Massachusetts, is a teaching and research institution founded by Jonas G. Clark, a successful Massachusetts entrepreneur, abolitionist, and book and art collector in 1887 as the first all-graduate school in New England and the second oldest in the nation. The undergraduate college, which opened in 1902, has been heavily influenced from the start by the academic values and rigor of its founding graduate school. The rich heritage of that scholarship is the foundation on which today’s scholars, teachers and students are building.

Clark is a student-centered, liberal-arts-based research university committed to scholarship and inquiry that reflects its commitment to “challenge convention and change our world” by addressing issues of critical importance to society. Clark is primarily a residential university with approximately 2,270 undergraduate and 930 graduate full-time equivalent students studying on a 50-acre campus, with a nearby 27-acre arboretum available for research, student projects, and recreation.

The University and its faculty have recently received the following awards and accolades:

- *U.S. News*: #36, Best Value Schools and #103, National Universities (2022 Edition).
- *The Princeton Review*: #2, Game Design (Undergraduate); #3, Top 20 Best Schools for Making an Impact (Private Schools); and #7, Game Design (Graduate)
- *Economic Geography* journal ranked second out of 85 journals in geography and second out of 377 journals in economics globally by Clarivate Analytics (2021 *Journal Citation Reports* update to 2020 *Journal Impact Factor* ratings that rank the prestige of peer-reviewed journals globally, measured by how frequently recent works published in a journal are being referenced and influencing scholars around the world).
- Professor Taner Akçam awarded the Medal of Courage by the Confederation of Armenian Organizations in honor of his work uncovering the truth behind the 1915 Armenian Genocide (2020).
- U.S. Department of State’s Bureau of Educational and Cultural Affairs named Clark as a 20-year “Top Producer” of Gilman Scholars (2021).
- Professor Ben Korstvedt honored with the Claude V. Palisca Award from the American Musicological Society for his critical edition of Anton Buckner’s *Symphonie No. 4 in E-flat major, second version* (2020).

Clark continues to offer the intellectual resources of a respected graduate university within the context of a small New England college. In the course of its history, the University has extended its influence through professional journals, including *Economic Geography*, and professional societies such as the American Psychological Association and the American Physical Society, both founded at Clark.

Many internationally known scholars have worked, taught, and learned at Clark. The names and accomplishments of some of these scholar-teachers are well known beyond the work of academe: Sigmund Freud, whose only visit to the United States was for a series of Clark lectures; Robert H. Goddard, whose liquid-fueled rockets made him the “father of the space age”; Hudson Hoagland and Gregory Pincus, two scholars credited with research leading to the development of the birth control pill; and Ron Eastman, who is a pioneering force in the area of Geographic Information System technology.

APPENDIX A

Other Clark faculty who became renowned for trailblazing work in their fields include Albert A. Michelson, the first American to win a Nobel Prize in science; Franz Boas, a major influence on American cultural anthropology; and George Hubbard Blakeslee, a pioneer in the field of international relations. The wide-ranging accomplishments of Clark's scholars and students have helped the University to leave its mark on the face of the Earth (explorer Paul Siple, who held a Clark Ph.D. in geography, named a mountain range in the Antarctic for his professors) and on the face of the moon (where a crater is named after Dr. Goddard).

Clark believes that the development of values, cultivation of responsible independence, and appreciation of a range of perspectives must accompany intellectual growth. Clark is a dynamic community of learners able to thrive in today's increasingly interconnected societies. The University maintains a national and international character, attracting high-caliber students and faculty from across the globe.

Community engagement is a signature of both a Clark education and Clark's understanding of its role in the world. The University's nationally acclaimed work in its Main South neighborhood was nurtured through the creation of the University Park Partnership in the 1990s. This distinctive partnership between Clark, the City of Worcester, and the Main South Community Development Corporation has yielded affordable housing, youth development opportunities, and small business creation that have helped transform a struggling neighborhood into a vibrant place to live, learn, and work. A beacon of this partnership is the University Park Campus School ("UPCS"), a grade 7–12 school that Clark operates in tandem with Worcester and which was cited by President Barack Obama as a model of urban education. UPCS graduates who apply and are accepted for admission at Clark are automatically eligible to attend tuition-free.

Clark's goal is to prepare students to meet the challenges of a complex and rapidly changing society, and to explore the relationship between academic knowledge and the world beyond the University. In both students and faculty, Clark fosters a commitment to excellence in traditional academic disciplines, as well as innovation in exploring questions that cross disciplinary boundaries. The pursuit of inquiry and the free exchange of ideas are central to these commitments. The focus of Clark's academic approach is a liberal arts education, enriched by interactions among undergraduate students, graduate students, and faculty, that links closely to a select number of professional programs. Through the School of Management and the School of Professional Studies, Clark also serves adult learners who wish to elevate their careers and improve their standing in a competitive marketplace.

Clark's intimate academic setting and tradition of "elbow teaching" provide many opportunities for students to pursue knowledge through participation and experiential learning. The undergraduate curriculum encourages students to become autonomous learners through high expectations and meaningful, consistent engagement with its faculty. Clark's international and interdisciplinary orientations combine with a tradition of strong self-direction among students and faculty. These attributes enhance the University's ability to contribute to the development of new modes of thought and the advancement of society through the creation and transmission of knowledge. Clark continually demonstrates its distinction through programmatic strength and robust research in many areas, such as geography, Holocaust and genocide studies, international development, and psychology.

Campus buildings range from modern residence halls to Victorian-era academic and administrative buildings. The Shaich Family Alumni and Student Engagement Center, Clark's newest building, is a modern, LEED-certified structure that houses the University's student and career services, academic advising, and many offices essential to Clark's daily operations. The Robert Hutchings Goddard Library, a cutting-edge facility for research, teaching, learning, and research support services for students and faculty, is the academic and physical heart of the University's facilities, which also include the Lasry Center for Bioscience, the Higgins University Center, the Arthur M. Sackler Sciences Center, Carlson Hall (home of the School of Management and Information Technology Services), and the Traina Center for the Arts. The Kneller Athletic Center and Dolan Field House offer facilities for many sports, including, but not limited to, a competition-size swimming pool and the Bickman Fitness Center. Several renovated Victorian homes on Woodland and Hawthorne streets house the President's residence, the English and Philosophy departments, the Alumni and Friends Engagement office, the International Development, Community, and Environment Department, and the Strassler Center for Holocaust and Genocide Studies.

Worcester, Massachusetts is New England's second-largest city and home to ten distinct colleges and universities. Clark has made investments in the City of Worcester and its neighborhoods, contributing to its economic growth while balancing prudent financial stewardship. Worcester has seen renewed economic development. Worcester

is home to the world-class Worcester Art Museum, Polar Park, a theater district and Union Station. Worcester is also home to the newly-relocated Red Sox's Triple A team, the Worcester Red Sox, whose stadium is approximately one mile from campus. Worcester's central location offers convenient access to Boston and Providence (about an hour's drive) and New York (three hours).

Strategic Planning

Clark University has embarked on a rigorous strategic planning process that will chart the University's course for years, and decades, to come — the embodiment of the “culture of possibility” set forth by University's 10th President, Dr. David Fithian. The strategic framework is being shaped around five key strategic priorities (Academic Excellence, Campus Experience, Culture and Identity, Institutional Capacity, and Outward Engagement) that strives to position Clark University for greater success within an increasingly competitive higher education landscape and enduring relevance in the world.

Critically to this process, Clark will concentrate initiatives, investments and partnerships around four academic pillars: climate/global change; life sciences and health; social and urban issues; and creative arts, media, design, and technology. These pillars leverage Clark's existing strengths while also identifying additional areas of focus where the University can build robust, thoughtful leadership and inspire innovation and meaningful change. Also essential to the University's planning efforts is the Campus Design Initiative, through which Clark is establishing a new campus master plan and priorities for investment in the physical campus. Priorities include enhancing the student experience through modernization of residence halls, improvements to learning spaces and athletic facilities, revitalizing retail options, and investment in campus landscape, signage and lighting.

Financial management is an integral component of the management team's approach to strategic planning, illustrated by the implementation of long-range financial modeling systems that allow for budget sensitivity and “what if” scenario analysis. The University has implemented an enterprise risk management initiative, the University Risk Council, which identifies, classifies and assesses institutional risks. The University Risk Council reports to the Board Audit and Strategic Risk Committee on its findings.

ACADEMIC PROGRAMS

The University offers more than 30 undergraduate majors and minors, 12 interdisciplinary concentrations, more than 30 advanced degree programs, and a growing number of professional certificate programs. Clark's five distinct schools offer degrees in the liberal arts and in far-ranging fields of study.

Undergraduate majors include: ancient civilization; art history; Asian studies; biochemistry and molecular biology; biology; chemistry; combined languages; community, youth and education studies; comparative literature; computer science; data science; economics; English; environmental science; French and francophone studies; geography; global environmental studies; history; interactive media; international development and social change; management; marketing; mathematics; media, culture and the arts; music; philosophy; physics; political science; psychology; screen studies; sociology; Spanish; student-designed; studio art; theatre arts; and women's and gender studies.

Clark's Accelerated B.A./Master's Program gives qualifying students the opportunity to earn both a bachelor's and master's degree in five years while earning a full or partial tuition scholarship for the fifth year. There are currently 19 programs that qualify under the Accelerated B.A./Master's Program.

Clark's Psychology Department has a renowned history, dating to the University's first president, G. Stanley Hall, who established the discipline at Clark. Hall brought Sigmund Freud to campus for his only lectures in the U.S. and founded the American Psychological Association.

The prestigious Graduate School of Geography celebrates its 100th anniversary this year with an international reputation for innovative scholarship and leadership in the field. Among its esteemed alumni was Antarctica researcher Paul Siple, Ph.D. '39, who coined the phrase “the wind chill factor.”

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Below is a list of current innovations and research of Clark's faculty:

- Geography Professor Karen Frey researches the impacts of disappearing sea ice on plant and animal ecosystems in Antarctica, and their global ramifications.
- Researchers at the Mosakowski Institute for Public Enterprise at Clark address ways to treat behavioral health issues in adolescents and young adults.
- Biology Professor Philip Bergmann's studies of the intersection between evolution and climate change have national coverage.
- The documentary film "With Dad," a collaboration between Professors Steven DiRado and Soren Sorenson, is an intimate look at Alzheimer's disease that recently was broadcast on PBS.
- Physics Professor Arshad Kudrolli conducts federally funded Rapid Response Research that proposes new methods for preventing COVID transmission in medical settings.
- Sociology Professor Shelly Tenenbaum brings lessons about world genocides to prison classrooms, where her students embrace higher learning as an antidote to the street's harsher lessons.
- Clark's world-renowned Psychology Department features leading researchers on LGBTQ marriage and adoption (Abbie Goldberg), men's depression (Michael Addis), and the lives of millennials (Jeffrey Arnett).
- Professors in the Becker School of Design & Technology at Clark encourage students to develop cutting-edge games that feature immersive storytelling, interactive media, and novel applications in the world.

ACCREDITATION, MEMBERSHIPS AND AFFILIATIONS

Clark is accredited by the New England Commission of Higher Education. The University is also accredited by the Association to Advance Collegiate Schools of Business. The University is a member of the Association of American Colleges, the Association of Independent Colleges and Universities in Massachusetts, the National Association of Independent Colleges and Universities, and the American Council on Education. Clark is an active member of the Higher Education Consortium of Central Massachusetts, a consortium of 10 colleges and universities that work together to enhance educational opportunities for their students through collaborative programs and course cross-registration among its members.

DIVERSITY, EQUITY, AND INCLUSION

Across the years and especially in the last decade, Clark has worked to move ever closer toward being a fully inclusive, just, and equitable institution. Clark's efforts around diversity, equity, and inclusion by re-examining and reshaping the academic and campus experience not only benefit students, faculty, and staff, but also are inextricably tied to the University's future success.

Clark and its community are currently working on two significant initiatives that are intrinsically intertwined: (i) infusing equity and inclusion across all aspects of the University and (ii) developing a strategic framework for Clark's future. To achieve success and enduring relevance in the future, Clark needs to attract and retain students, faculty, and staff from diverse experiences and backgrounds. President Fithian has dedicated \$1 million to support these initiatives and demonstrate the University's commitment to increasing its diversity, equity and inclusion efforts through programming, training, student life/affinity space, and staffing.

SUSTAINABILITY

The mission of Sustainable Clark's Office of Sustainability ("Sustainable Clark") is to cultivate a greener campus by facilitating collaboration among students, faculty, administrative departments, and staff. The University offers resources to recognize systemic failures and empower the Clark community to collaborate on creating campus-based solutions and programs and to serve as an integral partner in their implementation. Clark also strives to build community awareness around social, economic, and environmental issues. Clark believes its campus is a learning laboratory; constructive ideas are welcome and viable projects are supported. With more than 130 courses addressing issues of sustainability and more than ten sustainability-oriented student organizations, Sustainable Clark is fully engaged in proactive sustainability, on and off campus.

Sustainable Clark is invested in climate justice, environmental justice and equity. The University recognizes that the impacts of environmental degradation and climate change disproportionately affect marginalized and vulnerable communities. Climate change is an equity and public health issue, and Clark is committed to utilizing the resources of the community at Clark – among them knowledge, research, innovation and creativity – in the work of re-balancing injustice in the neighborhood and across the globe to support resilient, healthy communities that thrive in concert with nature.

ORGANIZATION AND GOVERNANCE

The University is a non-profit corporation governed by a Board of Trustees, currently composed of 27 selected members, six (6) of whom are “Alumni Members”, one who is a “Life Member” and the remaining Trustees consist of “Term Members”. Trustees who are Term Members serve for not more than two successive terms, the first of which is six (6) years, and the second of which is four years. Alumni Members serve for a term of six (6) years. A significant portion of the work of the Board of Trustees is performed by the following committees which have been configured to emphasize the strategic focus of the Board: Academic Affairs, Advancement, Audit & Strategic Risk, Community Affairs & Social Responsibility, Facilities, Grounds & Capital Planning, Finance, Governance, Investment, Strategic Marketing and Student Affairs.

The members of the Board of Trustees as of July 2021 and their year of initial election and principal affiliations are:

<u>Name</u>	<u>Year Elected</u>	<u>Principal Affiliation and Address</u>
Ross Gillman, Chair	2015	Partner, Goodwin Procter LLP
Mona Domosh, Vice Chair	2014	Joan P. and Edward J. Foley, Jr. Professor, Department of Geography at Dartmouth College
Gary Labovich, Vice Chair	2016	Executive Vice President, Booz Allen Hamilton
Ron Shaich, Vice Chair	2017	Managing Director and CEO, Act III Holdings
Nancie M. Julian, Secretary	2017	Marketing Professional
Jason Barnett	2014	Vice Chairman and General Counsel, RXR Realty
Ingrid Busson-Hall	2017	Senior Director, Financial Regulations, PayPal
Kevin Cherry	2013	Chief Financial Officer, Upham’s Corner Health Center
Roy DiNicola	2018	Director of North America Client Relations, GMO LLC
Eric P. Epstein	2012	Managing Member and President, Davidson Kempner Capital Management
Daniel O. Hirsch	2013	Managing Director, West Halbert Capital, LLC
Lawrence Landry	2015	Chairman and CEO, Masterpiece Living, LLC
Erica Penn	2021	Investment manager
Vickie H. Riccardo	2014	Retired attorney, former member of the Darien representative town meeting committee
Robert Stevenish	2014	Retired President and Chief Operating Officer, Modell’s Sporting Goods

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David H. Strassler	2015	Vice President, Riverside Capital Management
Wendi G. Trilling	2014	Founder, Trill TV
Bruce H. Weiller	2019	Chief Investment Officer, The Weiller Value Fund, L.P.
Lori Wittman	2020	Former Executive Vice President and CFO Big Rock Partners
Sumner B. Tilton, Jr.*	1976	Director and Attorney, Fletcher Tilton, P.C.
Ani Aprahamian**	2020	Frank M. Freimann Professor of Physics, University of Notre Dame
Anthony Cannon**	2021	Endocrinologist, Jefferson Medical Group
Ellen Hughes-Cromwick**	2017	Senior Resident Fellow for Climate and Energy, Third Way
Cynthia Michael-Wolpert	2015	Executive Coach and Founder, Results-Based Coaching Associates
Antonio X. Molestina**	2019	Managing Director, ABN AMRO Bank
Lee Plave**	2016	Co-Founding Partner, Plave Koch PLC
Joseph Poku**	2017	Cardiologist, Georgia Arrhythmia Consultants

* Life Member

** Alumni Member

ADMINISTRATION

The Board of Trustees is responsible for the selection of the President of the University, who is charged with administering the policies of the University. These policies are determined under a shared governance model whereby the faculty, through its Faculty Assembly and standing committees, shapes the academic program, while the Board of Trustees and administrative officers focus on other organizational and corporate matters. The principal administrative officers of the University are:

Dr. David Fithian '87, President.

Dr. David Fithian, a 1987 graduate of Clark University, became Clark's 10th president in July 2020. Prior to joining Clark, Dr. Fithian was Executive Vice President at the University of Chicago, with roles spanning major operations, academic program development, support of the University's Board of Trustees, executive recruitment, and fundraising. Among his many accomplishments, Dr. Fithian spearheaded the establishment of good governance practices, contributed to the opening of global centers in Beijing and Delhi, helped to plan for and implement a campus facility renewal program that included more than 50 capital projects, proposed and guided the appointment of a faculty committee on freedom of expression, and played a major role in designing the University of Chicago's recent campaign, which surpassed its \$5 billion goal.

Before joining the University of Chicago in 2007, Dr. Fithian served for 12 years at Harvard University, holding increasingly elevated responsibilities. As Assistant Dean of Freshmen and, later, the Allston Burr Senior Tutor (resident dean) of Adams House, he oversaw the academic standing and personal well-being of more than 500 first-year and 400 upperclassmen students each year. As Associate Dean of the Faculty of Arts and Sciences, he coordinated all aspects of faculty governance, including the monitoring and coordination of faculty-related policies, procedures, and legislation. Dr. Fithian earned his bachelor's degree in sociology from Clark, and master of arts, master of philosophy, and doctoral degrees in sociology from Yale University. He has lectured in the departments of sociology

at Yale University, the University of Connecticut, and Harvard University, where he also taught seminars for the Committee on Degrees in Social Studies.

Dr. Sebastián Royo, Provost and Vice President for Academic Affairs.

Dr. Sebastián Royo became Provost and Vice President for Academic Affairs in July 2021. Prior to joining Clark, Dr. Royo previously served as vice president of international affairs and a professor of political science at Suffolk University. Throughout his 23 years at Suffolk, his portfolio also included positions as associate dean of the College of Arts and Sciences, vice president for student success, acting provost, and senior vice president for academic affairs. He served as director of Suffolk's Madrid campus and as commissioner of the New England Commission of Higher Education, the regional accreditation agency for colleges and universities in the six New England states. Dr. Royo holds a law degree from the Universidad Autónoma de Madrid, and a master of arts, MBA, and PhD in political science from Boston University. He is widely published, with 10 books and more than two dozen academic journal articles under his name. Dr. Royo's research interests have focused on globalization and competitiveness, democratic transitions, the role of institutions on economic policy and business performance, and varieties of capitalism.

Danielle Manning '00, MBA '06, Executive Vice President, Chief Financial Officer and Treasurer

Danielle Manning became Executive Vice President, Chief Financial Officer and Treasurer of the University in July 2020. Prior to joining Clark, Ms. Manning served as the vice president for administration, finance, and strategic development and chief financial officer for California State Polytechnic University, Pomona, for four years. Previously, she was senior vice president for finance and administration and treasurer at Suffolk University. Ms. Manning also served as director of financing programs for the Massachusetts Health and Educational Facilities Authority and held administrative positions at Worcester Polytechnic Institute and Clark. Ms. Manning holds a bachelor's degree in English and an MBA from Clark, as well as a master's in public administration from Harvard University.

David Chearo, Vice President for Planning and Strategic Initiatives.

David Chearo joined Clark as Vice President for Planning and Strategic Initiatives in July 2021. Prior to joining Clark, Mr. Chearo was chief of staff to the president of Wesleyan University. He previously served as associate vice president at the University of Chicago, working with then-executive vice president, Dr. David Fithian, where he led a broad range of planning efforts related to facilities, the campus environment, cross-unit initiatives and program development, and capital project delivery, among other areas. Prior to that, he directed the University of Chicago's Survey Lab for four years and has expertise in survey design, data collection, and analysis. He also served in the United States Marine Corps from 1998 to 2003 as a Russian Cryptologic Linguist. Mr. Chearo received his M.A. in Social Sciences from University of Chicago and his B.A. degree in International and Global Studies from the University of Illinois at Urbana-Champaign.

Joseph M. Corazzini, Vice President for Government and Community Affairs

Joseph Corazzini became Vice President for Government and Community Affairs in November 2021. Mr. Corazzini oversees all government and community affairs, with primary responsibility for amplifying Clark's prominence as a vocal leader within the national higher education landscape and deepening the University's outward engagement at the local, state, and federal levels. Since 2012 and prior to joining Clark, Mr. Corazzini served as assistant superintendent of equity, diversity, and community development and director of community resource development for the Framingham Public Schools. He earlier served as associate director of community organizing for the United Way of Central Massachusetts's Main South Promise Neighborhood program, associate director of the Worcester Education Collaborative, and program director with Dynamy, an internship-based gap year program based in Worcester. Mr. Corazzini received both his B.A. in History and Masters in Nonprofit Management from Worcester State University.

Margo R. Foreman, Vice President and Chief Officer of Diversity, Equity and Inclusion

Margo R. Foreman joined Clark as Vice President and Chief Officer of Diversity, Equity and Inclusion in October 2021. In this role, Ms. Foreman oversees Clark's collective work to evolve and implement a strategic vision

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and set of initiatives to ensure Clark meets, and even exceeds, its diversity, equity, and inclusion goals. Ms. Foreman most recently served as interim vice president for diversity, equity, and inclusion and assistant vice president for diversity, inclusion, and equal opportunity at Iowa State University. At Iowa State and previously at Indiana University–Purdue University Indianapolis (IUPUI), Ms. Foreman directed Title IX and ADA compliance and workforce diversity and equal employment opportunity programs. She earned her master’s in public health from Indiana University and her bachelor’s in social behavior science from IUPUI. She is currently working toward her doctorate in education leadership in higher education from the American College of Education.

Jill Friedman, Vice President for Marketing and Communications

Jill Friedman became Vice President for Marketing and Communications at the University in September 2020. Prior to joining Clark, Ms. Friedman served eight years as vice chancellor for public affairs at Washington University in St. Louis. She also served as senior vice president and partner at Fleishman-Hillard, a global public relations firm headquartered in St. Louis. Ms. Friedman has worked as a senior staff member to Governor Mel Carnahan of Missouri, serving as the governor’s deputy chief of staff, policy director, and chief liaison to the White House and Congress, and for U.S. Senator Patrick J. Leahy, both in his Vermont district office and as a professional staff member on the U.S. Senate Judiciary Committee. She earned her bachelor’s degree in political science from the University of Vermont and her MBA from the Olin School of Business at Washington University.

Jeff Gillooly, Vice President of University Advancement.

Jeff Gillooly joined Clark as Vice President of University Advancement in 2015 after serving as assistant vice president for presidential advancement and volunteer engagement at University of Rochester for eight years. Upon his arrival at Clark, Mr. Gillooly led a reorganization of University Advancement, in preparation for a public launch for Campaign Clark. He guided Clark to the successful conclusion of that Campaign, ending May 31, 2020, and raising \$156 million dollars (\$31 million over the original goal of \$125 million). Jeff received his B.A. degree in English from Dartmouth College and M.Ed. in Higher Education Administration from Vanderbilt University.

Dr. Kendall Isaac, Vice President, General Counsel and Secretary of the University

Dr. Kendall Isaac became the first general counsel in Clark University’s history in October 2021. Dr. Isaac advises the president and the administration on a wide range of matters including contracts, transactions, procurement, compliance with laws and regulations, Title IX, H.R. and DEI, risk management, and University policies and governance. Dr. Isaac previously served as vice president, general counsel, and assistant to the president for special initiatives at Dickinson College. He has served as university counsel and chief of staff for Fort Valley State University (Georgia), and chief legal affairs and human resources officer simultaneously at Darton State College and Bainbridge State College. Dr. Isaac began his legal career in private law practice as an associate attorney and then owner/principal of his own highly successful firm. He earned his juris doctor degree at Capital University Law School and a doctor of education degree in curriculum and leadership from Columbus State University. He completed his undergraduate studies at Ohio State University with a bachelor of arts in rhetorical communications.

Joseph Kalinowski, MBA 16’, Vice President for Information Technology and Chief Information Officer

Joseph Kalinowski has worked in Clark’s Information Technology Services since 2006, beginning as director for I.T. systems and security and then as assistant vice president for information technology. Prior to working at Clark, he was the assistant director of the Academic Technology Center at Worcester Polytechnic Institute (“WPI”). He holds a bachelor’s in computer science from WPI and an MBA from Clark.

Meredith Twombly, Vice President of Undergraduate Admissions and Financial Aid

Meredith Twombly joined Clark as Vice President of Undergraduate Admissions and Financial Aid in July 2018. Prior to joining Clark, Ms. Twombly served as dean of enrollment and retention at Hampshire College, as an independent enrollment management research consultant and as Quinsigamond Community College’s director of Institutional Research and Assessment. A leading voice on higher education issues ranging from standardized testing to waitlists and rankings, Ms. Twombly has been quoted in national publications including *The New York Times*, *The Washington Post*, and *Politico*, published in several education trade magazines, and co-authored a chapter in the recent

book “Redesigning Liberal Education: Innovative Design for a Twenty-First-Century Undergraduate Education.” She earned her master’s in sociology from Portland State University and her bachelor’s in sociology from Framingham State University.

FACULTY AND STAFF

As of October 2021, Clark University employed 679 full-time faculty and staff. There are 236 full-time faculty (including visiting faculty), of whom 168 are on tenure-track appointments. Of these, 131 have been granted tenure, an award which is made only upon the completion of a thorough review by the Faculty Committee on Personnel and a recommendation by the President for the conferral of tenure, which must then be approved the Board of Trustees. A total of 224 full-time faculty members (95%) have received doctorate degrees or terminal degrees.

The table below indicates the number of full- and part-time faculty members and the number and percentage of tenured faculty members for the academic years indicated:

Academic Year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Number of Full-Time Faculty	209	212	223	216	236
Number of Part-Time Faculty	142	158	185	177	167
Number of Tenured Faculty	126	129	129	126	131
Percentage of Tenured Faculty	60%	61%	58%	58%	56%

The non-teaching full-time employees of the University number 443.

Union and Employee Relations

The only union on campus is a twelve-member, independent, local union representing campus police officers, which organized in 1983, and with which Clark has a four-year contract scheduled to end on June 30, 2022. Negotiations to renew the contract with University Police will begin in January 2022. Relations with all University employees have been excellent, and the University administration is committed to remaining sensitive to the needs of its employees.

Retirement and Pension Plans

Clark University offers a choice of defined contribution retirement plans administered by the Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) and Fidelity Investments to each of its employees who are 21 years of age and who are not currently enrolled as students and regularly attending classes offered by the University. For each employee who contributes five percent (5%) of his/her salary, the University contributes ten percent (10%) of such employee’s salary to a fully vested individually owned accumulation annuity contract. There is a two-year waiting period for participation in this pension plan for purposes of matching contributions, a requirement which is waived for those employees who have previously participated in a comparable defined contribution plan. Expenses recognized by the University related to the above plans were approximately \$4.4 million in FY21 and \$4.2 million in FY20.

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FACILITIES

Clark University is located in Worcester, Massachusetts, the second largest city in New England, and situated at the geographical center of this region. The University campus is situated on 75 acres of landscaped collegiate grounds and a unique urban arboretum in a primarily residential area approximately one mile to the south of the main commercial district of the city. The University's physical plant consists of 1.7 million gross square feet comprising 16 academic buildings, six research facilities, a University Center for student life, nine residence halls, two Athletics and Fitness Centers, and 44 other buildings, most of which are residential.

Campus buildings range from modern residence halls to Victorian-era academic and administrative buildings. The Shaich Family Alumni and Student Engagement Center, one of Clark's newest buildings, is a modern, LEED Gold-certified structure that houses the University's student and career services, academic advising, and many offices essential to Clark's daily operations. The Robert Hutchings Goddard Library, a facility for research, teaching, learning, and research support services for students and faculty, is the academic and physical heart of the University's facilities, which also include the Lasry Center for Bioscience, the Higgins University Center, the Arthur M. Sackler Sciences Center, Carlson Hall (home of the School of Management and Information Technology Services), and the Traina Center for the Arts. The Kneller Athletic Center and Dolan Field House offer facilities for many sports; Kneller contains a competition-size swimming pool, as well as the Bickman Fitness Center. Several renovated Victorian homes on Woodland and Hawthorne streets house the President's residence, the English and Philosophy departments, the International Development, Community, and Environment Department, the Strassler Center for Holocaust and Genocide Studies, and administrative support services.



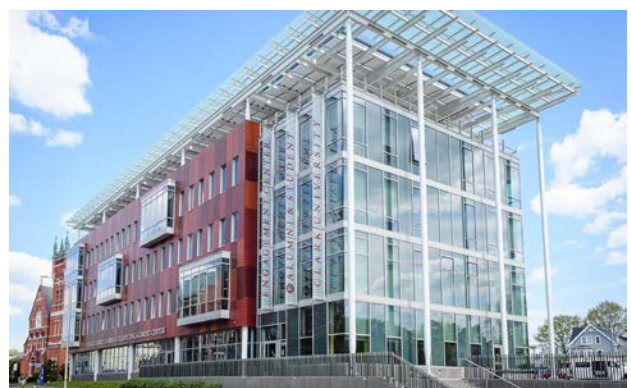
Jonas Clark Hall (1887)



Strassler Center: Colin Flug Graduate Study Wing (2017)



Lasry Center for Bioscience (2005)



Shaich Family Alumni and Student Engagement Center (2015)

Nine major residence halls on campus house approximately 1,500 of Clark's undergraduates in a mix of room styles that range from traditional freshman doubles to singles in modern apartment-style living for upper-class students. Approximately 200 additional students are accommodated in smaller residential buildings owned by Clark within a block of the central campus. The remaining Clark students reside in privately-owned, off-campus housing.

Shaich Family Alumni and Student Engagement Center was completed in 2015 and is a 36,000 square foot modern office and student-engagement facility that houses multiple classrooms, student services, campus bookstore and café, and a rooftop solar array.

Colin Flug Graduate Study Wing was completed in 2017 and is 2,400 square feet, providing new graduate student study and office space, and additional storage for books, videos, and the Shoah Visual History Archive.

The Higgins University Center was completed in 1991 at a cost of \$8.8 million. It was renovated during the summer of 2005, and includes 72,000 square feet. This facility houses the main student dining complex in Stoddard Hall, a mailroom, craft studio and several conference rooms, and serves as the community's social center.

The Kneller Athletic Center was built in 1978 and contains a 65,000-square-foot athletic facility and a 64,000-square-foot parking facility for approximately 175 automobiles. The athletic facility includes a six-lane, 25-yard swimming pool, three multi-use courts for basketball, volleyball, tennis, and track, and weight rooms, dance facilities, racquetball courts, squash courts, and extensive locker facilities. A 4,300 square-foot fitness center was added and equipped in 1995 to enhance indoor athletic facilities.

The Dolan Field House was completed in 2003 and contains indoor courts utilized for basketball, tennis, soccer, lacrosse, softball, and baseball, as well as team locker rooms and training facilities which also serve the adjacent Granger Fields.

Classroom modernization: \$2 million will be spent over four years (beginning 2021) in classroom modernization bringing new technology and flexible furniture into classrooms around campus to support project-based learning and innovation in pedagogy.

The University's other buildings include primarily wood-frame Victorian buildings located on and adjacent to the campus and are used for student housing, offices, or academic purposes. Several of these properties were purchased as part of a collaborative effort to enhance the neighborhood near campus. Included in this "University Park Partnership" was the renovation of one such property at 130 Woodland Street into the President's residence.

In addition, the University's Main Street Gate was recently renovated along with other miscellaneous improvements to enhance campus environment. In support of a new campus plan, Trustees on the Facilities, Grounds, and Capital Planning Committee met off-cycle on campus in July 2021 to tour grounds and facilities. Major projects in progress at the University include a renovation of Michelson Theater, an exterior renovation of Goddard Library and design of a new academic building for Interactive Media Arts, Computing, and Design to house the Becker School for Design and Technology.

ENROLLMENT

The table below outlines the University's full and part-time enrollment for the past five academic years. The University projects modest growth in enrollment as a result of an ambitious enrollment management program, attractive academic programs and an intensive focus on increasing selectivity and student quality.

The impact of COVID-19 on the University is primarily seen in its enrollment numbers, particularly at the graduate level. Clark's professional graduate programs have historically drawn a large percentage of their enrollment from international students, particularly from Asia. Travel and visa restrictions due to COVID-19 resulted in a drop in enrollment, particularly in the School of Management's graduate programs. Enrollment has started to rebound with new incoming students in the School of Management increasing over 100% from fall 2020. This is partly due to a strategy of diversifying recruitment efforts across the globe. Undergraduate enrollment has also been affected by COVID-19 with opportunities for campus visits curtailed and continuing health concerns surrounding COVID-19.

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Clark University Enrollment FTE History per Academic Year (Fall Semester)

	2017-2018	2018-2019	2019-2020	2020-2021*	2021-2022
Undergraduate Students	2,186	2,234	2,264	2,183	2,270
Graduate Students	820	737	921	1,030	930
Special Program Students	38	49	88	36	36
Total	3,044	3,020	3,273	3,249	3,236

*Figures include 180 undergraduate students and 10 graduate students who transferred to Clark from Becker College upon the announcement of its closure in March 2021.

Student Applications

The following table shows Clark University's first-year applications for admission, the number accepted, and the number matriculated for the most recent five academic years. The decrease in applications in academic year 2020-2021 was primarily due to the impact of COVID-19. As seen in academic 2021-2022, applications rebounded to a four-year high. With travel returning to more normal patterns, the University is seeing a strong application pool and increase in campus visits. The University is experiencing a high application volume for spring 2022 undergraduate and graduate admission thus far, with 204 freshman applicants, 65 undergraduate transfer applicants and 1,155 graduate applicants applying to join Clark in the spring. The number of spring 2022 graduate applicants is 120% higher than the prior year's graduate applicants at this date. In addition, as of November 5, 2021, applications for early decision for freshman entering in fall 2022 numbered 1,599, 20% ahead of the prior year's early decision applications.

Applications for Admissions, Acceptances, and Matriculations per Academic Year

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Applications Received	8,355	7,687	7,639	7,166	8,151
Applications Accepted	4,701	4,565	4,032	3,379	3,915
Selectivity (% Accepted)	56%	59%	53%	47%	48%
Students Enrolled	615	582	665	489	505
Yield (% Enrolled)	13%	12%	17%	15%	13%

The following table presents the University's retention rates for fall 2016 to fall 2020:

Retention Rates

	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Retention Rate	85%	87%	86%	87%	87%

The following table presents the geographic distribution of all full and part-time undergraduate students:

Geographic Distribution

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Massachusetts	711	764	781	800	873
Other U.S.	1,177	1,198	1,246	1,204	1,247
International	304	280	243	208	170

Tuition and Fees

The Board of Trustees annually determines the rates to be charged for tuition, room and board fees for the following year. These decisions are reached following recommendations from the University administration. For the past five academic years, the tuition and fees charged to undergraduate students have been as follows:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Tuition	\$44,050	\$45,380	\$46,850	\$48,250	\$49,950
Room/Board	8,860	9,170	9,480*	9,800	10,150
Total	\$52,910	\$54,550	\$56,330	\$58,050	\$60,100

*In response to the COVID-19 outbreak, the University made the decision on March 12, 2020 to send students home to complete the remainder of the 2019-2020 academic year online. Clark provided its students with a prorated refund on its room and board charges for the 2019-2020 academic year in an aggregate amount of approximately \$3.1 million.

The following table shows the combined undergraduate and graduate school student charges, financial aid and net tuition and fee revenue for the past five fiscal years:

Undergraduate and Graduate Student Charges (\$000s)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Tuition & Fees	\$121,657	\$124,459	\$132,292	\$149,430	\$146,382
Financial Aid	58,173	60,607	66,440	72,712	73,467
Net Tuition & Fee Revenue	\$63,484	\$63,852	\$65,852	\$76,718	\$72,915

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FINANCIAL AID

Approximately 85% of Clark undergraduates receive some amount of grant aid directly from the University. The percentage of students receiving some form of aid, including United States Government Direct Loans and/or employment, is in excess of 90%. Clark is dependent upon undergraduate tuition revenue and thus is directly dependent on federal and state government funding. Federal support for student financial aid programs has been level for a number of years and this has caused Clark to fund an increasing percentage of its undergraduate financial aid budget from internal sources. There can be no assurance that such levels of federal and state government funding will be maintained in future years. The table below illustrates expenditures for undergraduate financial aid for the past five academic years. The undergraduate tuition discount rate for fiscal year 2021 was approximately 52%.

Sources of Financial Aid (in the \$000s)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
University Grants	\$60,607	\$66,440	\$72,712	\$73,467	\$79,785
Pell Grants/Other Fed.	2,225	2,186	2,255	2,269	2,200
Supplemental Educational	604	601	601	601	601
Perkins Loans (NDSL)*	518	--	--	--	--
College Work Study	452	444	444	444	444
State Grants	601	911	1,009	971	1,000
Stafford Loans	11,649	11,886	12,384	11,755	12,000
Total Financial Aid	\$76,656	\$82,468	\$89,405	\$89,507	\$96,030

* Program discontinued by federal government in 2017.

FINANCIAL PLANNING AND BUDGET PROCEDURES

Financial planning and budgeting for the University are the responsibility of the Executive Vice President, who works under the direction and guidance of the University President and the Facilities and Finance Committee (“Finance Committee”) of the Board of Trustees. In preparing the annual operating and capital budgets for submission to the Finance Committee, and ultimately the full Board, the Executive Vice President and Chief Budget Officer work closely with the Provost, particularly for that portion of the budget allocated directly to academic programs and services. This process is undergone with the University’s academic priorities at the forefront and with ongoing consultation between the Provost and the faculty’s Planning and Budget Review Committee.

The annual operating budget is developed within the context of the University’s strategic planning priorities, and includes the opportunity for individual program heads to outline to the Provost, Executive Vice President, and Chief Budget Officer their plans and aspirations for the coming years. The Finance Committee of the Board reviews initial planning assumptions at an early date, usually at its October meeting. This allows sufficient time for Trustee feedback to be included in the final recommendations on budgeted expenditures that are presented to the full Board for its approval in early May. The student tuition and fee rates are approved in advance to better align with the undergraduate admissions and financial aid cycles. Once approved, the budget projections are revised approximately every three months to ensure that resource allocation is optimized. Such revisions are generally not material, but are submitted to the Board for informational purposes.

The capital expenditures budget is also prepared annually and approved by the Board of Trustees in conjunction with its approval of the operating budget. The University fully allocates its depreciation expense to annual capital projects.

Individual budget managers can compare expenditures with annual budget authorizations using a web-based reporting tool. The Chief Budget Officer also monitors revenues and expenses against their budgeted goals and follows up on any areas of concern. Control over expenditures is vested in the office of Planning and Finance which

includes among its responsibilities the signature authority for both University purchase orders and employment authorizations.

The University recently implemented a long-term financial planning software application to enhance its strategic planning and financial modeling capabilities. This application will be used for operating and capital budget sensitivity testing under various scenarios.

Impact of COVID-19

In response to the outbreak of COVID-19, Clark has taken many steps to ensure the safety of its community. In March 2020, Clark transitioned to remote learning, resulting in pro-rata refunds for housing and dining of approximately \$3.1 million. The University also established a Health Advisory Board and COVID Advisory Board to strategically navigate the unprecedented issues presented by an ongoing global pandemic and begin preparations for an eventual return of its students to campus.

As described more particularly in “ENROLLMENT” herein, the University experienced decreases in applications and enrollment as a direct result of COVID-19. The University reported a \$1.9 million operating margin in FY21 despite the revenue missed from housing and dining credits and other revenue shortfalls. Significant expense savings resulted from minimal campus operations from March through June and sound financial oversight, contributed to the positive results.

The University successfully reopened its campus to students for the fall 2020 semester with increased health measures implemented on campus to ensure the safety of its faculty, staff and students. To date, Clark has expended approximately \$7.5 million dollars in COVID-19 mitigation efforts, including surveillance testing and personal protective equipment. Clark also required its returning to students to be vaccinated prior to returning to campus.

The University expects to recover approximately \$7 million of the University’s COVID-19 mitigation costs through federal grants created under COVID-19 legislation and reimbursement from FEMA. The University has been awarded a total of \$9,877,823 in federal grants under COVID-19 legislation enacted over the past two years. \$4,483,096 of such funding was restricted for student grants and was used to provide emergency relief to students through direct grants based on financial need. Of the \$5,394,728 in federal COVID-19 aid designated for institutional support, \$2,852,424 was utilized in fiscal years 2020 and 2021, with the remaining \$2,542,304 allocated to support fiscal year 2022.

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APPENDIX A

ACCOUNTING MATTERS

The University operates on a fiscal year ending May 31. The financial statements of the University have been prepared on an accrual basis in accordance with generally accepted accounting principles.

Statement of Activities					
Fiscal Year Ended May 31, (\$000s)					
	2017	2018	2019	2020	2021
Revenues and Other Additions:					
Net Tuition and Fees	\$ 63,484	\$ 63,852	\$ 65,852	\$ 76,718	\$ 72,915
Auxiliary Services	14,928	14,688	15,593	14,337	10,899
Contributions	4,809	7,006	7,017	6,084	4,367
Income Appropriated Under Spending Policy	18,140	18,935	20,045	20,801	24,052
Grants and Contracts	5,766	5,841	6,808	9,078	12,906
Federal Student Financial Aid	1,046	1,056	1,046	1,046	1,046
Other Investment Return	(40)	3	108	31	(342)
Other Income	2,554	2,749	3,701	2,544	1,309
Total	\$ 110,687	\$ 114,130	\$ 120,170	\$ 130,639	\$ 127,152
Expenses:					
Instruction	\$ 43,274	\$ 43,618	\$ 43,796	\$ 47,391	\$ 44,041
Student Services	13,308	14,025	14,953	15,537	15,065
Academic Support	14,887	15,667	17,043	17,383	16,658
General Institutional	10,409	11,005	12,176	13,328	17,869
Alumni and Development	5,324	5,407	4,904	5,000	4,744
Research and Sponsored Programs	7,529	7,853	8,205	11,676	14,891
Auxiliary Services	12,981	13,132	13,649	13,294	12,019
Total Operating Expenses	\$ 107,712	\$ 110,707	\$ 114,726	\$ 123,609	\$ 125,287
Change in Net Assets from Operations	\$ 2,975	\$ 3,423	\$ 5,444	\$ 7,030	\$ 1,865
Non-Operating Activity:					
Investment Income (Loss) Net of Amounts Appropriated under Spending Policy	\$ 33,974	\$ 19,776	\$ (20,863)	\$ (18,646)	\$ 97,536
Contributions	2,136	10,225	1,322	9,799	3,101
Income Appropriated Under Spending Policy	251	257	232	282	294
Change in Value of Interest Rate Swap	444	524	(558)	(976)	580
Change in Value of Beneficial Interests in Outside Trusts	186	141	29	(89)	564
Annuity and Unitrust Obligation Expense	-	(728)	(445)	(1,008)	(1,826)
Other Non-Operating Income (Expense), Net	202	(41)	679	853	264
Non-Operating Revenue (Expense)	36,175	30,154	(19,604)	(9,785)	100,513
Change in Net Assets	39,150	33,543	(14,160)	(2,755)	102,378
Net Assets, Beginning of Year	466,407	505,557	539,100	524,940	522,185
Net Assets, End of Year	\$ 505,557	\$ 539,100	\$ 524,940	\$ 522,185	\$ 624,563

Consolidated Statement of Financial Position

Fiscal Year Ended May 31, (\$000s)

	2017	2018	2019	2020	2021
Assets:					
Cash and Cash Equivalents	\$55,929	\$48,081	\$30,644	\$54,885	\$63,089
Funds Held by Trustees	947	1,014	1,062	1,072	1,116
Interest and Dividends Receivable	84	35	107	28	133
Grants and Contracts Receivable	925	1,018	1,233	1,131	1,697
Student Accounts Receivable, Net of Allowance for Doubtful Accounts	142	93	214	382	339
Other Accounts Receivable	1,678	577	1,019	1,316	1,434
Loans Receivable	6,651	6,701	6,741	6,872	6,785
Prepaid Expenses and Other Assets	1,080	821	1,493	1,832	2,757
Contributions Receivable, Net	2,282	4,727	3,862	4,718	4,499
Student Loans Receivable, Net	5,908	5,537	4,621	3,668	2,751
Beneficial Interests in Outside Trusts	1,488	1,474	1,492	1,403	1,967
Investments, at Fair Value	410,534	451,099	454,009	425,377	522,809
Land, Buildings, Equipment, and Construction Net of Accumulated Depreciation	135,737	132,517	131,414	128,558	124,875
Interest Rate Swap, at Fair Value	-	364	-	-	-
Total Assets	\$623,385	\$654,058	\$637,911	\$631,242	\$734,251
Liabilities and Net Assets					
Liabilities:					
Accounts Payable and Accrued Expenses	\$12,550	\$13,762	\$13,533	\$13,826	\$18,167
Advance Payments Under Grants and Contracts	1,815	1,980	3,329	2,250	2,028
Other Liabilities	3,580	2,999	3,350	4,008	4,517
Deposits and Deferred Revenue	8,725	8,506	8,350	9,580	8,372
Notes Payable	9,591	9,529	9,568	9,606	9,644
Interest Rate Swap, at Fair Value	160	-	194	1,170	590
Bonds Payable	69,208	66,122	62,933	58,488	56,219
Liability for Split-Interest Agreements	6,856	6,734	6,292	5,999	6,863
Federal Loan Program Advances	5,343	5,326	5,422	4,130	3,288
Total Liabilities	\$117,828	\$114,958	\$112,971	\$109,057	\$109,688
Net Assets:					
Unrestricted	\$138,911	\$142,599	\$145,480	\$147,679	\$165,207
Temporarily Restricted	225,824	245,305	-	-	-
Permanently Restricted	140,822	151,196	-	-	-
With Donor Restriction - Time and Purpose	-	-	227,481	214,755	294,086
With Donor Restriction - Perpetual	-	-	151,979	159,751	165,270
Total Net Assets	\$505,557	\$539,100	\$524,940	\$522,185	\$624,563
Total Liabilities and Net Assets	\$623,385	\$654,058	\$637,911	\$631,242	\$734,251

APPENDIX A

Management's Discussion of Recent Financial Performance

Clark's recent financial performance has been consistently strong with total net assets increasing by approximately \$119 million (23.5%) over the past five years and 15-year trends of positive operating results. Cash & Investments have grown to \$586 million with the University's endowment surpassing the \$500 million mark for the first time in its history at over \$506 million as of FY 21. As of August 31, 2021, the endowment market value was approximately \$523 million (unaudited). The University has maintained a conservative debt profile with front-loaded amortization with total debt outstanding declining by \$13 million in the past five years.

The University took deliberate action in FY20, FY21 and this current fiscal year to preserve its personnel and employee benefits, to implement strategic priorities and be prepared to come out of the pandemic in a position of strength. The University identified expense savings in non-personnel areas during this same period and has maintained a disciplined approach to expense control. During the pandemic, the University also made strategic investments in its classroom technology to enhance the academic experience for student retention. While the University experienced declines in its incoming student enrollment for fall 2020, the University ended FY21 with a modest operating surplus.

CASH AND INVESTMENTS

The University's cash and investments totaled \$586 million as of May 31, 2021 and asset allocation of investments for the past two fiscal years was:

Cash and Investments (\$000s)		
	May 31, 2020 Market Value	May 31, 2021 Market Value
Cash and Cash Equivalents	\$ 54,885	\$ 63,089
Short-Term Investments	4,016	12,921
Stocks	48,706	63,012
Fixed Income	21,753	23,439
Partnerships	332,557	401,863
Real estate, life insurance, notes receivable	362	5,141
Other	8,840	4,921
Beneficial Interests in Trusts	9,143	11,512
Total Cash and Investments	\$ 480,262	\$585,898

As of May 31, 2021, the University's endowment totaled \$506.2 million, of which \$426.8 million was donor-restricted. While it is not anticipated that the University's endowment will be utilized for debt service, approximately \$74.4 million of the University's endowment, representing gains in net assets with restrictions as to time or purpose, is available to meet debt service requirements should the Trustees of the University determine, in accordance with the pledges of the donors and the vote of the Trustees accepting such funds, that it is impossible and/or impractical to utilize the funds as originally intended by the donors. However, no portion of the University's endowment is pledged for payment of debt service on the Bonds.

**Clark University Endowment Valuation at Market At Fiscal
Year End (in \$000s)**

<u>Fiscal Year</u>	<u>Market Value</u>
2011-2012	\$303,384
2012-2013	359,514
2013-2014	397,270
2014-2015	408,566
2015-2016	373,367
2016-2017	413,466
2017-2018	441,180
2018-2019	422,297
2019-2020	410,636
2020-2021	506,185

Clark maintains ample monthly liquidity to support operations. As of May 31, 2021, Clark's endowment liquidity was as follows:

Endowment Liquidity as of May 31, 2021

<u>Availability of Investment Proceeds</u>	<u>Percentage of Endowment</u>
Less than 30 days	21%
30 days to one year	40%
Greater than one year	39%

The University's investment portfolio is overseen by the Investment Committee of the Board of Trustees, a nine-member committee including professionals in the financial services industry. The Clark endowment has been managed by Outsourced Chief Investment Officer (OCIO) firm Hall Capital Partners since June 2020. Hall Capital Partners is an independent investment advisory firm founded in 1994 to build and manage multi-asset class portfolios for large, perpetual capital pools. As of May 31, 2021, the 12-month return on endowment was approximately 31%.

The University also has continued its spending practices to ensure that its endowment principal will maintain its purchasing power over a long period of time and through significant changes in the financial markets. In FY21, the endowment draw was based on a 6% rate on unrestricted funds and 5.5% on restricted funds. The Board of Trustees has approved an endowment distribution rate between 5.0-5.5% for fiscal year 2022.

PHILANTHROPIC SUPPORT AND FUNDRAISING

As a result of capital campaigns and a committed body of alumni and friends, charitable donations to the University have been substantial, as illustrated by the data below, derived from Clark's audited financial statements:

<u>Fiscal Year</u>	<u>Donations</u>
2016-2017	\$6,945,000
2017-2018	17,231,000
2018-2019	8,339,000
2019-2020	15,883,000
2020-2021	7,468,000

The last capital campaign, "Campaign Clark" was initiated in 2017 with gifts in excess of \$150 million, as compared to the \$125 million target. The Campaign focused on the implementation of the new Academic and Financial Plan, including the University-wide adoption of Liberal Education and Effective Practice (LEEP) as a curricular innovation.

APPENDIX A

The University recently received a \$6 million gift from Clementine (Tina) Sweeney '49 in April 2020 to support music education and concerts at Clark and in the community and a \$2 million gift from Vickie Riccardo and Donald Spencer P'17 in September 2021 to fund construction of a new Michelson Theater lobby.

CYBERSECURITY AND TECHNOLOGY

Electronic systems and technologies are critical to Clark's efficient operation. Although the university has implemented numerous security measures, its information and technology infrastructure may be vulnerable to deliberate attacks to seek unauthorized use, or may otherwise be breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise the security of the infrastructure, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost, or stolen. Clark is committed to deterring and responding to these risks against our infrastructure to minimize the impact of any incident. Any disruption, access, disclosure, or other loss of information could result in reputational damage to the university and may have a material adverse effect on Clark's operations and financial condition. Further, as cybersecurity threats continue to evolve, Clark may be required to invest additional resources to continue to improve and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

To mitigate the risk of impact and/or damage from cybersecurity incidents or cyberattacks, Clark invests in multiple forms of cybersecurity and operational safeguards, including: assessment using the National Institute of Standards and Technology's Special Publication 800-171; next-generation firewalls; multi-factor authentication, physical security; software and patch management; cyber liability insurance; documentation, training and simulations; internal and external testing; data backups; and endpoint protection.

Clark has a ten-year information technology capital plan to manage investments in technology support ranging from technical infrastructure to teaching and learning technology. Starting in 2010, and in partnership with the University Classroom Committee, all centrally scheduled classrooms experience a full technology refresh every six years with part of Clark's standard currently including wireless presenting and a 360-degree camera. The University is in the process of a complete wireless technology refresh to ensure that students can quickly and reliably connect the most recent devices anywhere across campus. Other infrastructure investments will be focused on providing a highly resilient foundation. In the past 16 months, Clark has implemented a new highly available next-generation firewall and brought a fully redundant internet service provider online.

INSURANCE

The University carries various property and liability insurance policies it believes to be appropriate for its size and risk profile. The University engages an outside consulting firm to review the adequacy and completeness of its insurance coverage.

OUTSTANDING INDEBTEDNESS AND OBLIGATIONS

As of May 31, 2021, the University had outstanding the following major obligations in the amount of \$56,590,000 as outlined in the audited financial statements included as Appendix B to this Offering Memorandum:

1. Massachusetts Development Finance Agency Series 2008 Bonds (currently outstanding: \$32,090,000). Massachusetts Development Finance Agency ("MassDevelopment") issued \$50,255,000 of Series 2008 variable rate revenue bonds for renovations and an addition to the Goddard Library, and to redeem the Series 2000 and Series 2002 bonds. Interest is paid at a variable rate of 0.05% as of May 31, 2021. As security for the Series 2008 Bonds, TD Bank, N.A. issued a direct-pay letter of credit. The Series 2008 Bonds mature in 2036.
2. Massachusetts Development Finance Agency Series 2015 Bonds (currently outstanding: \$13,750,000). MassDevelopment issued \$17,895,000 of Series 2015 revenue bonds, with Capital One Municipal Funding Inc. as purchaser, for the purpose of refunding the University's Series 2005 Bonds, to finance the renovation and/or equipping of certain facilities of the institution, and to pay the costs of issuing the bonds. The Series 2015 Bonds carry a fixed interest rate of 2.40% with a final maturity in 2035.

3. Massachusetts Development Finance Agency Series 2020 Bonds (currently outstanding: \$10,750,000). MassDevelopment issued \$10,750,000 of Series 2020 revenue bonds, with DNT Asset Trust, an affiliate of JP Morgan Chase Bank, N.A., as purchaser, for the purpose of refunding the University's Series 2011 Bonds. The Series 2020 Bonds carry a fixed interest rate of 1.74%. The bonds mature in 2028.

The University entered into an interest rate swap agreement with a major financial institution with the intended purpose to effectively fix the interest cost on \$15 million of the Series 2008 Bonds at 1.711%. The variable rate received under the term of the swap agreement is calculated at 75% of 1-month London Interbank Offered Rate ("LIBOR"), which on May 31, 2021 was 0.08588% resulting in an effective rate of 0.06441%. The swap agreement expires in October 2032, and the notional principal amount will decrease as the bonds mature. The change in the fair value of the swap agreement is reported in non-operating revenue (expense) in the Consolidated Statements of Activities and amounted to \$0.6 million 2021 and (\$1.0 million) in 2020, respectively. The agreements related to the bonds payable contain certain financial covenants which provide for, among other things, debt service requirements. As of May 31, 2021, the University was in compliance with the financial covenants. Interest expense on bonds payable was \$0.7 million and \$1.4 million for the years ended May 31, 2021 and 2020, respectively.

The University plans to terminate the swap agreement, finance the termination payment and refund (and defease, in the case of the Series 2015 Bonds) the Series 2008 Bonds, the Series 2015 Bonds and the Series 2020 Bonds with proceeds from the issuance of the Series 2021 Bonds. In addition to the indebtedness to be refunded, the University provided a limited payment guaranty for a \$9,700,000 loan to its wholly owned subsidiary, Jonas Realty Corporation, in connection with a new markets tax credit financing. The University also has a \$10 million unsecured demand line of credit, none of which is outstanding.

LITIGATION

The University is not aware of any litigation pending or threatened to which the University is a party wherein any unfavorable decision would adversely affect the ability of the University to enter into the Agreement and carry out its obligations thereunder or under any of the other basic documents.

CLARK UNIVERSITY

By: /s/ David Fithian
President

By: /s/ Danielle Manning
Executive Vice President, Chief Financial
Officer and Treasurer

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APPENDIX B

**FINANCIAL STATEMENTS OF CLARK UNIVERSITY - FISCAL YEARS 2021 AND
2020**

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Consolidated Financial Statements,
Supplementary Schedules and Report
of Independent Certified Public
Accountants

Clark University

May 31, 2021 and 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Clark University

We have audited the accompanying consolidated financial statements of Clark University and subsidiary (the "University"), which comprise the consolidated statement of financial position as of May 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Clark University and subsidiary as of May 31, 2021 and 2020, 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.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of May 31, 2021 and consolidating statement of activities for the year ended May 31, 2021 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts
September 27, 2021

Clark University
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
May 31,

	2021	2020
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$ 63,089	\$ 54,885
Funds held by trustees (Note 4)	1,116	1,072
Interest and dividends receivable	133	28
Grants and contracts receivable	1,697	1,131
\$552 and \$473 in 2021 and 2020, respectively	339	382
Other accounts receivable	1,434	1,316
Loans receivable (Note 12)	6,785	6,872
Prepaid expenses and other assets	2,757	1,832
Contributions receivable, net (Note 5)	4,499	4,718
Student loans receivable, net (Note 6)	2,751	3,668
Beneficial interests in outside trusts	1,967	1,403
Investments, at fair value (Note 7)	522,809	425,377
Land, buildings, equipment, and construction in progress - net of accumulated depreciation (Note 9)	124,875	128,558
Total assets	\$ 734,251	\$ 631,242
LIABILITIES		
Accounts payable and accrued expenses	\$ 18,167	\$ 13,826
Advance payments under grants and contracts	2,028	2,250
Other liabilities	4,517	4,008
Deposits and deferred revenue	8,372	9,580
Notes payable (Note 10)	9,644	9,606
Interest rate swap, at fair value (Note 8)	590	1,170
Bonds payable (Note 11)	56,219	58,488
Liability for split-interest agreements	6,863	5,999
Federal loan program advances	3,288	4,130
Total liabilities	109,688	109,057
NET ASSETS: (Note 14)		
Without donor restriction	165,207	147,679
With donor restriction		
Time and purpose	294,086	215,792
Perpetual	165,270	159,751
Underwater endowment	-	(1,037)
Total net assets	624,563	522,185
Total liabilities and net assets	\$ 734,251	\$ 631,242

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

Clark University
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended May 31, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
	(In thousands)			
Operating revenue and other support:				
Student tuition and fees, net (Note 2)	\$ 72,915	\$ -	\$ 72,915	\$ 76,718
Auxiliary services	10,899	-	10,899	14,337
Contributions	2,371	1,996	4,367	6,084
Income appropriated under spending policy	20,186	3,866	24,052	20,801
Grants and contracts	12,853	53	12,906	9,078
Federal student financial aid	1,046	-	1,046	1,046
Other investment return (loss)	(179)	(163)	(342)	31
Other income	1,309	-	1,309	2,544
Net assets released from restrictions	5,393	(5,393)	-	-
	<u>126,793</u>	<u>359</u>	<u>127,152</u>	<u>130,639</u>
Operating expense:				
Instruction	44,041	-	44,041	47,391
Student services	15,065	-	15,065	15,537
Academic support	16,658	-	16,658	17,383
General institutional	17,869	-	17,869	13,328
Alumni and development	4,744	-	4,744	5,000
Research and sponsored programs	14,891	-	14,891	11,676
Auxiliary services	12,019	-	12,019	13,294
	<u>125,287</u>	<u>-</u>	<u>125,287</u>	<u>123,609</u>
	<u>1,506</u>	<u>359</u>	<u>1,865</u>	<u>7,030</u>
Non-operating activity:				
Investment income (loss) net of amounts appropriated under spending policy	14,849	82,687	97,536	(18,646)
Contributions	71	3,030	3,101	9,799
Income appropriated under spending policy	42	252	294	282
Change in value of interest rate swap	580	-	580	(976)
Change in value of beneficial interests in outside trusts (Note 7)	-	564	564	(89)
Annuity and unitrust obligation expense	(90)	(1,736)	(1,826)	(1,008)
Other non-operating income (expense), net	359	(95)	264	853
Net assets released from restrictions	211	(211)	-	-
	<u>16,022</u>	<u>84,491</u>	<u>100,513</u>	<u>(9,785)</u>
CHANGE IN NET ASSETS	<u>17,528</u>	<u>84,850</u>	<u>102,378</u>	<u>(2,755)</u>
Net assets - beginning of year	<u>147,679</u>	<u>374,506</u>	<u>522,185</u>	<u>524,940</u>
Net assets - end of year	<u>\$ 165,207</u>	<u>\$ 459,356</u>	<u>\$ 624,563</u>	<u>\$ 522,185</u>

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

Clark University
CONSOLIDATED STATEMENTS OF ACTIVITIES
Year Ended May 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2020 Total
	(In thousands)		
Operating revenue and other support:			
Student tuition and fees, net (Note 2)	\$ 76,718	\$ -	\$ 76,718
Auxiliary services	14,337	-	14,337
Contributions	2,399	3,685	6,084
Income appropriated under spending policy	16,969	3,832	20,801
Grants and contracts	8,959	119	9,078
Federal student financial aid	1,046	-	1,046
Other investment return (loss)	5	26	31
Other income	2,544	-	2,544
Net assets released from restrictions	6,150	(6,150)	-
	<u>129,127</u>	<u>1,512</u>	<u>130,639</u>
Total operating revenue and other support			
Operating expense:			
Instruction	47,391	-	47,391
Student services	15,537	-	15,537
Academic support	17,383	-	17,383
General institutional	13,328	-	13,328
Alumni and development	5,000	-	5,000
Research and sponsored programs	11,676	-	11,676
Auxiliary services	13,294	-	13,294
	<u>123,609</u>	<u>-</u>	<u>123,609</u>
Total operating expense			
Change in net assets from operations	<u>5,518</u>	<u>1,512</u>	<u>7,030</u>
Non-operating activity:			
Investment income (loss) net of amounts appropriated under spending policy	(3,022)	(15,624)	(18,646)
Contributions	98	9,701	9,799
Income appropriated under spending policy	40	242	282
Change in value of interest rate swap	(976)	-	(976)
Change in value of beneficial interests in outside trusts (Note 7)	-	(89)	(89)
Annuity and unitrust obligation expense	(345)	(663)	(1,008)
Other non-operating income (expense), net	617	236	853
Net assets released from restrictions	269	(269)	-
	<u>(3,319)</u>	<u>(6,466)</u>	<u>(9,785)</u>
Total non-operating revenue (expense)			
CHANGE IN NET ASSETS	2,199	(4,954)	(2,755)
Net assets - beginning of year	<u>145,480</u>	<u>379,460</u>	<u>524,940</u>
Net assets - end of year	<u>\$ 147,679</u>	<u>\$ 374,506</u>	<u>\$ 522,185</u>

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

Clark University
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended May 31, 2021 and 2020

	Instruction	Student Services	Academic Support	General Institutional	Alumni and Development	Research and Sponsored Programs	Auxiliary Services	Operating and Maintenance	2021 Total	2020 Total
	(In thousands)									
Expenses:										
Salary and wages	\$ 28,767	\$ 6,971	\$ 8,102	\$ 6,140	\$ 2,914	\$ 3,613	\$ 381	\$ 5,927	\$ 62,815	\$ 61,118
Employee benefits	7,502	1,985	2,458	1,311	1,000	953	127	1,584	16,920	15,747
Purchased services	2,255	2,175	1,446	6,338	166	5,388	4,029	349	22,146	19,834
Travel, conferences and meals	786	292	128	17	47	460	20	6	1,756	4,372
Utilities, maintenance and occupancy	80	20	127	305	34	300	322	3,202	4,390	4,384
Operating expense, equipment, supplies, library, and other related costs	901	885	2,097	555	415	1,685	146	377	7,061	7,091
Subtotal prior to allocations	40,291	12,328	14,358	14,666	4,576	12,399	5,025	11,445	115,088	112,546
Allocations:										
Interest and fees	108	91	84	81	2	53	381	-	800	1,416
Depreciation	1,772	1,640	1,200	1,401	69	1,254	2,063	-	9,399	9,647
Operations and maintenance	1,870	1,006	1,016	1,721	97	1,185	4,550	(11,445)	-	-
Total	\$ 44,041	\$ 15,065	\$ 16,658	\$ 17,869	\$ 4,744	\$ 14,891	\$ 12,019	\$ -	\$ 125,287	\$ 123,609

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

Clark University
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended May 31, 2020

	<u>Instruction</u>	<u>Student Services</u>	<u>Academic Support</u>	<u>General Institutional</u>	<u>Alumni and Development (In thousands)</u>	<u>Research and Sponsored Programs</u>	<u>Auxiliary Services</u>	<u>Operating and Maintenance</u>	<u>2020 Total</u>
Expenses:									
Salary and wages	\$ 29,037	\$ 6,585	\$ 8,452	\$ 4,669	\$ 2,858	\$ 3,170	\$ 343	\$ 6,004	\$ 61,118
Employee benefits	7,203	1,884	2,458	633	955	762	100	1,752	15,747
Purchased services	4,558	2,014	1,264	3,402	231	3,027	4,882	456	19,834
Travel, conferences and meals	1,375	1,174	260	463	285	765	32	18	4,372
Utilities, maintenance and occupancy	140	63	144	302	3	31	397	3,304	4,384
Operating expense, equipment, supplies, library, and other related costs	1,109	904	2,371	521	484	1,288	207	207	7,091
Subtotal prior to allocations	43,422	12,624	14,949	9,990	4,816	9,043	5,961	11,741	112,546
Allocations:									
Interest and fees	193	211	150	142	2	119	599	-	1,416
Depreciation	1,826	1,653	1,225	1,401	81	1,277	2,184	-	9,647
Operations and maintenance	1,950	1,049	1,059	1,795	101	1,237	4,550	(11,741)	-
Total	<u>\$ 47,391</u>	<u>\$ 15,537</u>	<u>\$ 17,383</u>	<u>\$ 13,328</u>	<u>\$ 5,000</u>	<u>\$ 11,676</u>	<u>\$ 13,294</u>	<u>\$ -</u>	<u>\$ 123,609</u>

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

Clark University
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended May 31,

	2021	2020
	(In thousands)	
Cash flows from operating activities:		
Change in net assets	\$ 102,378	\$ (2,755)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	9,399	9,647
Amortization of debt issuance costs and premium/discount	70	4
Student loans cancelled/assigned to the federal government	-	(2)
Bad debt expense	248	179
Change in value of interest rate agreement	(580)	976
Loss on extinguishment of debt	-	30
Contributions restricted for long-term purposes	(3,101)	(9,799)
Interest and dividends restricted for long-term purposes - net	(34)	(929)
Donated assets (non-cash) contributions and payments	(101)	(1,218)
Realized and unrealized investment gains	(122,345)	(1,305)
Loss on disposal of land, buildings and equipment	88	7
Changes in assets and liabilities		
Accounts receivable and interest and dividends receivable	(386)	(559)
Prepaid expenses and other assets	(925)	(339)
Contributions receivable	168	(856)
Grants and contracts receivable	(566)	102
Beneficial interests in outside trusts	(564)	89
Accounts payable and accrued expenses	4,341	293
Other liabilities	509	658
Liability for split interest agreements	864	(293)
Deposits and deferred revenue	(1,208)	1,230
Advance payments under grants	(222)	(1,079)
	<u>(11,967)</u>	<u>(5,919)</u>
Net cash used in operating activities		
Cash flows from investing activities:		
Student loans receivable, net	925	949
Purchase of land, buildings, equipment and construction in progress	(5,804)	(6,798)
Proceeds from sales of investments	257,302	65,933
Purchases of investments	(232,174)	(28,926)
Interest and dividends restricted for long-term purposes - net	34	929
Net change in funds held by trustees	(44)	(10)
	<u>20,239</u>	<u>32,077</u>
Net cash provided by investing activities		
Cash flows from financing activities:		
Contributions restricted for long-term purposes	3,101	9,799
Decrease in federal loan program advances	(842)	(1,292)
Payments of financing and issuance costs	-	(101)
Extinguishment of debt	-	(11,830)
Proceeds from bonds payable	-	10,750
Principal payments on bonds payable	(2,300)	(3,260)
Donated assets (non-cash) contributions and payments	(114)	(5,852)
Issuance of loan receivable	87	(131)
	<u>(68)</u>	<u>(1,917)</u>
Net cash used in financing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,204	24,241
Cash and cash equivalents - beginning of year	<u>54,885</u>	<u>30,644</u>
Cash and cash equivalents - end of year	<u>\$ 63,089</u>	<u>\$ 54,885</u>
Supplemental disclosures:		
Cash paid for interest	\$ 872	\$ 1,748
Additions to land, buildings, equipment and construction in process remaining in accounts payable and accrued expense at year end	\$ 709	\$ 394

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

Clark University
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
May 31, 2021 and 2020

NOTE 1 - ORGANIZATION

Clark University (the "University") was established in 1887 and serves as a teaching and research institution offering undergraduate and graduate degrees to approximately 3,400 full- and part-time students drawn from 50 states and 86 foreign countries. The University's main campus is located in Worcester, Massachusetts. The University is accredited by the New England Association of Schools and Colleges and offers liberal arts-based education as well as professional master's degree and doctoral programs.

The University participates in student financial assistance programs sponsored by the United States Department of Education and the Commonwealth of Massachusetts, which facilitate the payment of tuition and other expenses for certain students.

In November of 2015, the University established Jonas Realty Corporation ("JRC"), a Massachusetts not-for-profit organization, to support and operate for the benefit of the University. JRC is classified as a 501 (c)(3) functionally integrated supporting organization of the University to hold and manage the land and building of the Shaich Family Alumni and Student Engagement Center. The University is the controlling member of JRC and, as such, the financial statements of JRC have been consolidated with the financial statements of the University. All intercompany transactions have been eliminated in the consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the University.

Basis of Presentation

The accompanying consolidated financial statements of the University have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Net assets, revenues, expenses, gains, and losses are classified into two categories based on the existence or absence of donor-imposed restrictions. The categories are without donor restrictions and with donor restrictions.

Net assets with donor restrictions are further classified into two categories: those that are restricted in perpetuity generally represent the historical cost (fair value at date of gift) of contributions and other inflows of assets whose use by the University is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by the University. These include certain life income funds (in cases where the remainder interest for such gifts is perpetually restricted) and certain perpetual revolving loan funds that have been established by donors for the benefit of students at the University. The life income and revolving loan funds are recorded at fair value.

Net assets with donor restrictions that are restricted with regard to time or purpose generally result from contributions and other inflows of assets whose use by the University is limited by law or donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the University pursuant to those stipulations.

Net assets without donor restriction generally result from contributions or other inflows of assets whose use by the University is not limited by donor-imposed stipulations. These net assets may be designated for specific purposes by actions of the University, invested as quasi endowment, or may otherwise be limited by contractual agreement with outside parties.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Revenues are reported as increases in net assets without restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Realized and unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law.

Expirations of restrictions on net assets are reported as net assets released from restrictions in the Consolidated Statements of Activities. In certain situations, donor-restricted gifts which are received and spent within the same year are reported as revenues without donor restrictions.

Operating activities presented in the consolidated statements of activities consist of revenues earned, net investment return of the endowment appropriated by Clark's Board of Trustees for spending, and expenses incurred in conducting Clark's programs and services. Functional classifications of expenses include instruction, student services, academic support, auxiliary services (primarily operation of residence halls and dining services), alumni and development, research and sponsored programs, and general institutional (communications, community and government relations, centralized services, and administrative services). Depreciation and facilities operating and maintenance expenses are allocated to the functional classifications based on the use and square footage of each building. Interest expense is allocated to the functional classifications based on the use of each building that has been debt-financed.

Non-operating activities presented in the consolidated statements of activities include endowment investment activity net of amounts appropriated for spending, contributions and gifts that are restricted by donors to invest in perpetuity or to support the construction and purchase of capital assets, net change in life income and similar split-interest agreements, and the net change in the estimated value of the interest rate swap agreement. Non-operating activities also include changes in net asset classification when donor restrictions for non-operating activities have been met.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates made by the University involve allowances for uncollectible accounts, functional expense allocation, net realizable values of contributions receivable, economic useful lives of buildings and equipment, conditional asset retirement obligations, fair values of investments and interest rate swap, impairment of land, buildings and equipment, beneficial interests in outside trusts, and present values of annuity payment liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments purchased with an initial maturity of three months or less, excluding balances whose use is restricted or that are included in the investment accounts.

Concentration of Credit Risk

The University maintains cash balances at several banks in excess of federally insured limits.

Other Assets

Other assets include prepaid expenses such as insurance as well as inventories. Inventories consist principally of supplies and are carried at cost.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Unconditional Promises

Gifts which are recorded at fair value when received, including unconditional promises to give, are recorded as revenue when the donor's written commitment is received. Unconditional pledges of more than one year are recorded after discounting to the fair value of expected future cash flows, net of an allowance for unfulfilled pledges.

Bond Issuance Costs and Bond Discount/Premium

Costs incurred in connection with bond issuance are deferred and amortized on a straight-line basis over the life of the respective debt issues; original issue discount or premium is amortized over the life of the respective debt issues using the effective-interest method.

Beneficial Interests in Outside Trusts

The University's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and charitable remainder trusts. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements. Contribution revenue is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments due to the respective donors and/or other beneficiaries or at the fair value of the estimated future receipts discounted for the estimated time period to complete the agreement.

The University records its beneficial interests in trusts at the fair value of the assets contributed to the trust at the time the University is notified of the trust's existence. Annual changes in the market value of the assets are recognized as restricted gains or losses within non-operating activity in the consolidated statements of activities.

Investments

Investments other than real estate, life insurance policies and notes receivable are stated at fair value. Real estate is stated at the fair value at the time of donation and notes receivable are stated at the outstanding principal amount of the notes (the recorded amounts for these assets approximate fair value). The fair value of publicly traded securities is based upon quoted market prices or net asset values. Other securities for which no such quotations or valuations are readily available are carried at estimated fair values. The estimated fair value of these investments is based on valuations provided by external investment managers and reviewed by management. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because these investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such differences could be material. Securities contributed to the University are recorded at fair value on the date of the gift.

Changes in fair value are recorded as unrealized gains or losses on investments. Realized gains or losses from the sale of investment securities are computed on the specific-identification-cost basis or, for pooled funds, on the average-cost basis.

Collections of Art, Historical Treasures, and Other Similar Assets

The University houses certain collections of works of art, literary works and artifacts. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. They are neither disposed of for financial gain nor encumbered in any manner. Accordingly, these collections are not recorded or capitalized for financial statement purposes.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Land, Buildings, and Equipment

Land, buildings, equipment and information technology ("IT") equipment are recorded at cost on the date of acquisition or construction or, if received as a gift, at the fair value at the time of receipt, net of accumulated depreciation.

Depreciation is computed on a straight-line basis using a half-year convention for new additions over the following estimated useful lives:

Buildings	40-50 years
Building improvements	20 years
Assets under finance lease	Life of lease
Furniture, fixtures, and equipment	8 years, 4 years for IT & Gym
Internal use software, minor and major	5 years and 10 years
Software as service-implementation costs	Term of contract
Land improvements and infrastructure	15 years
Leasehold improvements	Shorter of useful life or lease period

Expenditures for maintenance, repairs, and books for the library are charged to operations as incurred; betterments that materially extend the life of the assets are capitalized. Capital assets are removed from the records at the time of disposal, and any resulting gain or loss is included in the Consolidated Statements of Activities.

Conditional Asset Retirement Obligations

In the normal course of its operations, the University incurs legal obligations to perform certain retirement activity with regard to the ultimate disposition of some of its tangible long-lived assets due to the nature of material used in their construction or operation. The timing of the performance of these retirement activities is within the control of the University and, due to the long useful lives of these assets, will be performed at some future date. The University has recorded a liability of \$1.9 million and \$1.8 million for these activities as of May 31, 2021 and 2020, respectively. Updates are made when data based on experience or environment are known. The estimated liability relates principally to buildings and equipment that are partially depreciated.

Income Taxes

The University and JRC are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"), and are generally exempt from income taxes pursuant to Section 501(a) of the Code. The University is required to assess uncertain tax positions and has determined that there were no such positions that are material to the consolidated financial statements.

Federal Student Loan Advances

These amounts include funds advanced to the University under the Federal Perkins Loan Program. The federal government has terminated the program and the amount is refundable to the federal government.

Revenue Recognition

Substantially all of the University's revenue is derived from student tuition and fees, private contributions, federal and state student assistance, and auxiliary enterprises related to the University. Auxiliary enterprises include dining halls, residence halls, and other undertakings which provide services primarily to students, faculty, and staff for fees directly related to, but not necessarily equivalent to, the costs of the services.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Prices for undergraduate and graduate tuition are set based upon the strategic initiatives of the University, the costs of providing the instructional and support services needed for a quality program, and an assessment of the pricing of similar institutions in our market segment. As we set an appropriate tuition price for each program, we also consider to what extent we wish to offer financial assistance in the form of need-based and merit-based discounts designed to expand the population of students that are able to enroll in these various programs. The cost of room and board are determined separately from tuition based on competitive costs with alternative housing and dining options in the University's immediate neighborhood and to cover the costs of providing these services.

Tuition, fees and auxiliary revenue and associated discounts are recognized as revenue in the period to which they relate. Student deposits and deferred revenue represent tuition and student deposits paid in advance, which are recognized as income when the related educational services are provided. The components of net tuition for the years ended May 31 are as follows:

(In Thousands)	2021	2020
Tuition and fees	\$ 146,382	\$ 149,430
Financial aid discount	(73,467)	(72,712)
Student tuition and fees, net	\$ 72,915	\$ 76,718

Under its Accelerated Degree Program, the University offers qualifying undergraduate students the opportunity to receive a graduate tuition scholarship. Under the scholarship, students may receive up to 100% remission of their graduate tuition. In connection with this scholarship program, at May 31, 2021 and 2020, the University had deferred revenue of \$6.4 million.

The activity and balance for deposits, advance payments under grants and contracts, and deferred revenue from contracts are shown in the following table:

(In Thousands)	Advance Payments Under Grants and Contracts	Enrollment and Housing Deposits	Accelerated Degree Program and Other Deferred Tuition	Other Deferred Revenue	Total
Balance at May 31, 2019	\$ 3,329	\$ 951	\$ 7,297	\$ 102	\$ 11,679
Revenue recognized, deposits applied/forfeited	(1,834)	(1,019)	(996)	(30)	(3,879)
Payments received for future performance obligations	755	1,106	2,106	63	4,030
Balance at May 31, 2020	2,250	1,038	8,407	135	11,830
Revenue recognized, deposits applied/forfeited	(3,348)	(860)	(2,048)	(80)	(6,336)
Payments received for future performance obligations	3,126	964	695	121	4,906
Balance at May 31, 2021	\$ 2,028	\$ 1,142	\$ 7,054	\$ 176	\$ 10,400

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Contracts and Grants

Federal government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University recognizes revenue associated with direct and indirect costs as the related costs are incurred or expended. Recovery of related indirect costs generally is recorded at predetermined fixed rates negotiated with the federal government.

Financial Aid Discount

The University's financial aid is reported in the Consolidated Statements of Activities as an adjustment to revenues. The financial aid program is funded through endowment income, gifts and grants, and institutional resources.

Federal and State Student Assistance

Substantial financial aid for students is provided by grants (including work study) and loans through federal and state programs. Federal aid totaled \$16.2 million and \$16.6 million for the years ended May 31, 2021 and 2020, respectively. Federal Pell Grants and Direct Student Loans in the amount of \$14.0 million and \$14.6 million for the years ended May 31, 2021 and 2020, respectively, are pass-through funding to students and are not included in the Consolidated Statements of Activities. State aid totaled \$1.0 million for both the years ended May 31, 2021 and 2020, respectively, and are also pass-through funding to students and are not included in the Consolidated Statements of Activities.

Functional Expense Allocation

Expenses have been allocated to programmatic and non-programmatic functions based on the estimated percentage of effort, usage, square footage and other criteria.

Expenses are presented by functional classification in accordance with the overall service mission of the University. Each functional classification displays all expenses related to underlying operations by natural classification. Depreciation expense is allocated based on estimated square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Operating and maintenance expense represents space related costs which are allocated to the functional categories directly and/or based on the estimated square footage occupancy.

New Accounting Pronouncements:

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*. This guidance is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires not-for-profit lessees to report a right-of-use ("ROU") asset along with a lease liability.

The University elected to apply practical expedients allowing it to: (1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; (2) not reassess the lease classification for any expired or existing leases; and (3) not reassess initial direct costs for any existing leases. The University adopted ASU 2016-02 effective June 1, 2020 and, as a result, the accompanying Consolidated Statement of Financial Position as of May 31, 2021 includes the ROU assets and lease liabilities, which are not reflected in the accompanying Consolidated Statement of Financial Position as of May 31, 2020 (see Note 10).

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Clark University financial assets available within one year of the Consolidated Statement of Position date for general expenditures as of May 31 are as follows:

(In Thousands)	2021	2020
Total assets at year end	\$ 734,251	\$ 631,242
Less:		
Loans receivable due in more than one year	(6,785)	(6,872)
Restricted contributions receivable due in less than one year	(3,795)	(2,077)
Contributions receivable due in more than one year	(946)	(2,005)
Donor-restricted endowment funds	(426,781)	(345,326)
Board-designated endowment funds	(77,454)	(62,965)
Prepaid expenses and other assets	(2,757)	(1,832)
Land, buildings, equipment, and construction-in-progress net of accumulated depreciation	(124,875)	(128,558)
Add:		
Endowment spending rule	23,020	25,596
Financial assets available at year end for current use	\$ 113,878	\$ 107,203

As part of the University's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the University has a committed line of credit in the amount \$10 million which it could draw upon. Additionally, the University has a board-designated endowment of \$77.5 million as of May 31, 2021. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment funds and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available. See Note 7 for disclosures about investments.

The University's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is primarily restricted for specific purposes; therefore, is not available for general expenditure. As described in Note 15, for fiscal years 2021 and 2020, the Board of Trustees approved a distribution rate of 6.00% and 5.00% of the average market value of the endowment funds for the past 20 quarters, respectively, and has approved a distribution rate between 5.00% and 5.50% for fiscal year 2022. Under the provision of the spending rule, the amount appropriated was \$24.3 million and \$21.1 million for fiscal years 2021 and 2020, respectively.

As described in Note 8, the University has unfunded commitments on alternative investments totaling \$72.3 million and \$46.0 million for fiscal years 2021 and 2020, respectively.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 4 - FUNDS HELD BY TRUSTEES

The University has several funds held by trustees, which are restricted as to use according to debt agreements. As of May 31, 2021 and 2020, the University had debt service fund collateral and debt reserve funds totaling \$1.1 million.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at May 31 are time restricted and also have the following purpose restrictions:

(In Thousands)	2021	2020
Endowment for academic purposes	\$ 125	\$ 50
Endowment for scholarships	1,251	349
Endowment for other programs	990	1,177
Non-endowment for academic purposes	461	527
Non-endowment for facilities	530	987
Non-endowment for other programs	1,169	1,926
Non-endowment for scholarships	81	54
Unrestricted	363	203
Total contributions receivable	4,970	5,273
Less: Fair value discount (discount rates range from 7.99% to 13.50%) and allowance for unfulfilled pledges	(471)	(555)
Contributions receivable, net	\$ 4,499	\$ 4,718

Contributions are expected to be realized in the following years ended May 31:

(In Thousands)	2021	2020
In less than one year	\$ 3,816	\$ 2,962
Between one year and five years	1,154	2,311
Total contributions receivable	\$ 4,970	\$ 5,273

The University also has been notified of revocable bequest intentions which have not been recorded in the consolidated financial statements as of May 31, 2021 and 2020.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 6 - STUDENT LOANS RECEIVABLE

The University makes uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs or institutional resources. As of May 31, 2021 and 2020, student loans represented 0.4% and 0.6% of total assets, respectively.

As of May 31, student loans consisted of the following:

(In Thousands)	2021	2020
Federal Perkins Loan Program	\$ 2,769	\$ 3,685
University Loan Program	63	73
Total student loans receivable	2,832	3,758
Less: allowance for doubtful loans		
Beginning of year	(90)	(86)
Increase (decrease)	9	(4)
End of year	(81)	(90)
Student loans receivable, net	\$ 2,751	\$ 3,668

The University participates in the Federal Perkins Loan Program. Funds advanced by the federal government of \$3.3 million and \$4.1 million at May 31, 2021 and 2020, respectively, are ultimately refundable to the federal government and are classified as liabilities in the Consolidated Statements of Financial Position. Outstanding loans cancelled under the program result in a decrease in the liability to the federal government.

At May 31, 2021 and 2020, the following amounts were past due under both student loan programs:

(In Thousands)	1-59 Days Past Due	60 - 90 Days Past Due	90+ Days Past Due	Total Past Due
2021	\$ 71	\$ 15	\$ 492	\$ 578
2020	\$ 194	\$ 6	\$ 533	\$ 733

Allowances for doubtful loans are established based on prior collection experience for the previous 3 years and the current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. University loan balances are written off only when they are deemed to be permanently uncollectible. Amounts due under the Federal Perkins Loan Program are assignable to the government; therefore, the allowance calculation is based on the probable credit loss for the institutional portion of the fund and a percentage of the portfolio that may not be assignable to the federal government.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 7 - INVESTMENTS

As of May 31, investments consisted of the following:

(In Thousands)	2021	2020
Marketable securities		
Cash and cash equivalents	\$ 12,921	\$ 4,016
Corporate bonds	18,579	21,692
Government bonds	4,860	61
Real estate investment trusts	4,938	-
Equity securities	63,012	48,706
Partnerships		
Private equity/venture capital	55,172	34,465
Private equity international	14,005	2,911
Real assets	19,431	15,282
Absolute return/hedge funds	119,085	121,229
International equity mutual funds	80,149	87,555
Domestic equities	113,899	71,022
Other partnerships	122	93
Real estate, life insurance, notes receivable	203	362
Other investments	4,921	8,840
Beneficial interest in trusts	11,512	9,143
	<u>\$ 522,809</u>	<u>\$ 425,377</u>

Beneficial interest in trusts as of May 31, 2021 is comprised of marketable investments of \$0.2 million in money market mutual funds, \$9.1 million in equity mutual funds, \$1.8 million in bonds, and \$0.4 million in publicly traded real estate investment trusts ("REITs"). Beneficial interest in trusts as of May 31, 2020 is comprised of marketable investments of \$0.4 million in money market mutual funds, \$6.9 million in equity mutual funds, \$1.5 million in bonds, and \$0.3 million in publicly traded REITs.

Overall investment results on all investments, net of investment expenses and management fees, are summarized in the table below.

(In Thousands)	2021	2020
Net realized and unrealized gain (loss)	\$ 122,345	\$ 1,305
Interest and dividends, net	220	1,336
Investment expense	(1,179)	(359)
Split-interest agreement annuity payments, change in annuities and unitrusts payable, and related expenses, net	(1,108)	(911)
	<u>\$ 120,278</u>	<u>\$ 1,371</u>

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

For the years ended May 31, investment return is reported in the Consolidated Statements of Activities as follows:

(In Thousands)	2021	2020
Income appropriated under spending policy	\$ 24,346	\$ 21,083
Investment income net of amounts appropriated under spending policy	97,536	(18,646)
Other investment return	(342)	31
Change in value of beneficial interests in outside trusts	564	(89)
Annuity and unitrust obligation expense	(1,826)	(1,008)
Total investment return	\$ 120,278	\$ 1,371

Endowment and annuity funds are generally pooled for investment purposes. Units of the pool are assigned on the basis of market value per unit at the beginning of the quarter in which funds are received. Income is distributed quarterly thereafter on a per-unit basis.

In conjunction with the annuity funds, the University has recorded a liability, included in liabilities for split interest agreements, equal to the present value of future cash flows expected to be paid to the beneficiaries based upon their actuarial expected lives.

The University has indirect investments in derivative financial instruments through partnership investments. Derivatives, such as forward foreign currency contracts and futures contracts, are used by the partnerships to hedge against risk.

NOTE 8 - FAIR VALUE MEASUREMENTS

The University measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - inputs include quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 - inputs are unobservable for the asset or liability and reflect management's own estimates.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Contributions Receivable

Contributions receivable are reported based on non-recurring fair value measurements and classified as Level 3. Any multi-year pledges received are initially recorded at the present value of estimated future cash flows. The discounts on these pledges are computed using rates commensurate with the risks involved and applicable to the year(s) in which the promised fund(s) are expected to be received.

Investments

Investments whose values are based on quoted market prices in active markets are classified as Level 1. These investments primarily consist of publicly traded mutual funds, government bonds, corporate bonds and equity securities. Investments whose values are based on prices in markets that are not active are classified as Level 2. Interests in private partnerships that can be redeemed at the measurement date and interests in private partnerships that are not redeemable at the measurement date are measured at net asset value ("NAV").

Beneficial Interests in Trusts

Assets held in outside trusts are classified as Level 3, as the University is not the trustee for these trusts and the unit of ownership is an individual interest in the trust. The University determines the fair value of the outside trusts based on the underlying investments as reported by the relevant Trustee(s). Assets held in other trusts are classified according to the nature of the underlying assets in the trust as the University is the trustee for these trusts.

Annuities and Unitrusts Payable

Annuities and Unitrusts Payable are based on non-recurring Level 3 fair value measurements. These instruments are initially recorded at the present value of future cash flows with a fair value discount rate adjusted for market conditions to determine fair value.

Interest Rate Swap

The fair value of interest rate swap agreement(s) is estimated through the use of pricing models which reflect the contractual terms of the swap(s) and where the inputs to those models are readily observable from actively quoted markets.

The fair value of the University's interest rate swap is determined based on a discounted cash flow method using the following significant inputs: the contractual terms of the swap such as the notional amount, fixed coupon rate, floating coupon rate (based on interbank rates consistent with the frequency and currency of the interest cash flows) and tenor.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

The following tables set forth the University's financial assets and liabilities that were accounted for at fair value on a recurring basis as of May 31, 2021 and 2020 by level within the fair value hierarchy.

(In Thousands)	May 31, 2021				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Assets					
Marketable securities					
Cash and cash equivalents	\$ 12,921	\$ -	\$ -	\$ -	\$ 12,921
Corporate bonds	18,579	-	-	-	18,579
Government bonds	4,860	-	-	-	4,860
Real estate investment trusts	4,938	-	-	-	4,938
Equity securities	63,012	-	-	-	63,012
Partnerships	-	-	-	401,863	401,863
Other	-	-	-	4,921	4,921
Beneficial interests in trusts	11,512	-	-	-	11,512
Beneficial interests in outside trusts	-	-	1,967	-	1,967
Total	\$ 115,822	\$ -	\$ 1,967	\$ 406,784	\$ 524,573
Liabilities					
Interest rate swap	\$ -	\$ -	\$ 590	\$ -	\$ 590
Total	\$ -	\$ -	\$ 590	\$ -	\$ 590
(In thousands)	May 31, 2020				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Assets					
Marketable securities					
Cash and cash equivalents	\$ 4,016	\$ -	\$ -	\$ -	\$ 4,016
Corporate bonds	21,692	-	-	-	21,692
Government bonds	61	-	-	-	61
Equity securities	48,706	-	-	-	48,706
Partnerships	-	-	-	332,464	332,464
Other	-	-	-	8,933	8,933
Beneficial interests in trusts	9,143	-	-	-	9,143
Beneficial interests in outside trusts	-	-	1,403	-	1,403
Total	\$ 83,618	\$ -	\$ 1,403	\$ 341,397	\$ 426,418
Liabilities					
Interest rate swap	\$ -	\$ -	\$ 1,170	\$ -	\$ 1,170
Total	\$ -	\$ -	\$ 1,170	\$ -	\$ 1,170

There were no transfers between levels during the years ended May 31, 2021 and 2020.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

The following table sets forth the liquidity, redemption policies, and unfunded commitments of the University's investments that have been accounted for using NAV per share or its equivalent as a practical expedient for calculating fair value as of May 31, 2021.

(In Thousands)	Fair Value	Unfunded Commitments	Frequency	Notice Period
Other partnerships	\$ 122	\$ -	quarterly	90 days
Private equity/venture capital	14,113	11,331	temporarily illiquid	(1)
Private equity/venture capital	37,829	41,491	illiquid	n/a
Private equity/venture capital	2,665	1,881	lockup	n/a
Private equity/venture capital	565	-	quarterly	45-91 days
Private equity/international	1,685	480	temporarily illiquid	(1)
Private equity/international	12,320	6,096	illiquid	n/a
Real assets	9,100	4,183	temporarily illiquid	(1)
Real assets	10,331	6,796	illiquid	n/a
Absolute return/hedge funds	119,085	-	quarterly, annually	45-90 days
International equity mutual funds	80,149	-	quarterly, annually	60-90 days
Domestic equities	113,899	-	quarterly, annually	60-105 days
Other investments	4,921	-	illiquid	
Total	\$ 406,784	\$ 72,258		

- (1) Temporarily illiquid includes lockups with definite expiration dates or funds in liquidation which have suspended normal liquidity terms or trusts that become liquid upon death of final beneficiary.

NOTE 9 - LAND, BUILDINGS, EQUIPMENT AND CONSTRUCTION IN PROGRESS

Land, buildings, equipment and construction in progress consisted of the following at May 31:

(In Thousands)	2021	2020
Land	\$ 9,949	\$ 9,949
Land improvements and infrastructure	20,998	20,630
Buildings	124,741	123,817
Building improvements	102,081	101,205
Furniture, fixtures, and equipment	13,428	12,881
Assets under finance lease	1,356	1,356
Internal use software	920	886
Leasehold improvements	69	69
Total	273,542	270,793
Less: accumulated depreciation	(152,646)	(144,924)
Construction in progress	3,979	2,689
Land, buildings and equipment, net	\$ 124,875	\$ 128,558

The figures above include activity residing in JRC. Specifically, \$3.1 million of land, \$1.7 million of land improvements and \$16.1 million of buildings are attributable to JRC as of May 31, 2021.

The University has entered into contracts for various construction projects on campus. The total obligation for these contracts is \$2.6 million of which \$0.7 million had been expended at May 31, 2021.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Notes Payable

JRC has loans outstanding which are payable to two Community Development Entities, the Community Builders and Massachusetts Housing and Investment Corporation, issued in November 2015 in connection with the acquisition of land and construction of the Shaich Family Alumni and Student Engagement Center in the amount of \$9.7 million. See Note 12 for details.

Leases

The University assesses contracts at inception to determine whether an arrangement is or includes a lease, which conveys the University's right to control the use of an identified asset for a period of time in exchange for consideration. The University is committed to one non-cancelable operating lease for space, for which a ROU asset and a lease liability are recorded on the Consolidated Statement of Financial Position as of May 31, 2021. The lease expires in 2113 and contains variable lease payments that adjust based on market indices. There are no renewal or termination options, residual value guarantees, or any restrictions or covenants.

The University has elected the practical expedient to forgo applying the recognition requirements in ASC 842 to short-term leases, and has elected to forgo application of ASC 842 to leases below a certain dollar threshold that are immaterial to the financial statements.

The University also leases equipment under leases which are classified as finance leases. The obligation associated with these leases is included in other liabilities in the Consolidated Statements of Financial Position. The amount of assets recorded under finance leases is included in land, buildings, equipment and construction in progress and had a capitalized value of \$1.4 million for both May 31, 2021 and 2020, with related accumulated amortization of \$1.3 million and \$1.2 million, as of May 31, 2021 and 2020, respectively.

As of May 31, 2021, the ROU asset and lease liability were as follows (in thousands):

Operating lease ROU asset	\$	975
Operating lease liability:		
Other current liabilities		10
Other long-term liabilities		965
		<hr/>
Total operating lease liability	\$	<u>975</u>

The amount of the ROU asset and lease liability were determined using a risk-free discount rate of 1.96%, based on the 30-year U.S. Treasury Rate, which most closely approximated the remaining term of the lease at the date that the ROU asset and lease liability were recorded, plus 50 basis points.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

The maturity of the University's lease liability for operating leases as of May 31, 2021 is as follows (in thousands):

<u>Years Ending May 31,</u>			
2022	\$	11	
2023		11	
2024		11	
2025		11	
2026		11	
Thereafter		2,695	
Total lease payments		2,750	
Less: imputed interest		(1,775)	
Total operating lease liability	\$	975	

Lease expense for the years ended May 31, 2021 and 2020 was \$83,000 and \$189,000, respectively.

As of May 31, 2021, future minimum rental payments due under non-cancelable lease agreements were as follows (in thousands):

	Operating Leases	Finance Leases	Total
2022	\$ 32	\$ 61	\$ 93
2023	28	-	28
2024	13	-	13
2025	11	-	11
2026	11	-	11
Thereafter	2,696	-	2,696
Total minimum lease payments	\$ 2,791	61	\$ 2,852
Less: imputed interest		(1)	
Finance lease obligation		\$ 60	

Contingencies

All funds expended by the University in connection with government grants and contracts are subject to audit by governmental agencies. In the opinion of management, any cost disallowances resulting from these audits would not have a material effect on the University's financial position.

The University is periodically involved in claims, suits, and other legal matters, all of which arise in the normal course of business. Management does not believe that the outcome of any currently pending matters, either individually or in the aggregate, will have a material impact on the University's Consolidated Statement of Financial Position or Consolidated Statement of Activities.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 11 - BONDS PAYABLE

Bonds payable as of May 31 consisted of the following:

(In Thousands)	2021	2020
<p>In April 2008, the University issued \$50,255 of Series 2008 revenue bonds through MDFA for the purpose of renovations and an addition to Goddard Library, and to redeem the Series 2000 and 2002 bonds. As security for the bonds, TD Bank issued an irrevocable, transferable, direct-pay letter of credit in an amount sufficient to pay the aggregate principal and an amount of up to 45 days interest on the bonds. The bonds, for which interest is payable at the weekly SIFMA Municipal Swap Index (0.05% on May 31, 2021) are due in varying installments, plus interest, with final maturity in 2036.</p>	\$ 32,090	\$ 33,645
<p>In August 2015, the University issued \$17,895 of Series 2015 revenue bonds through Capital One Municipal Funding for the purpose of refunding the University's Series 2005 bonds, to finance the renovation and/or equipping of certain facilities of the institution, and to pay the costs of issuing the bonds. The bonds carry a fixed interest rate of 2.40% and are due in varying installments plus interest, with final maturity in 2035. Sinking fund payments must be made in annual amounts ranging from \$770 to \$1,085.</p>	13,750	14,495
<p>In April 2020, the University issued \$10,750 of Series 2020 revenue bonds to JP Morgan Chase Bank, N.A. for the purpose of refunding the University's Series 2011 bonds. The bonds carry a fixed interest rate of 1.74%, are due in varying installments, plus interest, with final maturity in 2028. Sinking fund payments must be made in annual amounts ranging from \$1,135 to \$1,550.</p>	10,750	10,750
Total outstanding bonds	56,590	58,890
Unamortized financing issue costs	(371)	(402)
Total bonds payable	\$ 56,219	\$ 58,488

Principal payments related to the above indebtedness due in future fiscal years are as follows as of May 31, 2021:

(In Thousands)	
2022	\$ 3,530
2023	3,670
2024	3,830
2025	3,975
2026	4,135
Thereafter	37,450
Total	\$ 56,590

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Interest Rate Swap Agreement

The University entered into an interest rate swap agreement with a major financial institution with the intended purpose to effectively fix the interest cost on \$15 million of the Series 2008 bonds at 1.711%. The variable rate received under the term of the swap agreement is calculated at 75% of 1-month London Interbank Offered Rate (“LIBOR”), which on May 31, 2021 was 0.08588% resulting in an effective rate of 0.06441%. The swap agreement expires in October 2032, and the notional principal amount will decrease as the bonds mature. The swap agreement is reported at fair value in the Consolidated Statements of Financial Position. The fair value of the swap agreement is based on pricing models that consider risks and market factors. The change in the fair value of the swap agreement is reported in non-operating revenue (expense) in the Consolidated Statements of Activities and amounted to \$0.6 million 2021 and (\$1.0 million) in 2020, respectively.

The agreements related to the bonds payable contain certain financial covenants which provide for, among other things, debt service requirements. As of May 31, 2021, the University was in compliance with the financial covenants.

Interest expense on bonds payable was \$0.7 million and \$1.4 million for the years ended May 31, 2021 and 2020, respectively.

NOTE 12 - NEW MARKET TAX CREDIT

During fiscal year 2016, the University financed the land acquisition and building construction of the Shaich Family Alumni and Student Engagement Center (the “Project”), a building located at 939 Main Street in Worcester, primarily for classroom, meeting and office space used in support of its alumni and students. This was accomplished through JRC (see Note 1) which entered into several debt transactions in order to fund the Project, including accessing the New Market Tax Credit (“NMTC”) program. The NMTC program offers credits against federal income taxes over a seven-year period for Qualified Equity Investments in designated Community Development Entities (“CDEs”) pursuant to Section 45D of the Code in order to assist eligible businesses in making investments in certain low-income communities. JRC is a Qualified Active Low Income Community Business for the purpose of the NMTC program.

An investment fund (the “Fund”) was established and funded by a leveraged loan of \$6.7 million from the University and an investment of NMTC equity from an investor (Fund Investor). The Fund invested in CDEs controlled by Massachusetts Housing Investment Corporation (“MHIC”) and The Community Builders (“TCB”) which made loans to JRC on November 20, 2015 as follows:

(In thousands)	<u>Loan Amount</u>
TCB CDE IX B-2	\$ 853
TCB CDE IX A-2	1,863
MHIC MPM-1	4,788
MHIC MPM-2	<u>2,196</u>
Total	<u>\$ 9,700</u>

JRC used the borrowed funds and a capital contribution of \$13.9 million from the University to fund property purchases, construction costs and transaction financing costs for the Shaich Family Alumni and Student Engagement Center. JRC and the University entered into a lease for the University to use the building with a monthly rent payment beginning December 1, 2016.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Interest on the four loans is paid by JRC to MHIC and TCB, commencing on December 1, 2015, at 0.75% per annum. The notes all mature on December 31, 2049 with interest only payments through December 1, 2022 and principal and interest payments from January 1, 2023 to the maturity date of December 31, 2049. The University provided a limited payment guaranty and a completion guaranty to the CDEs to secure the loans.

The loan receivable and related interest receivable from the Fund to the University are recorded in Loan Receivable. JRC has recorded the loan obligations owed to MHIC and TCB in Notes Payable. Because there is no right of offset between the loan receivable due to the University and the notes payable by JRC, the loan receivable and notes payable are presented separately on the Consolidated Statements of Financial Position.

The leveraged loan matures on December 31, 2043, and the Fund will pay the University interest only at a rate of 1.00% per annum for the outstanding balance commencing December 10, 2015. Amortization begins January 1, 2023, with the first amortizing payment due December 10, 2023.

At the end of the seven year tax credit investment period, and for the following six months (Put Option Period), between January 1, 2023 and July 1, 2023, the Fund Investor has an option, but not an obligation, to sell to the University the Fund Investor's interest in the Fund for a put exercise price of \$1. If the put is not exercised, then the University has the right and option, at any time during the six month period following the Put Option Period, to elect to purchase the Fund Investor's interest in the Fund, at an amount equal to the fair market value at the time of exercise.

Interest expense related to the outstanding notes payable for the years ended May 31, 2021 and 2020 was \$73,000 in both years. Interest income related to the loan receivable for the years ended May 31, 2021 and 2020 was \$67,000 in both years.

NOTE 13 - LINES OF CREDIT

The University has a demand note working capital line of credit of \$10 million with TD Bank. The line bears interest at a rate of 30-day LIBOR plus 150 basis points with a floor of 4%, and expires January 2023. There were no borrowings outstanding on the line at May 31, 2021 or May 31, 2020.

On December 3, 2018, the University committed to a local community development corporation, which participates in the University Park Partnership, a line of credit of up to \$500,000 for five years with a maximum draw of \$100,000 per year. The line of credit is to cover carrying costs during restoration of a property in the Main South neighborhood. Outstanding balances on the line of credit are guaranteed by 92 Grand Street Commons LLC, which is secured by a mortgage on the property. This line of credit has been fully paid off and the related mortgage has been discharged. The outstanding balance as of May 31, 2021 and 2020 was \$0 and \$79,000, respectively.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

NOTE 14 - COMPONENTS OF NET ASSETS

The components of net assets at May 31 are as follows:

(In Thousands)	2021	2020
Net assets without donor restriction		
Undesignated funds	\$ 87,753	\$ 84,714
Board designated endowment	77,454	62,965
Total net assets without donor restriction	165,207	147,679
Net assets with donor restriction		
Restricted to time and purpose		
Endowment investment gains	277,081	198,173
Pledges and life insurance policies for non-endowment purposes	2,484	3,725
Unspent endowment income restricted as to purpose	7,310	6,238
Unspent gifts restricted as to purpose	6,793	6,418
Trust agreements neither for unrestricted nor endowed purposes	418	201
Perpetual donor restriction		
Endowed funds	153,585	149,497
Pledges and life insurance policies for endowment purposes	2,299	1,437
Trust agreements with endowed purposes	8,583	8,037
Donor-restricted loan funds	803	780
Total net assets with donor restriction	459,356	374,506
Total net assets	\$ 624,563	\$ 522,185

The University has classified certain funds in the Consolidated Statements of Financial Position as net assets restricted as to time or purpose, which is consistent with the donors' primary intent. However, through agreements with the donors, these funds are available to the University to meet financial obligations in the event no other sources are available. At May 31, 2021, endowed funds with a fair value of \$144.8 million representing \$74.4 million of gains in net assets with restrictions as to time or purpose and \$70.4 million of principal in net assets with restrictions in perpetuity, could be utilized by the Trustees if it should become impossible and/or impractical to employ the funds as the donors intended.

Designated funds without restriction are legally considered to be funds without restriction invested with the University's pooled endowment.

NOTE 15 - ENDOWMENTS

The University's endowment consists of approximately 600 different funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the University to function as quasi-endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence, or absence, of donor-imposed restrictions.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Interpretation of Relevant Law

In June 2009, the Commonwealth of Massachusetts enacted a version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of the endowed funds among factors for prudent investment and spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board of Trustees is permitted to determine a prudent payout amount, even if the market value of the fund is below the historic-dollar value. There is an expectation that, over time, the amount of net assets with restrictions in perpetuity will generally remain intact. The perspective is aligned with the accounting standards definition that funds restricted in perpetuity are those that must be held in perpetuity even though the historic-dollar value may be spent on a temporary basis. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with restrictions in perpetuity and is regarded as net appreciation is classified as net assets with restrictions as to time or purpose until those amounts are appropriated for expenditure by the organization in a manner consistent with the University’s spending policy.

Endowment Investment Policy

The University has adopted an investment philosophy, which combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods, as well as designated funds. Under the University’s investment policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University outsources management to a variety of managers with differing strategies. The Investment Committee of the Board is responsible for setting asset allocation policy and selecting and overseeing the managers.

Spending Policy

The University utilizes the total return method for determining the distribution to pooled funds. The total return includes investment yield (interest and dividends, less investment fees), realized gains (losses), and unrealized appreciation (depreciation). On this basis, for fiscal years 2021 and 2020, the Board of Trustees approved a distribution rate of 6.00% and 5.00% of the average market value of the endowment funds for the past 20 quarters, respectively, and has approved a distribution rate between 5.00% and 5.50% for fiscal year 2022. Funds that are “underwater” by 20% or less will have spending distributions calculated using the same formula as that adopted by the Board of Trustees for all other endowment funds, provided that this level does not exceed 7% of the beginning market value of any fund that is “underwater.”

Funds that are “underwater” by an amount in excess of 20%, but less than 30%, will be deemed at risk of permanent loss of principal, and spending will be reduced to a level of 2.5% of the beginning market value of the fund, with all further income and capital gains to be added to the principal of the fund until the amount “underwater” has been reduced to 20% or less. This calculation and adjustment will be made only at the beginning of each fiscal year and continue for at least that year. Funds that are “underwater” by an amount equal to or in excess of 30% will be frozen, with no distribution to support programs unless and until the shortfall amount has been reduced to 30% or less. This calculation and adjustment will also be made only at the beginning of each fiscal year and continue for at least that year. Net assets are released from restriction up to the spending rate.

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

Endowment net asset composition by type of fund as of May 31, 2021:

(In Thousands))	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 426,781	\$ 426,781
Board-designated funds	77,454	1,950	79,404
Total funds	<u>\$ 77,454</u>	<u>\$ 428,731</u>	<u>\$ 506,185</u>

Changes in endowment net assets for the fiscal year ended May 31, 2021:

(In Thousands)	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 62,965	\$ 347,671	\$ 410,636
Investment returns, net	18,795	99,965	118,760
Contributions and other additions	20	2,092	2,112
Transfers	-	61	61
Appropriations of endowment assets for expenditure (draw)	(4,154)	(20,193)	(24,347)
Expenses	(172)	(865)	(1,037)
Endowment net assets, end of year	<u>\$ 77,454</u>	<u>\$ 428,731</u>	<u>\$ 506,185</u>

Endowment net asset composition by type of fund as of May 31, 2020:

(In Thousands)	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	\$ -	\$ 346,025	\$ 346,025
Board-designated funds	62,965	1,646	64,611
Total funds	<u>\$ 62,965</u>	<u>\$ 347,671</u>	<u>\$ 410,636</u>

Changes in endowment net assets for the fiscal year ended May 31, 2020:

(In Thousands)	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 61,941	\$ 355,631	\$ 417,572
Investment returns, net	429	1,946	2,375
Contributions and other additions	11	7,430	7,441
Transfers	4,000	375	4,375
Appropriations of endowment assets for expenditure (draw)	(3,409)	(17,674)	(21,083)
Expenses	(7)	(37)	(44)
Endowment net assets, end of year	<u>\$ 62,965</u>	<u>\$ 347,671</u>	<u>\$ 410,636</u>

NOTE 16 - RETIREMENT PLANS

The University participates in a defined contribution plan administered by the Teachers Insurance & Annuity Association and Fidelity Investments. The plan requires a two-year waiting period before new employees

Clark University

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

May 31, 2021 and 2020

may participate, however this requirement is waived for those with two years of continuous service in a non-student position at another institution of higher education. Participants contribute at least 5% of salary and the University contributes 10% of salary. Expenses recognized by the University related to the above were \$4.4 million in 2021 and \$4.2 million in 2020.

The University has a health care insurance cost reimbursement program for eligible retired faculty members. Benefits are a fixed monthly amount with no provision for increase over time. Actual expense reimbursements paid under this program during both fiscal 2021 and 2020 totaled \$20,000. As of both May 31, 2021 and 2020, the University had accrued \$0.4 million, respectively, for the health care insurance cost reimbursement program which is included in accrued salary expenses in the Consolidated Statements of Financial Position.

NOTE 17 - RELATED PARTY TRANSACTIONS

Clark's Assistant Secretary and Vice President of Community Relations is also the Treasurer and a board member of the Community Development Corporation, to whom Clark had guaranteed a line of credit related to restoration of the Main South neighborhood. The line was paid in full and closed in fiscal year 2021. See Note 13 for more information on the line of credit.

NOTE 18 - SUBSEQUENT EVENTS

For purposes of determining the effects of subsequent events on these consolidated financial statements, management has evaluated events subsequent to May 31, 2021 and through September 27, 2021, the date on which the consolidated financial statements were available to be issued.

NOTE 19 - BECKER SCHOOL OF DESIGN AND TECHNOLOGY

On March 28, 2021, Clark University and Becker College executed a Letter of Agreement and a parallel Memorandum of Understanding, which documented a shared commitment to Clark establishing a new academic program in game design called the Becker School of Design and Technology, and to ensuring pathways for Becker students to transfer to Clark to finish their studies in associated programs starting with the Fall 2021 semester. This program had no impact to the consolidated financial statements for the year ended May 31, 2021.

SUPPLEMENTARY INFORMATION

Clark University
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
May 31, 2021

	May 31, 2021			
	Clark University	Jonas Realty Corporation	Eliminations	Total
	(In thousands)			
Assets:				
Cash and cash equivalents	\$ 62,898	\$ 191	\$ -	\$ 63,089
Due to/from related party	-	-	-	-
Funds held by trustees	1,116	-	-	1,116
Interest and dividends receivable	133	-	-	133
Grants and contracts receivable	1,697	-	-	1,697
Student accounts receivable, net of allowance for doubtful accounts of \$473 and \$392 in 2020 and 2019, respectively	339	-	-	339
Other accounts receivable	1,434	941	(941)	1,434
Loan receivable	6,785	-	-	6,785
Prepaid expenses and other assets	8,120	-	(5,363)	2,757
Contributions receivable, net	4,499	-	-	4,499
Student loans receivable, net	2,751	-	-	2,751
Beneficial interests in outside trusts	1,967	-	-	1,967
Investments, at fair value	522,809	-	-	522,809
Land, buildings, equipment, and construction in progress- net of accumulated depreciation	103,973	20,902	-	124,875
Total assets	<u>\$ 718,521</u>	<u>\$ 22,034</u>	<u>\$ (6,304)</u>	<u>\$ 734,251</u>
Liabilities:				
Accounts payable and accrued expenses	\$ 19,053	\$ 55	\$ (941)	\$ 18,167
Advance payments under grants and contracts	2,028	-	-	2,028
Other liabilities	10,037	19	(5,539)	4,517
Deposits and deferred revenue	8,372	-	-	8,372
Notes payable (Note 10)	-	9,644	-	9,644
Interest rate swap at fair market value (Note 11)	590	-	-	590
Bonds payable (Note 11)	56,219	-	-	56,219
Liability for split-interest agreements	6,863	-	-	6,863
Federal loan program advances	3,288	-	-	3,288
Total liabilities	<u>106,450</u>	<u>9,718</u>	<u>(6,480)</u>	<u>109,688</u>
Net Assets:				
Without restriction	152,715	12,316	176	165,207
With restriction	-	-	-	-
Time or purpose	294,086	-	-	294,086
Perpetual	165,270	-	-	165,270
Underwater endowment	-	-	-	-
Total net assets	<u>612,071</u>	<u>12,316</u>	<u>176</u>	<u>624,563</u>
Total liabilities and net assets	<u>\$ 718,521</u>	<u>\$ 22,034</u>	<u>\$ (6,304)</u>	<u>\$ 734,251</u>

Clark University
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2021

	Year Ended May 31, 2021				
	Clark University	Jonas Realty			Total
	Without Restriction	Without Restriction	Eliminations	Restriction	Without Restriction
(In thousands)					
Operating Revenue and Other Support:					
Student tuition and fees, net (Note 2)	\$ 72,915	\$ -	\$ -		\$ 72,915
Auxiliary services	10,899	-	-		10,899
Contributions	2,371	-	-		2,371
Income appropriated under spending policy	20,186	-	-		20,186
Grants and contracts	12,853	-	-		12,853
Federal student financial aid	1,046	-	-		1,046
Other investment return	(179)	-	-		(179)
Other income	1,309	373	(373)		1,309
Net assets released from restrictions	5,393	-	-		5,393
	<u>126,793</u>	<u>373</u>	<u>(373)</u>		<u>126,793</u>
Operating Expense:					
Instruction	44,020	-	21		44,041
Student services	15,017	-	48		15,065
Academic support	16,616	-	42		16,658
General institutional	17,815	39	15		17,869
Alumni and development	4,744	-	-		4,744
Research and sponsored programs	14,891	-	-		14,891
Auxiliary services	12,003	-	16		12,019
Allocated depreciation/interest/fees	-	691	(691)		-
	<u>125,106</u>	<u>730</u>	<u>(549)</u>		<u>125,287</u>
Change in net assets from operations	<u>1,687</u>	<u>(357)</u>	<u>176</u>		<u>1,506</u>
Non-Operating Activity:					
Investment income (loss) net of amounts appropriated under spending policy	14,849	-	-		14,849
Contributions	71	-	-		71
Income appropriated under spending policy	42	-	-		42
Change in value of interest rate swap	580	-	-		580
Change in value of beneficial interests in outside trusts (Note 7)	-	-	-		-
Annuity and unitrust obligation recovery (expense)	(90)	-	-		(90)
Other non-operating charges, net	359	-	-		359
Net assets released from restrictions	211	-	-		211
	<u>16,022</u>	<u>-</u>	<u>-</u>		<u>16,022</u>
Change in net assets	17,709	(357)	176		17,528
Net assets - beginning of year	135,006	12,673	-		147,679
Net assets - end of year	<u>\$ 152,715</u>	<u>\$ 12,316</u>	<u>\$ 176</u>		<u>\$ 165,207</u>

APPENDIX C
FORM OF INDENTURE

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TRUSTEES OF CLARK UNIVERSITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

INDENTURE OF TRUST

Dated as of November 1, 2021

\$155,200,000

**CLARK UNIVERSITY
TAXABLE BONDS
SERIES 2021**

APPENDIX C

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THIS INDENTURE OF TRUST (this “Indenture”), is made and entered into as of November 1, 2021, by and between TRUSTEES OF CLARK UNIVERSITY, a nonprofit corporation existing under the laws of The Commonwealth of Massachusetts (the “Institution”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, having a corporate trust office in Boston, Massachusetts, and being qualified to accept and administer the trusts hereby created (the “Trustee”);

WITNESSETH:

WHEREAS, the Institution has the requisite power to contract, to borrow money and to issue its bonds, and desires to provide for and has authorized the issuance of its Taxable Bonds, Series 2021 (the “Bonds”) in an aggregate principal amount of \$155,200,000;

WHEREAS, the proceeds of the Bonds will be used by the Institution for its general corporate purposes and consistent with its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, including, without limitation, (i) to finance or refinance (including through reimbursement to the Institution) the Project (as hereinafter defined) and (ii) to pay costs of issuing the Bonds; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to provide for the payment of the principal or Redemption Price (as defined herein) thereof and of the interest thereon, the Institution has authorized the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same unto the Trustee and its successors in trust forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the benefit and security of those who shall hold or own the Bonds issued and to be issued hereunder, or any of them, without preference of any of the Bonds over any others thereof for any reason whatsoever, except as otherwise provided herein;

NOW THEREFORE, the Institution, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in trust, for the benefit of all those who shall hold the Bonds, or any of them, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

“Additional Bonds” has the meaning set forth under Section 3.04 hereof.

APPENDIX C

“Authorized Denomination” means \$1,000 or any multiple integral thereof.

“Authorized Representative” means the Institution’s President, or Treasurer or any other Person designated as an Authorized Representative of the Institution by a Certificate of the Institution signed by any Authorized Representative, and filed with the Trustee.

“Beneficial Owner” means any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries) established to the reasonable satisfaction of the Trustee or the Institution.

“Bond Fund” means the fund by that name established pursuant to Section 5.02.

“Bonds” means the Initial Bonds and any Additional Bond authorized by, and at any time Outstanding, pursuant to this Indenture.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, (i) under which physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Bondholder, with the physical bond certificates held by and “immobilized” in the custody of the Securities Depository; (ii) is maintained by and the responsibility of others than the Institution or the Trustee; and (iii) is the record that identifies and records the transfer of the interests of the owners of book-entry interests in those Bonds.

“Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Designated Office of the Trustee is located are authorized by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

“Certificate,” “Statement,” “Request” and “Requisition” of the Institution mean, respectively, a written certificate, statement, request or requisition signed in the name of the Institution by the Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements provided for in Section 1.02.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto and any regulations promulgated thereunder.

“Commonwealth” means The Commonwealth of Massachusetts.

“Default” means any event which is or after notice or lapse of time or both would become an Event of Default.

“Designated Office” means the Designated Office of the Trustee, which as of the date of this Indenture is located at One Federal Street, 10th Floor, Boston, Massachusetts 02110, Attention: Corporate Trust Services, and such other offices as the Trustee may designate from time to time by written notice to the Institution and the Holders.

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

“Electronic Means” means facsimile transmission, email transmission, or other similar electronic means of communication providing evidence of transmission.

“Escrow Agent” means, U.S. Bank National Association, as escrow agent under the Refunding Escrow Agreement, and its successors in such capacity.

“Event of Default” means any of the events specified in Section 7.01.

“Holder” or “Bondholder,” whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“Indenture Fund” means the fund by that name established pursuant to Section 5.01.

"Initial Bonds" means the \$155,200,000 Clark University Taxable Bonds, Series 2021.

“Institution” means Trustees of Clark University, a nonprofit corporation existing under the laws of the Commonwealth, or said nonprofit corporation’s successor or successors.

“Interest Account” means the account by that name in the Bond Fund established pursuant to Section 5.02.

“Interest Payment Date” means July 1 and January 1 of each year, commencing July 1, 2022.

“Investment Securities” means either of the following: (i) direct nonprepayable, noncallable 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 of the United States of America), (ii) direct nonprepayable, noncallable obligations, the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing a direct ownership interest in securities described in this clause such as CATS, TIGRs, and Stripped Treasury Coupons rated or assessed in the top two Rating Categories by S&P and Moody’s and held by a custodian for safekeeping on behalf of holders of such securities, and (iii) any other investment determined by the Institution.

“Make-Whole Redemption Price” means the greater of (i) 100% of the principal amount of the Bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on any Bonds being redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus (A) 15 basis points in the case of the Bonds maturing July 1, 2031, (B) 25 basis points in the case of the Bonds maturing July 1, 2036, (C) 20 basis points in the case of the Bonds maturing July 1, 2042, and (iv) 20 basis points in the case of the Bonds maturing July 1, 2052, plus, in each case, accrued and unpaid interest on the Bonds to be redeemed to but excluding the redemption date.

APPENDIX C

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Institution upon notice to the Trustee.

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the Institution, but not an employee thereof) satisfactory to the Trustee.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.08) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (i) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds with respect to which all liability of the Institution shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.08; and (iii) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Payment Date” means an Interest Payment Date or a Principal Payment Date.

“Person” means an individual, corporation, firm, association, partnership, trust, limited liability company or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Account” means the account by that name in the Bond Fund established pursuant to Section 5.02.

“Principal Payment Date” means a date upon which a principal payment is due on the Bonds pursuant to the provisions hereof.

“Project” means the financing and refinancing of various capital renovations, improvements, and deferred maintenance items to the Institution’s facilities, and the acquisition and installation of furnishings and equipment for such facilities, all as included from time to time in the Institution’s capital plan and located at the Institution’s main campus at 950 Main Street Worcester, Massachusetts; the refunding of the Refunded Bonds, and the payment of a fee with respect to the termination of an interest rate swap issued in connection with outstanding indebtedness of the Institution.

“Rating Agency” means Moody’s.

“Record Date” means the fifteenth day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

“Redemption Fund” means the fund by that name established pursuant to Section 5.05.

“Redemption Price” means: (i) with respect to Bonds redeemed prior to (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and

(D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, in each case, the Make-Whole Redemption Price, and (ii) with respect to Bonds redeemed on or after (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, in each case, 100% of the principal amount of the Bonds to be redeemed.

“Refunded Bonds” means collectively: (i) the \$50,255,000 Massachusetts Development Finance Agency Variable Rate Demand Revenue Bonds, Clark University Issue, Series 2008; (ii) the \$17,895,000 Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2015 designated for redemption pursuant to the Refunding Trust Agreement; and (iii) the \$10,750,000 Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2020.

“Refunding Escrow Agreement” means the Refunding Escrow Agreement, dated as of November 24, 2021, pertaining to the Series 2015 Bonds by and among the Massachusetts Development Finance Agency, the Refunding Trustee, the sole bondowner of the Series 2015 Bonds, and the Institution.

“Responsible Officer” means any officer of the Trustee assigned to administer its duties hereunder.

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Institution upon notice to the Trustee.

“Securities Depository” means DTC and its successors and assigns, or any other securities depository selected or substituted as set forth in Section 2.10, which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds.

"Series 2008 Bonds" means the \$50,255,000 Massachusetts Development Finance Agency Variable Rate Demand Revenue Bonds, Clark University Issue, Series 2008.

"Series 2015 Bonds" means the \$17,895,000 Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2015.

"Series 2020 Bonds" means the \$10,750,000 Massachusetts Development Finance Agency Revenue Bonds, Clark University Issue, Series 2020.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.02 as the record date for the payment of defaulted interest on the Bonds.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Institution and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

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

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor or successors, as Trustee hereunder as provided in Section 8.01.

“Underwriter” means Goldman Sachs & Co. LLC.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect in the Commonwealth from time to time.

SECTION 1.02. Content of Certificates. Every certificate provided for in this Indenture to be given by or on behalf of the Institution with respect to compliance with any provision hereof shall include: (i) a statement that the Person making or giving such certificate has read such provision and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the certificate is based; (iii) a statement that, in the opinion of such Person, he or she has made or caused to be made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and (iv) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such certificate made or given by an officer of the Institution may be based, insofar as it relates to legal, accounting or management matters, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Institution) upon a certificate or opinion of or representation by an officer of the Institution, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Institution, or the same counsel, accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

SECTION 1.03. Interpretation.

(A) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(B) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(C) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

SECTION 2.01. Authorization of Bonds. An issue of Bonds to be issued hereunder in order to obtain funds to carry out the purposes indicated herein for the benefit of the Institution is hereby created. The Bonds are designated as the “Clark University Taxable Bonds, Series 2021.” The aggregate principal amount of Initial Bonds that may be issued and Outstanding under this Indenture shall not exceed One Hundred Fifty-Five Million Two Hundred Thousand Dollars (\$155,200,000). This Indenture constitutes a continuing agreement with the Holders from time to time of the Bonds to secure the full payment of the principal or Redemption Price of and interest on all such Bonds subject to the covenants, provisions and conditions contained herein and in the Bonds.

SECTION 2.02. Terms of the Bonds.

(A) The Bonds shall be issued as fully registered Bonds in Authorized Denominations. For any sales made outside the United States, the minimum purchase and trading amount is 150 units (*i.e.* a minimum aggregate principal amount of \$150,000). The Bonds shall be registered under a global book-entry system initially in the name of Cede & Co., as nominee of the Securities Depository. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.10. The Bonds are exempt from registration pursuant to Section 3(a)(4) of the Securities Act of 1933. The Bonds shall be dated as of the date of first authentication and delivery by the Trustee and shall be numbered from R-1 upward. The Bonds will mature, be subject to mandatory sinking fund redemption, as applicable, and will bear interest as set forth below:

The Bonds shall mature on July 1 of each of the years in the amounts and shall bear interest at the rates per annum as follows:

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<u>Year</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
2031	2.613%	\$5,640,000
2036	3.113	24,525,000
2042	3.216	39,460,000
2052*	3.316	85,575,000

*Maturity Year

The Bonds maturing July 1, 2031, July 1, 2036, July, 2042, and July 1, 2052 are subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date on July 1 of each of the years and in the principal amounts as follows:

\$5,640,000 Term Bond Due July 1, 2031

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2029	\$1,000,000	2031*	\$3,105,000
2030	1,535,000		

*Maturity Year

\$24,525,000 Term Bond Due July 1, 2036

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2032	\$3,710,000	2035	\$5,655,000
2033	4,340,000	2036*	5,835,000
2034	4,985,000		

*Maturity Year

\$39,460,000 Term Bond Due July 1, 2042

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2037	\$6,070,000	2040	\$6,670,000
2038	6,265,000	2041	6,885,000
2039	6,465,000	2042*	7,105,000

*Maturity Year

\$85,575,000 Term Bond Due July 1, 2052

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2043	\$7,330,000	2048	\$8,660,000
2044	7,580,000	2049	8,960,000
2045	7,835,000	2050	9,260,000
2046	8,100,000	2051	9,575,000
2047	8,375,000	2052*	9,900,000

* Maturity Year

(B) The principal or Redemption Price of the Bonds shall be payable by check or by wire transfer of immediately available funds in lawful money of the United States of America at the Designated Office of the Trustee.

Interest on the Bonds shall be payable from the later of (i) the dated date of the Bonds and (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for. Payment of the interest on each Interest Payment Date shall be made to the Person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of Bonds, submitted to the Trustee at least one (1) Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States designated by such Holder. Notwithstanding the foregoing, as long as the Securities Depository is the Holder of all or part of the Bonds in Book-Entry Form, said principal or Redemption Price and interest payments shall be made to the Securities Depository by wire transfer in immediately available funds. CUSIP number identification shall accompany all payments of principal or Redemption Price and interest whether by check or by wire transfer.

(C) The Bonds shall bear interest from their dated date at the rates set forth above. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360)-day year consisting of twelve (12) thirty (30)-day months.

(D) Any such interest not so punctually paid or duly provided for with respect to any Bond shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a "Special Record Date" for the payment of such defaulted interest to be fixed by the Trustee, notice whereof to be given by first class mail to the Holders of such Bonds not less than ten (10) days prior to such Special Record Date.

(E) The Bonds shall be subject to redemption as provided in Article IV.

SECTION 2.03. Form of Bonds. The Initial Bonds, and the Trustee's certificate of authentication and assignment to appear thereon, shall be in substantially the form attached hereto as **Exhibit A**, with necessary or appropriate variations, omissions, and insertions, as permitted or required by this Indenture.

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SECTION 2.04. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Institution with the manual or facsimile signature of an Authorized Representative. The Bonds shall then be delivered to the Trustee for authentication by it upon order of the Institution. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the Institution before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Institution, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Institution as though those who signed the same had continued to be such officer of the Institution, and also any Bond may be signed on behalf of the Institution by such Person as at the actual date of execution of such Bond shall be the proper officer of the Institution although at the nominal date of such Bond any such Person shall not have been such officer of the Institution.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, manually executed by an authorized signatory of the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05. Transfer of Bonds. Any Bond may, in accordance with its terms and subject to the limitations provided in Section 2.10, be transferred upon the books required to be kept pursuant to the provisions of Section 2.07 by the Person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Institution shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, for a like aggregate principal amount in Authorized Denominations. The Trustee may require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and the Trustee may also require the Bondholder requesting such transfer to pay a reasonable sum to cover any expenses incurred by the Trustee or the Institution in connection with such transfer. The Trustee shall not be required to transfer (i) any Bond during the fifteen (15) days next preceding the selection of Bonds for redemption or (ii) any Bond called for redemption.

SECTION 2.06. Exchange of Bonds. Bonds may be exchanged at the Designated Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations. The Trustee may require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange, and the Trustee may also require the Bondholder requesting such exchange to pay a reasonable sum to cover any expenses incurred by the Trustee or the Institution in connection with such exchange. The Trustee shall not be required to exchange (i) any Bond during the fifteen (15) days next preceding the selection of Bonds for redemption or (ii) any Bond called for redemption.

SECTION 2.07. Bond Register. The Trustee shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all reasonable times upon reasonable prior written notice (during regular business hours at the location where such books are kept) be open to inspection by any Bondholder, the Institution or their respective agents duly authorized in writing; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

SECTION 2.08. Reserved.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Institution, at the expense of the Holder of said Bond, shall execute, and, upon the Institution's request, the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Institution. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to the Trustee and the Institution shall be given, the Institution, at the expense of the Holder, shall execute, and the Trustee, upon the Institution's request, shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Trustee may require payment of a sum by the Holder sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses which may be incurred by the Institution and the Trustee in complying with this Section 2.09.

SECTION 2.10. Use of Securities Depository. Notwithstanding any provision of this Indenture to the contrary:

(A) The Bonds shall be initially issued as provided in Section 2.02. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) (a "substitute depository"); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by the Institution and not objected to by the Trustee, upon (i) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (ii) a determination by the Institution that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

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(3) To any Person as provided below, upon (i) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository; provided that no substitute depository that is not objected to by the Trustee can be obtained or (ii) a determination by the Institution that it is in the best interests of the Institution to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A), upon receipt of the Outstanding Bonds by the Trustee, together with a Certificate of the Institution to the Trustee, Bonds shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Certificate of the Institution. In the case of any transfer pursuant to clause (3) of subsection (A), upon receipt of the Outstanding Bonds by the Trustee together with a Certificate of the Institution to the Trustee, new Bonds shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such a Certificate of the Institution, subject to the limitations of Section 2.02, provided the Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Certificate of the Institution.

(C) In the case of a partial redemption or refunding of the Bonds evidencing a portion of the principal amount Outstanding, the Securities Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(D) The Institution and the Trustee shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Institution or the Trustee.

(E) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Institution and the Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns, in effecting payment of the principal or Redemption Price of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due, all in accordance with the letter of representations of the Institution to the Securities Depository or as otherwise agreed by the Trustee and the Securities Depository.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of Initial Bonds. At any time after the execution of this Indenture, the Institution may execute and the Trustee shall, upon Request of the Institution, authenticate and deliver the Initial Bonds in the aggregate principal amount of One Hundred Fifty-Five Million Two Hundred Thousand Dollars (\$155,200,000)]

SECTION 3.02. Application of Proceeds of Initial Bonds. The proceeds from the sale of the Initial Bonds (net of underwriter's discount and original issue discount, if any) of \$154,805,643.90 shall be applied by the Underwriter as follows:

- (a) \$30,480,808.41, the amount required to redeem the Series 2008 Bonds, shall be wired to U.S. Bank National Association, as the successor trustee for the Series 2008 Bonds to be deposited by the trustee in the Bond Fund of the Series 2008 Bonds to be used by the trustee to reimburse the letter of credit bank for amounts drawn under the credit facility for payment of the redemption price for the Series 2008 Bonds;
- (b) \$ 13,291,520.00, the amount required to refund the Series 2015 Bonds, shall be deposited with the Escrow Agent and applied in accordance with the provisions of the Refunding Escrow Agreement;
- (c) \$9,838,377.67, the amount required to refund the Series 2020 Bonds, shall be wired to JPMorgan Chase Bank, N.A.
- (d) \$457,091.00, the amount required to pay the fee required to terminate the interest rate swap with respect to the Series 2028 Bonds, shall be wired to Barclays; and
- (e) \$100,737,846.82, the remainder, shall be wired by the Underwriters to the Institution.

SECTION 3.03. Validity of Bonds. The recital contained in the Bonds that the same are issued pursuant to the Indenture shall be conclusive evidence of their validity and of compliance with the provisions of the Indenture in their issuance.

SECTION 3.04. Additional Bonds.

(a) The Institution may, from time to time, without the consent of the Bondholders, issue additional bonds under this Indenture. Additional Bonds shall be authorized by a Supplemental Indenture. Each Supplemental Indenture authorizing the issuance of Additional Bonds shall specify the following: (i) the authorized principal amount of Additional Bonds to be issued; (ii) the first interest payment date for the Additional Bonds; (iii) directions for the applications of the proceeds of the Additional Bonds; and (iv) such other provisions as the Institution deems advisable.

(b) The Additional Bonds so authorized shall be issued from time to time and in such amounts as directed by the Institution, shall be authenticated by the Trustee and shall be delivered by the Trustee to or upon the order of the Institution upon receipt of the consideration therefor. All such Additional Bonds shall mature on a maturity date of the Initial Bonds and shall bear interest at the same rate per annum as the applicable Initial Bonds. Additional Bonds shall:

- (i) be identical in all respects to the Initial Bonds except for their date of issuance and initial interest payment date;

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- (ii) without limiting the foregoing, be subject to redemption at the same times and at the same Redemption Price as the Initial Bonds, provided that the mandatory sinking fund redemptions for any Additional Bonds shall be structured in a manner that produces a weighted average life for such Additional Bonds that is equal to the remaining weighted average life of the Initial Bonds as of the issuance date of such Additional Bonds; and
- (iii) following the initial interest payment date for the applicable Additional Bonds, or upon issuance, if such Additional Bonds are issued on an interest payment date, bear the same CUSIP identifier(s) as the applicable Initial Bonds.

ARTICLE IV

REDEMPTION OF BONDS; BOOK-ENTRY SYSTEM

SECTION 4.01. Terms of Optional Redemption. The Bonds are subject to optional redemption prior to maturity at the written direction of the Institution to the Trustee at least thirty-five (35) days before the redemption date. Such redemption shall be in accordance with the terms of the Bonds, as a whole or in part on any Business Day as directed by the Institution at the Redemption Price, as described in the form of Bonds in **Exhibit A**.

At the request of the Trustee to the Institution, the Redemption Price of Bonds to be redeemed pursuant to this Article IV shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Institution at the Institution's expense to calculate such Redemption Price. The Trustee and the Institution may conclusively rely on the determination of such Redemption Price by such independent accounting firm, investment banking firm or financial advisor and shall not be liable for such reliance.

SECTION 4.02. Terms of Mandatory Redemption. The Bonds shall be redeemed from sinking fund installments without premium, plus accrued interest to the date of redemption, on the dates and in the amounts set forth in the Form of Bonds in **Exhibit A**.

SECTION 4.03. Selection of Bonds for Redemption.

If the Bonds are registered in Book-Entry Form and so long as the Securities Depository or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be allocated on a pro rata pass-through distribution of principal basis in accordance with the Securities Depository procedures, provided that, so long as the Bonds are held in Book-Entry Form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of the Securities Depository then in effect and, if the Securities Depository operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the Bonds will be selected for redemption, in accordance with the Securities Depository procedures, by lot or in such other manner as in accordance with the applicable arrangements of the Securities Depository.

The Institution intends that redemption allocations made by the Securities Depository be made on a pro rata pass-through distribution of principal basis as described above. However, neither the Institution nor the Underwriter can provide any assurance that the Securities Depository, the Securities Depository's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis.

For purposes of calculation of the pro rata pass-through distribution of principal, "pro rata," means, for any amount of principal to be paid, the application of a fraction to each denomination of the respective Bonds where (i) the numerator is equal to the amount due to the respective bondholders on a payment date, and (ii) the denominator is equal to the total original par amount of the respective Bonds.

If the Bonds are no longer registered only in Book-Entry Form, each owner will receive an amount of Bonds equal to the original face amount then beneficially held by that owner, registered in such investor's name. Thereafter, any redemption of less than all of the Bonds of any maturity will continue to be paid to the registered owners of such Bonds on a pro-rata basis, based on the portion of the original face amount of any such Bonds to be redeemed.

SECTION 4.04. Notice of Redemption.

(A) Notice of redemption shall be sent by the Trustee using Electronic Means or by first-class mail not less than thirty (30) days, (or, if longer, the minimum number of days necessary to comply with the operational requirements of the Securities Depository then in effect) nor more than sixty (60) days prior to the redemption date, to the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Institution shall provide the Trustee notice of redemption using Electronic Means or by first-class mail not less than thirty-five (35) days prior to the redemption date. If the Bonds are no longer held by the Securities Depository or its successor or substitute, the Trustee shall also give notice of redemption by first-class mail to such securities depositories and/or securities information services as shall be designated in a Certificate of the Institution. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the method of calculating the Redemption Price (if applicable), the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the maturity (including CUSIP number, if any), and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

(B) Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Institution, for and on behalf of the Institution.

(C) Failure by the Trustee to give notice pursuant to this Section 4.04 to any one or more of the securities information services or depositories designated by the Institution, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption pursuant to this Section 4.04 to

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any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

(D) The Institution may instruct the Trustee to provide conditional notice of redemption, which may be conditioned upon the receipt of moneys or any other event. Additionally, any notice given pursuant to this Section 4.04 may be rescinded by written notice given to the Trustee by the Institution no later than five (5) Business Days prior to the date specified for redemption. The Trustee shall give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same Persons, as notice of such redemption was given pursuant to this Section 4.04.

SECTION 4.05. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Institution shall execute (but need not prepare) and the Trustee shall prepare or cause to be prepared, authenticate and deliver to the Holder thereof, at the expense of the Institution, a new Bond or Bonds of Authorized Denominations, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.06. Effect of Redemption.

(A) Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of the Bonds (or portion thereof) together with interest thereon to the date of redemption so called for redemption being held by the Trustee, on the date fixed for redemption designated in such notice, the Bonds (or portion thereof) so called for redemption shall become due and payable at the Redemption Price (determined as specified in such notice), interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portion thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price from funds held by the Trustee for such payment.

(B) All Bonds redeemed pursuant to the provisions of this Article IV shall be cancelled by the Trustee upon surrender thereof and delivered to, or upon the order of, the Institution.

SECTION 4.07. Registration of Bonds in the Book-Entry System.

(A) The provisions of this Section 4.07 shall apply with respect to any Bond registered to Cede & Co. or any other nominee of the Securities Depository while the Book-Entry System is in effect.

(B) On the date of original delivery thereof, the Bonds shall be registered in the registry books of the Trustee in the name of Cede & Co., as nominee of the Securities Depository as agent for the Institution in maintaining the Book-Entry System. With respect to Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of the Securities Depository, the Institution and the Trustee shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations and various other entities, some of whom or their representatives own the Securities Depository) or to any Beneficial Owner (which means, when used with reference to the Book-

Entry System, the Person who is considered the Beneficial Owner of the Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Securities Depository) with respect to the following: (1) the accuracy of the records of the Securities Depository, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (2) the delivery to any Participant, any Beneficial Owner or any other Person, other than the Securities Depository, of any notice with respect to the Bonds, including any notice of redemption, or (3) the payment to any Participant, any Beneficial Owner or any other Person, other than the Securities Depository, of any amount with respect to the principal or Redemption Price of and interest on the Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective fully to satisfy and discharge the Institution's obligations with respect to the principal or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than the Securities Depository shall receive an authenticated Bond evidencing the obligation of the Institution to make payments of principal or Redemption Price and interest pursuant to this Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in this Indenture shall refer to such new nominee of the Securities Depository. The Trustee may conclusively rely and shall be fully protected in conclusively relying upon information furnished by the Securities Depository with respect to its members, Participants and any Beneficial Owners.

(C) In the event the Institution determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bond certificates, the Institution may so notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts and in authorized denominations. Whenever the Securities Depository requests the Institution and the Trustee to do so, the Trustee and the Institution will cooperate with the Securities Depository in taking appropriate action after reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(D) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in the Representation Letter from the Institution to DTC, which is on file with the Institution.

ARTICLE V

FUNDS AND ACCOUNTS

SECTION 5.01. Establishment and Pledge of Indenture Fund.

(A) The Trustee hereby establishes for the sole benefit of the Bondholders, a master fund referred to herein as the "Indenture Fund" containing the Bond Fund and the Redemption Fund and each of the accounts contained therein. The Indenture Fund and each of the funds and accounts in the Indenture Fund shall be identified on the books of the Trustee with reference

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hereto and shall be maintained by the Trustee and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and the Trustee shall have the exclusive and sole right of withdrawal therefrom in accordance with the terms of this Indenture. All amounts deposited with the Trustee pursuant to this Indenture shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(B) Subject only to the provisions of this Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth herein, the Indenture Fund and all amounts held therein are hereby pledged, assigned and transferred by the Institution to the Trustee for the benefit of the Bondholders to secure the full payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of this Indenture. The Institution hereby grants to the Trustee a security interest in and acknowledges and agrees that the Indenture Fund and all amounts on deposit therein shall constitute collateral security to secure the full payment of the principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of this Indenture. For purposes of creating, perfecting and maintaining the security interest of the Trustee on behalf of the Bondholders in and to the Indenture Fund and all amounts on deposit therein, the parties hereto agree as follows:

(1) this Indenture shall constitute a “security agreement” for purposes of the Uniform Commercial Code;

(2) the Trustee shall maintain on its books records reflecting the interest, as set forth in this Indenture, of the Bondholders in the Indenture Fund and/or the amounts on deposit therein; and

(3) the Indenture Fund and the amounts on deposit therein and any proceeds thereof shall be held by the Trustee acting in its capacity as an agent of the Bondholders, and the holding of such items by the Trustee (including the transfer of any items among the funds and accounts in the Indenture Fund) is deemed possession of such items on behalf of the Bondholders.

(C) Nothing in this Indenture or in the Bonds, expressed or implied, shall be construed to constitute a security interest under the Uniform Commercial Code or otherwise in the assets of the Institution other than in any interest of the Institution in the Indenture Fund and/or the amounts on deposit therein. No recourse for the payment of the principal or Redemption Price of or interest on any Bond, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Institution in this Indenture or in any Supplemental Indenture or in any Bond, or because of the creation of any indebtedness represented thereby, shall be had against any employee, agent, or officer, as such, past, present or future, of the Institution or of any successor entity, either directly or through any successor entity, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Bonds.

(D) No officer or agent of the Institution, nor any Person executing the Bonds, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

SECTION 5.02. Bond Fund.

(A) Upon the receipt thereof, the Trustee shall deposit all payments received from the Institution (other than proceeds from the sale of the Bonds that are to be applied pursuant to Section 3.02, amounts that are to be applied pursuant to Section 5.05 or income or profit from investments which are to be applied pursuant to Section 5.07) in a special fund designated the “Bond Fund” which the Trustee shall establish and maintain and hold in trust and which shall be disbursed and applied only as authorized in this Article V.

(B) At the times specified below, the Trustee shall allocate within the Bond Fund in the following order of priority the following amounts to the following accounts or funds, each of which the Trustee shall establish and maintain and hold in trust and each of which shall be disbursed and applied only as hereinafter authorized:

(1) On each Interest Payment Date, the Trustee shall deposit in the “Interest Account” the aggregate amount of interest becoming due and payable on such Interest Payment Date, until the balance in said account is equal to said aggregate amount of interest; and

(2) On each Principal Payment Date, the Trustee shall deposit in the “Principal Account” the aggregate amount of principal becoming due and payable on the Principal Payment Date, until the balance in said account is equal to said aggregate amount of such principal.

(C) At least six (6) but not more than twenty (20) Business Days before each Interest Payment Date, the Trustee shall determine the amount, if any, credited or to be credited to the Bond Fund during the period from the day after the last Interest Payment Date to the next succeeding Interest Payment Date from any source. The Trustee may, but shall not be required to, give notice to the Institution of such amount and the amount due, which notice shall be mailed, sent by facsimile transmission or delivered in such manner that the Institution will receive such notice by the Business Day before such next succeeding Interest Payment Date. Failure to provide the Institution with a notice as provided in this paragraph (C) or any defect in the notice to the Institution, shall not affect the amount due by the Institution. Any oral or telephonic notice may, but shall not be required to be supplemented by notice given in accordance with the preceding sentence.

(D) The Institution may at any time surrender to the Trustee for cancellation by it any Bonds that the Institution may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired. All Bonds after such surrender and cancellation shall be destroyed by the Trustee.

SECTION 5.03. Interest Account. All amounts in the Interest Account of the Bond Fund shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the

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Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

SECTION 5.04. Principal Account. All amounts in the Principal Account of the Bond Fund shall be used and withdrawn by the Trustee solely to pay principal on the Bonds on each Principal Payment Date.

SECTION 5.05. Redemption Fund.

(A) Upon the receipt thereof, the Trustee shall deposit the following amounts in a special fund designated the “Redemption Fund” which the Trustee shall establish and maintain and hold in trust:

(1) all moneys deposited by the Institution with the Trustee directed to be deposited in the Redemption Fund; and

(2) all interest, profits and other income received from the investment of moneys in the Redemption Fund.

(B) All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in Section 4.01, at the next succeeding date of redemption for which notice has been given; provided that, at any time prior to the selection of Bonds for such redemption, the Trustee shall, upon direction and at the expense of the Institution, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Institution may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price (exclusive of accrued interest) then applicable to such Bonds (or, if such Bonds are not then subject to redemption, the par value of such Bonds); and provided further that in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Principal Account as set forth in a Request of the Institution.

SECTION 5.06. Payments by the Institution; Allocation of Funds.

(A) On or before 11:00 AM on each Payment Date, until the principal of and interest on the Bonds shall have been fully paid or provision for such payment shall have been made as provided in this Indenture, the Institution shall pay to the Trustee a sum equal to the amount payable on such Payment Date as principal of and interest on the Bonds. Such payments shall be made in federal funds or other funds immediately available at the Designated Office of the Trustee and shall be promptly deposited by the Trustee upon receipt thereof in the Bond Fund.

Each payment made pursuant to this Section 5.06(A) shall at all times be sufficient to pay the total amount of interest and principal (whether at maturity or upon acceleration) becoming due and payable on the Bonds on such Payment Date. If on any Payment Date the amounts held by the Trustee in the accounts within the Bond Fund are insufficient to make any required payments of principal of (whether at maturity or upon acceleration) and interest on the Bonds as such payments become due, the Institution shall forthwith pay such deficiency to the Trustee.

(B) The obligations of the Institution to make the payments required by Section 5.06(A) hereof and to perform and observe the other agreements on its part contained herein shall be a general obligation of the Institution, absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Trustee, and during the term of this Indenture, the Institution shall pay all payments required to be made under Section 5.06(A) as prescribed therein and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off. Until such time as the principal of and interest on the Bonds shall have been fully paid, or provision for the payment thereof shall have been made as required by this Indenture, the Institution (i) will not suspend or discontinue any payments provided for in Section 5.06(A) hereof; (ii) will perform and observe all of its other covenants contained in this Indenture; and (iii) except as provided in Article IV or Article X hereof, will not terminate this Indenture for any cause, including, without limitation, the occurrence of any act or circumstances that may constitute failure of consideration, destruction of or damage to all or a portion of the projects financed with the proceeds of the Bonds, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the Commonwealth or any political subdivision of either of these, or any failure of the Trustee to perform and observe any covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Indenture, except to the extent permitted by this Indenture.

SECTION 5.07. Investment of Moneys in Funds and Accounts Held By Trustee.

(A) Moneys held in the Indenture Fund shall be invested by the Trustee, upon written direction of the Institution, solely in Investment Securities. Investment Securities shall be purchased at such prices as the Institution may direct. All Investment Securities shall be acquired subject to the limitations as to maturities hereinafter in this Section 5.07 set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the Institution. No Request of the Institution shall impose any duty on the Trustee inconsistent with its responsibilities hereunder. Absent receipt by the Trustee of written investment instructions from the Institution, moneys in the Indenture Fund shall remain uninvested.

(B) Moneys in such funds and accounts shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture.

(C) All interest, profits and other income received from the investment of moneys in the Redemption Fund shall be deposited when received in the Redemption Fund. All interest, profits and other income received from the investment of moneys in the Bond Fund shall be deposited when received in the Bond Fund.

(D) Investment Securities acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. Registrable Investment Securities held by the Trustee shall be registered in the name of the Trustee. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that are available to it, including those available through its regular accounting system.

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(E) The Trustee may commingle any of the funds or accounts established pursuant to this Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee or its affiliates may act as sponsor, depository, advisor, principal or agent in the making or disposing of any investment. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section 5.07, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee may sell at the best price reasonably obtainable by it, or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of Section 8.03, the Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Section 5.07. The Trustee shall not be responsible for any tax, fee or other charge in connection with any investment, reinvestment or the liquidation thereof.

(F) The parties hereto acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Institution the right to receive brokerage confirmations of security transactions as they occur, the Institution specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Institution with monthly account statements detailing all funds and accounts and investment transactions made by the Trustee hereunder.

(G) The Trustee shall be entitled to conclusively rely on all written investment instructions provided by the Institution hereunder and shall have no investment discretion. The Trustee shall have no responsibility or liability for any depreciation in the value of any investment or for any cost, fee, tax or other charge for any loss, direct or indirect, resulting from any investment, reinvestment or liquidation of investment, to the extent the Trustee has acted at the written direction of the Institution with respect to such investment.

SECTION 5.08. Amounts Remaining in Funds and Accounts. When there are no longer any Bonds Outstanding, all fees, charges and expenses of the Trustee, including fees and expenses of outside counsel and internal counsel to the Trustee, have been paid or provided for, all fees and expenses of the Institution relating to this Indenture have been paid or provided for, and this Indenture has been discharged and satisfied, the Trustee shall pay any amounts remaining in any of the funds or accounts created under this Indenture to the Institution within thirty (30) days after the date of discharge and satisfaction.

ARTICLE VI

PARTICULAR COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 6.01. Punctual Payment. The Trustee shall solely from funds provided by the Institution punctually pay the principal or Redemption Price and interest when due in respect of all the Bonds. When and as paid in full, all Bonds shall be delivered to the Trustee and shall be cancelled by the Trustee and delivered to, or upon the order of, the Institution.

SECTION 6.02. Compliance with Indenture. The Institution covenants not to issue, or permit to be issued, any Bonds under this Indenture in any manner other than in accordance with the provisions of this Indenture, and shall not suffer or permit any Default (within its power to prevent) to occur under this Indenture, but shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture.

SECTION 6.03. Against Encumbrances. The Institution shall not create or suffer to be created any pledge, lien, charge or other encumbrance upon all or any part of the Indenture Fund or any of the amounts held therein pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture and any statutory liens or other liens arising by operation of law. The Institution will assist the Trustee in contesting any pledge, lien, charge or other encumbrance that does not comply with the provisions of this Section 6.03.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Institution is duly authorized to issue the Bonds and to enter into this Indenture and to pledge and assign the funds and accounts purported to be pledged and assigned under this Indenture. The Bonds are and will be legal, valid and binding obligations of the Institution in accordance with their terms, and the Institution and the Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of funds and accounts and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons, subject to the limitations set forth in Article VIII relating to the Trustee.

SECTION 6.05. Accounting Records and Financial Statements.

(A) With respect to each fund or account established and maintained by the Trustee pursuant to this Indenture, the Trustee shall at all times keep, or cause to be kept, proper books of record and account prepared in accordance with corporate trust accounting standards, in which complete and accurate entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of payments received from the Institution and the proceeds of the Bonds. Such books of record and account shall be available for inspection by the Institution and any Bondholder, or his or her agent or representative duly authorized in writing, upon reasonable notice, at reasonable hours and under reasonable circumstances.

(B) The Trustee shall, upon request, make available to each Bondholder who shall have certified such Bondholder's position to the Trustee and provided indemnity to the Trustee satisfactory to it, a complete financial statement (which need not be audited and may be its regular account statements) covering receipts, disbursements, allocation and application of any moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Indenture for such month; provided that, notwithstanding the foregoing, the Trustee shall not be obligated to deliver an accounting for any fund or account that has a balance of \$0.00 and has not had any activity since the last reporting. The Trustee may conclusively rely and shall be fully protected in conclusively relying upon information furnished by a Bondholder for the purposes described in this Section 6.05. The Trustee shall also, upon request, furnish a copy of a statement to the Institution for the period of time requested by the Institution.

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SECTION 6.06. Representations and Warranties of the Institution.

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

(B) Tax Matters. The Institution represents and warrants that (a) it is an organization described in Section 501(c)(3) of the Code and it is not a “private foundation” as defined in Section 509 of the Code; (b) it has received a letter or letters from the Internal Revenue Service to that effect; (c) such letter or letters have not been modified, limited or revoked; (d) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or letters; (e) the facts and circumstances which form the basis of such letter or letters continue substantially to exist as represented to the Internal Revenue Service; and (f) it is exempt from federal income taxes under Section 501(a) of the Code. To the extent consistent with its status as a nonprofit corporation, the Institution agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of the Institution’s status as an organization described in Section 501(c)(3) of the Code, including, specifically, the Institution will not use any proceeds of the Bonds in any way that constitutes “private inurement” within the meaning of the Code.

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

(D) Annual Reports and Other Current Information. Unless otherwise available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”), within two hundred ten (210) days after the close of each of its fiscal years: (i) the Institution shall furnish to the Trustee and post on Munit, or any successor thereto or to the functions thereof copies of its annual audited financial statements, and (ii) the Institution shall post on Munit or any successor thereto or to the functions thereof the following information: (a) applications for admissions, acceptances and matriculations for the current academic year and (b) FTE enrollment statistics (fall semester) for the current academic year. The Trustee has no duty to review such financial statements, is not considered to have notice of the content of such

financial statements or a default based on such content and does not have a duty to verify the accuracy of such statements. The Institution shall furnish to the agencies rating the Bonds such information as they may reasonably require for current reports to their subscribers.

(E) Maintenance of Corporate Existence. The Institution shall maintain its existence under the laws of the Commonwealth and shall not dissolve or dispose of all or substantially all its assets, or consolidate with or merge into another entity or entities, or permit one or more other entities to consolidate with or merge into it, except that it may consolidate with or merge into one or more other entities or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to one or more other entities (and thereafter dissolve or not dissolve as it may elect), if (1) the surviving, resulting or transferee entity or entities each is a corporation having the status and powers set forth in Sections 6.06(A), 6.06(B) and 6.06(C), (2) the transaction does not result in a conflict, breach or default referred to in Section 6.06(A), (3) the surviving, resulting or transferee entity or entities (if not the Institution) each (a) assumes by written agreement with the Trustee all the obligations of the Institution hereunder, (b) notifies the Trustee of any change in the name of the Institution, and (c) executes, delivers, registers, records and files such other instruments the Trustee may reasonably require to confirm, perfect or maintain the security granted hereunder.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01. Events of Default. The following events shall be “Events of Default”:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise;

(B) default in the due and punctual payment of any interest on any Bond when and as such interest shall become due and payable;

(C) default by the Institution in the performance or observance of any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds (other than a covenant, agreement or condition a default in performance or observance of which is elsewhere in this Section 7.01 specifically dealt with), if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied and stating that such notice is a “Notice of Default” under this Indenture, shall have been given to the Institution by the Trustee, or to the Institution and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding;

(D) the commencement by the Institution of a voluntary case under the federal bankruptcy laws, or if the Institution shall become insolvent or unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors, or shall apply for, consent

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to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property;

(E) the appointment of a trustee, receiver, custodian or similar official or agent for the Institution or for any substantial part of its property and such trustee or receiver shall not be discharged within sixty (60) days; or

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

SECTION 7.02. Acceleration of Maturity. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and upon the request of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Trustee shall, upon notice in writing to the Institution, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration by the Trustee the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Trustee a sum sufficient to pay all the principal of or Redemption Price and interest on of the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the Bonds, and the reasonable charges and expenses of the Trustee (including counsel fees), and any and all other Defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall, on behalf of the Holders of all of the Bonds, by written notice to the Institution, rescind and annul such declaration and its consequences and waive such Default; but no such rescission and annulment shall extend to or shall affect any subsequent Default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.03. Rights as a Secured Party. The Trustee, as appropriate, may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code with respect to securities in the Indenture Fund, including without limitation the Bond Fund and the Redemption Fund, including the right to sell or redeem such securities and the right to retain the securities in satisfaction of the obligation of the Institution hereunder. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Institution at least seven (7) days before an event under Uniform Commercial Code Sections 9-610 and 9-611, or any successor provision of law shall constitute reasonable notification of such event.

SECTION 7.04. Application of Moneys Collected by the Trustee. If an Event of Default shall occur and be continuing, all moneys then held or thereafter received by the Trustee

under any of the provisions of this Indenture (subject to Section 11.09) shall be applied by the Trustee as follows and in the following order:

(A) To the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(B) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds; and

(C) To the payment of the principal or Redemption Price of and interest on of the Bonds then due (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

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

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the Persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

SECTION 7.05. Trustee to Represent Bondholders. The Trustee is hereby irrevocably appointed as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Indenture and applicable

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provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right. If more than one such request is received by the Trustee from the Holders, the Trustee shall follow the written request executed by the Holders of the greatest percentage (which percentage shall be, in any case, not less than a majority in aggregate principal amount) of the Bonds then Outstanding. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Indenture.

SECTION 7.06. Bondholders' Direction of Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnifying the Trustee to its reasonable satisfaction therefor, to direct the time, method and place of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

SECTION 7.07. Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture or any applicable law with respect to such Bond, unless (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Holders of Bonds, or to enforce any right under this Indenture or applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.08. Absolute Obligation of Institution. Notwithstanding any other provision of this Indenture, or in the Bonds, nothing shall affect or impair the obligation of the Institution, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, or, subject to Section 7.07, affect or impair the right of such Holders to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.09. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, then in every such case the Institution, the Trustee and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Institution, the Trustee and the Bondholders shall continue as though no such proceedings had been taken.

SECTION 7.10. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.11. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any Default shall impair any such right or power or shall be construed to be a waiver of any such Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.12. Waiver of Past Defaults. The Trustee may, and upon request of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds shall, on behalf of the Holders of all the Bonds waive any past Default hereunder and its consequences, except a Default:

- (A) In the payment of the principal or Redemption Price of or interest on any Bond, or
- (B) in respect of a covenant or other provision of this Indenture which, pursuant to Section 9.01, cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 7.13. Undertaking for Costs. Subject to the provisions of Section 8.06, the parties to this Indenture agree, and each Holder of any Bond by such Person's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee

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for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 7.13 shall not apply to any suit instituted by the Trustee or to any suit instituted by any Bondholder or group of Bondholders holding in the aggregate more than a majority in aggregate principal amount of the Outstanding Bonds.

SECTION 7.14. Notice of Default.

(A) Upon a Responsible Officer's actual knowledge of the existence of any Default under this Indenture, the Trustee shall notify the Institution in writing as soon as practicable, but in any event within five (5) Business Days.

(B) Upon a Responsible Officer's actual knowledge of the existence of any Default under this Indenture, the Trustee shall transmit by mail to all Bondholders, as their names and addresses appear in the bond register, notice of such Default hereunder within ninety (90) days, unless such Default shall have been cured or waived; provided, however, that, except in the case of a Default in the payment of the principal or Redemption Price of or interest on any Bond, the Trustee shall be protected in withholding such notice if and so long as Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Bondholders; and provided, further, that in the case of any Default of the character specified in Section 7.01(C) no such notice to Bondholders shall be given until at least thirty (30) days after the occurrence thereof.

SECTION 7.15. Trustee May File Proofs of Claim.

(A) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Institution or any other obligor upon the Bonds or the property of the Institution or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Institution for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(1) To file and prove a claim for the whole amount of principal (or Redemption Price) and interest owing and unpaid in respect of the Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel including expenses and fees of outside counsel and allocated costs of internal legal counsel) and of the Bondholders allowed in such judicial proceeding; and

(2) To collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator or sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel including expenses and fees of outside counsel and allocated costs of internal legal counsel, and any other amounts due the Trustee under this Indenture.

(B) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

(C) The Trustee shall be entitled to participate as a member of any official committee of creditors in the matters it deems advisable.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Duties, Immunities and Liabilities of Trustee.

(A) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and, except to the extent required by law, no implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default of which it has actual knowledge (which has not been cured or waived), exercise such of the rights and powers vested in it by this 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 such person's own affairs.

(B) The Institution may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (E) of this Section 8.01, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint a successor Trustee by an instrument in writing.

(C) The Trustee may at any time resign by giving written notice of such resignation to the Institution and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Trustee. Upon receiving such notice of

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resignation, the Institution shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of itself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Institution and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Institution shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Institution shall mail or cause to be mailed (at the expense of the Institution) a notice of the succession of such Trustee to the trusts hereunder to the Bondholders at the addresses shown on the registration books maintained by the Trustee. If the Institution fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Institution.

(E) Any successor Trustee shall be a trust company or bank having trust powers in the Commonwealth, having a combined capital and surplus of (or if such trust company or bank is a member of a bank holding system, its bank holding company shall have a combined capital and surplus of) at least fifty million dollars (\$50,000,000). If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Trustee shall resign immediately in the manner and with the effect specified in this Section 8.01.

SECTION 8.02. Merger or Consolidation. Any organization or entity into which the Trustee may be merged or converted or with which it may be consolidated, or any organization or entity resulting from any merger, conversion or consolidation to which the

Trustee shall be a party, or any organization or entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such organization or entity shall be otherwise qualified and eligible under subsection € of Section 8.01, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.03. Liability of Trustee.

(A) The Trustee assumes no responsibility for the correctness of the recitals of fact herein except as they specifically apply to the Trustee, and makes no representations as to the validity or sufficiency of this Indenture or of the Bonds, nor shall the Trustee incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Trustee or its powers. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligent action, negligent failure to act or willful misconduct.

(B) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(C) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority (or such lesser or greater number as this Indenture may permit to direct the Trustee) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(D) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have offered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby. The permissive rights of the Trustee hereunder are not to be construed as duties. The Trustee has no obligation or liability to the Holders for the payment of interest, principal, or Redemption Price with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder. Further, the Trustee shall have no responsibility for the use of Bond proceeds paid out in accordance with this Indenture.

(E) Except with respect to Events of Default specified in Section 7.01(A) or Section 7.01(B), the Trustee shall not be deemed to have knowledge of any Event of Default unless and until a Responsible Officer shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Designated Office. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

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(F) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his or her professional advice in accordance with the terms of this Indenture, if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

(G) The Trustee shall have no responsibility for and makes no representation as to the validity, sufficiency or adequacy of this Indenture or the Bonds or any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

SECTION 8.04. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, statement, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Institution, with regard to legal questions, and the opinion or written advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Person's title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Institution, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject upon prior written notice to the inspection of the Institution and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 8.06. Compensation and Indemnification.

(A) The Institution shall pay to the Trustee from time to time such compensation for its services as agreed to by the Institution and the Trustee. The Trustee's compensation shall not

be limited by any law on compensation of a Trustee of an express trust. The Institution shall reimburse the Trustee upon request for all reasonable and documented out-of-pocket expenses incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts.

(B) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or indemnity reasonably satisfactory to it against such risk or liability is not assured to it.

(C) The Institution further covenants and agrees to indemnify and save harmless the Trustee, and its officers, directors, employees, and agents against any loss, liability, damage, claim or expense (including counsel fees and expenses) that it may incur arising out of or in connection with (1) the exercise and performance of the Trustee's powers and duties hereunder in accordance with the provisions hereof or (2) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds or related documents, including the costs and expenses of enforcing this Indenture against the Institution and defending against any claim of liability, but excluding liabilities that are due to the Trustee's negligence, negligent failure to act or willful misconduct. The obligations of the Institution under this Section 8.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

(D) To secure the Institution's payment obligations in this Section, the Trustee shall have a lien prior to the Bonds on all money or property held or collected by the Trustee under this Indenture other than money or property held in trust to pay principal of and interest on particular Bonds.

SECTION 8.07. Notice to Rating Agency. The Trustee shall give written notice to each Rating Agency then rating the Bonds if (1) a successor Trustee is appointed hereunder, (2) if this Indenture is amended or supplemented in any material manner, (3) if the Bonds are paid and this Indenture defeased pursuant to Section 10.01, (4) if the Bonds are accelerated pursuant to Section 7.02, or (5) if the Bonds are redeemed in whole or in part pursuant to Section 4.01, provided that the Trustee shall incur no liability for failure to give any such notice.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

SECTION 9.01. Amendments Permitted.

(A) This Indenture and the rights and obligations of the Institution and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Institution and the Trustee may enter into when the written consent of the Holders of a majority in aggregate principal amount of

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the Bonds then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Holders of that is required to effect any such modification or amendment, or permit the creation of any lien on the Indenture Fund or the amounts pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Holders of the Bonds of the lien created by this Indenture on the Indenture Fund and such amounts (except as expressly provided in this Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Institution and the Trustee of any Supplemental Indenture pursuant to this subsection (A), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(B) This Indenture and the rights and obligations of the Institution, of the Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Institution and the Trustee may enter into without the necessity of obtaining the consent of any Bondholders, but only to the extent permitted by law and only for any one or more of the following purposes:

- (1) to provide for the issuance of Additional Bonds pursuant to Section 3.04 hereof;
- (2) to add to the covenants and agreements of the Institution contained in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Institution, provided that such covenant, agreement, pledge, assignment or surrender shall not materially adversely affect the interests of the Holders of the Bonds;
- (3) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Institution or the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds;
- (4) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders

of the Bonds (provided, however, that such modifications, amendments, supplements and additions shall be permitted under this subsection (B) only if qualification under said act or similar federal statute is required by applicable law now or hereafter in effect); or

(5) to provide for the procedures required to permit any Bondholder, at its option, to utilize an uncertificated system of registration of its Bond or to facilitate the registration of the Bonds in the name of a nominee of the Securities Depository in accordance with the provisions of Section 2.10.

(C) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by subsections (A) or (B) of this Section 9.01 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. In signing a Supplemental Indenture, the Trustee shall receive and be fully protected in relying upon an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

SECTION 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Institution, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article IX may, and if the Institution so determines shall, bear a notation by endorsement or otherwise in form approved by the Institution and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Bond for the purpose at the Designated Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Institution (which may be based on an Opinion of Counsel, in the sole discretion of the Institution), to any modification or amendment contained in such Supplemental Indenture, shall be prepared by the Trustee at the expense of the Institution, executed by the Institution and authenticated by the Trustee, and, subject to the provisions of Section 4.02 while the Bonds remain in the Book-Entry System, upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Designated Office of the Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity.

SECTION 9.04. Amendment of Particular Bonds. The provisions of this Article IX shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by such Bondholder, provided that due notation thereof is made on such Bonds.

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ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture. The Bonds may be paid or discharged by the Institution or the Trustee on behalf of the Institution in any of the following ways:

(A) by paying or causing to be paid the principal or Redemption Price of and interest on of all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Trustee, in trust, at or before maturity, moneys or securities in the necessary amount (as provided in Section 10.03) to pay when due or redeem all Bonds then Outstanding; or

(C) by delivering to the Trustee, for cancellation by it, all Bonds then Outstanding.

If the Institution shall also pay or cause to be paid all other sums payable hereunder by the Institution (including the outstanding fees and expenses of the Trustee and its counsel), then and in that case at the election of the Institution (evidenced by a Certificate of the Institution filed with the Trustee signifying the intention of the Institution to discharge all such indebtedness and this Indenture and upon receipt by the Trustee of an Opinion of Counsel to the effect that the obligations under this Indenture and the Bonds have been discharged), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of the Indenture Fund and all amounts held therein made under this Indenture and all covenants, agreements and other obligations of the Institution under this Indenture (except as otherwise provided in Section 8.06) shall cease, terminate, become void and be completely discharged and satisfied and the Bonds shall be deemed paid. In such event, upon the request and at the expense of the Institution, the Trustee shall cause an accounting for such period or periods as may be requested by the Institution to be prepared and filed with the Institution and shall execute and deliver to the Institution all such instruments as may be necessary to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the Institution all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

SECTION 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Institution in respect of such Bond shall cease, terminate and be completely discharged, and the Bonds shall be deemed paid, except only that thereafter the Holder thereof shall be entitled to payment of the principal or Redemption Price of and interest on such Bond by the Institution, and the Institution shall remain liable for such payments, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Institution may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Institution may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03. Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of and all unpaid interest on of such Bonds to the redemption date; or

(B) Investment Securities described in clause (1) or (2) of the definition thereof in Section 1.01 (not callable by the holder thereof prior to maturity), the principal of and interest on which when due will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by direction of the Institution) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal or Redemption Price of or interest on of any Bonds and remaining unclaimed for three years (or, if shorter, one day before such moneys would escheat to the Commonwealth under then applicable law) after such principal, Redemption Price or interest, as the case may be, has become due and payable (whether at maturity or upon call for redemption), shall be repaid to the Institution free from the trusts created by this Indenture upon receipt of an indemnification agreement acceptable to the Institution and the Trustee indemnifying the Trustee with respect to claims of Holders of Bonds which have not yet been paid, and all liability of the Trustee and the Institution with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Institution as aforesaid, the Trustee may (at the cost of the Institution) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and

APPENDIX C

with respect to the provisions relating to the repayment to the Institution of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Institution or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Institution or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.02. Limitation of Rights to Parties and Bondholders. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Institution, the Trustee and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Institution, the Trustee and the Holders of the Bonds.

SECTION 11.03. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.04. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to, or upon the order of, the Institution of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds.

SECTION 11.05. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 11.06. Notices. Any notice, direction, instruction or demand given or made pursuant to this Indenture shall be given or made in writing and shall be served by: (i) United States first-class mail, postage prepaid, addressed to the requisite party as set forth in this paragraph; (ii) hand delivery, addressed to the requisite party as set forth in this paragraph; or (iii) confirmed facsimile, addressed to the requisite party as set forth in this paragraph. Any notice, direction or instruction to or demand upon the Trustee shall be addressed to the Trustee at One Federal Street, 10th Floor, Boston, Massachusetts 02110, Attention: Corporate Trust

Services, Tel: (617) 603-6568, Fax: (617) 603-6667. Any notice to or demand upon the Institution shall be addressed to the Institution at 950 Main Street, Worcester, Massachusetts 01610, Attention: President and Treasurer, (or such other address as may have been filed in writing by the Institution with the Trustee).

SECTION 11.07. Evidence of Rights of Bondholders.

(A) Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in Person or by an agent or agents duly appointed in writing.

(B) The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

(C) The ownership of Bonds shall be proved by the registration books for the Bonds held by the Trustee.

(D) Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Institution in accordance therewith or reliance thereon.

SECTION 11.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known to the Trustee to be owned or held by or for the account of the Institution, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Institution or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.08 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Institution or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel selected by it with due care shall be full protection to the Trustee.

SECTION 11.09. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held uninvested in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

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SECTION 11.10. Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Holder thereof. The Trustee may establish such additional funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

SECTION 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the Institution shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or the performance of any duty hereunder; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

SECTION 11.13. Governing Law; Venue. This Indenture shall be construed in accordance with and governed by the Constitution and the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth. This Indenture shall be enforceable in the Commonwealth, and any action arising hereunder shall (unless waived by the Institution) be filed and maintained in the Commonwealth.

SECTION 11.14. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute one instrument.

SECTION 11.15. CUSIP Numbers. Neither the Trustee nor the Institution shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Holders and that neither the Trustee nor the Institution shall be liable for any inaccuracies in such numbers.

SECTION 11.16. Agreement Not for the Benefit of Other Parties. This Indenture is not intended for the benefit of and shall not be construed to create rights in parties other than the Institution, the Trustee, the Beneficial Owners, and the Bondholders.

SECTION 11.17. Entire Agreement. This Indenture constitutes the entire agreement of the parties hereto and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

SECTION 11.18. Electronic Communications. The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, note, bond, debenture or other paper or document (including any statement by or on behalf of any Holder relating to the amount of principal outstanding or interest due on any Obligation) reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Notice to Trustee") received pursuant to this Agreement by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the Person sending such Notice to Trustee is, in fact, a Person authorized to do so. Electronic signatures believed by the Trustee to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to the Trustee) shall be deemed original signatures for all purposes. Each other party to this Agreement assumes all risks arising out of the use of electronic signatures and electronic methods to send a Notice to Trustee, including without limitation the risk of the Trustee acting on an unauthorized Notice to Trustee and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that a Notice to Trustee in the form of an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any such electronic Notice to Trustee.

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APPENDIX C

IN WITNESS WHEREOF, the Institution has caused this Indenture to be signed in its name by an Authorized Representative, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its duly authorized officer all as of the day and year first above written.

TRUSTEES OF CLARK UNIVERSITY

By: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

EXHIBIT A

[FORM OF INITIAL BONDS]

REGISTERED

REGISTERED

No. R-

\$

UNITED STATES OF AMERICA

CLARK UNIVERSITY
TAXABLE BONDS,
SERIES 2021

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ISSUE DATE</u>	<u>CUSIP</u>
----------------------	----------------------	-------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

TRUSTEES OF CLARK UNIVERSITY, an nonprofit corporation organized and existing under the laws of The Commonwealth of Massachusetts (the "Institution"), for value received, hereby promises to pay, in lawful money of the United States of America, to the Registered Owner specified above, or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal amount specified above, and to pay interest on such principal amount on July 1, 2022 and semiannually thereafter on each January 1 and July 1 (each, an "Interest Payment Date") until payment of such principal amount shall be discharged as provided in the Indenture (as defined below). This bond shall bear interest at the rate set forth above from the later of (i) the date of issuance and (ii) the most recent Interest Payment Date to which interest has been paid or duly provided for. The principal or Redemption Price hereof (as defined below) is payable to the Holder hereof upon presentation and surrender hereof at the Designated Office of U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America (together with any successor trustee as provided in the Indenture, herein called the "Trustee"), having a corporate trust office in Boston, Massachusetts (or, in the case of a successor Trustee, at the designated office of such successor Trustee). The Bonds are issuable as fully registered Bonds in "Authorized Denominations" of \$1,000 or any integral multiple thereof

Payment of the interest on each Interest Payment Date shall be made to the Holder hereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of Bonds, submitted to the Trustee at least one (1) Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States designated by such Holder. Except with respect to defaulted interest (for which a special

APPENDIX C

record date will be established), as used herein, “Record Date” means the fifteenth (15th) day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date. As long as the Securities Depository is the Holder of all or part of the Bonds in book-entry form, said principal or Redemption Price and interest payments shall be made to the Securities Depository by wire transfer in immediately available funds. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360)-day year consisting of twelve (12) thirty (30)-day months.

This Bond is one of a duly authorized issue of bonds of the Institution designated as “Clark University Taxable Bonds, Series 2021” (herein called the “Bonds”), limited in aggregate principal amount to One Hundred Fifty-Five Million Two Hundred Thousand Dollars (\$155,200,000) and issued pursuant to an Indenture of Trust, dated as of November 1, 2021 (herein called the “Indenture”), by and between the Institution and the Trustee. Capitalized terms used herein but not defined herein have the meanings assigned to them in the Indenture.

The Bonds and the interest thereon are payable from amounts paid to the Trustee by the Institution pursuant to the Indenture for deposit in the Indenture Fund (as that term is defined in the Indenture) and are secured by a pledge and assignment of said Indenture Fund and all amounts held therein by the Trustee for the benefit of the Bondholders, subject only to the provisions of the Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

Interest payable on any Bond shall cease to accrue (i) on the maturity date of such Bond, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest thereon to such date; or (ii) on the date fixed for redemption thereof; provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof. The owner of such Bond shall not be entitled to any other payment for such Bond, and such Bond shall no longer be outstanding and entitled to the benefits of the Indenture, except for such payment from moneys held by the Trustee for such purpose.

This bond has been executed by the Trustee pursuant to the terms of the Indenture. Copies of the Indenture are on file at the Designated Office of the Trustee in Boston, Massachusetts (or, in the case of a successor Trustee, at the Designated Office of such successor Trustee), and reference is made to the Indenture and any and all amendments thereof for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the registered Holders of the Bonds with respect thereto and the other terms and conditions upon which the Bonds are delivered thereunder.

The Bonds are subject to optional redemption prior to maturity by written direction of the Institution, in whole or in part on any date in such order of maturity as directed by the Institution, at the Redemption Price, plus interest to the date of redemption. “Redemption Price” means: (i) with respect to Bonds redeemed prior to (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of the Bonds maturing July 1, 2042, and (D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, in each case at the Make-Whole Redemption Price and (ii) with respect to Bonds redeemed on or after (A) April 1, 2031 in the case of the Bonds maturing July 1, 2031, (B) April 1, 2036 in the case of the Bonds maturing July 1, 2036, (C) January 1, 2042 in the case of

APPENDIX C

the Bonds maturing July 1, 2042, and (D) January 1, 2052 in the case of the Bonds maturing July 1, 2052, in each case, at 100% of the principal amount of the Bonds to be redeemed.]

“Make-Whole Redemption Price” means the greater of (i) 100% of the principal amount of the Bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on any Bonds being redeemed (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus (A) 15 basis points in the case of the Bonds maturing July 1, 2031, (B) 25 basis points in the case of the Bonds maturing July 1, 2036, (C) 20 basis points in the case of the Bonds maturing July 1, 2042, and (iv) 20 basis points in the case of the Bonds maturing July 1, 2052, plus, in each case, accrued and unpaid interest on the Bonds to be redeemed to but excluding the redemption date.

The Bonds maturing July 1, 2031, July 1, 2036, July, 2042, and July 1, 2052 are subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date on July 1 of each of the years and in the principal amounts as follows:

\$5,640,000 Term Bond Due July 1, 2031

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2029	\$1,000,000	2031*	\$3,105,000
2030	1,535,000		

*Maturity Year

\$24,525,000 Term Bond Due July 1, 2036

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2032	\$3,710,000	2035	\$5,655,000
2033	4,340,000	2036*	5,835,000
2034	4,985,000		

*Maturity Year

\$39,460,000 Term Bond Due July 1, 2042

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2037	\$6,070,000	2040	\$6,670,000
2038	6,265,000	2041	6,885,000
2039	6,465,000	2042*	7,105,000

*Maturity Year

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\$85,575,000 Term Bond Due July 1, 2052

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2043	\$7,330,000	2048	\$8,660,000
2044	7,580,000	2049	8,960,000
2045	7,835,000	2050	9,260,000
2046	8,100,000	2051	9,575,000
2047	8,375,000	2052*	9,900,000

*Maturity Year

If less than all of the Bonds or any given portion thereof are called for redemption, the Bonds to be redeemed shall be selected in accordance with the Indenture.

As provided in the Indenture, notice of redemption shall be mailed by first-class mail by the Trustee, not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption, to the Holder of each Bond designated for redemption at their address appearing on the registration books of the Trustee. If this bond is called for redemption and payment is duly provided as specified in the Indenture, interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This bond is transferable by the registered Holder hereof, in person or by the registered Holder's attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, for the same aggregate principal amount, having the same maturity date and in Authorized Denominations, will be issued to the transferee in exchange therefor. Subject to the limitations and conditions and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged for the same aggregate principal amount of fully registered Bonds of other Authorized Denominations.

The Trustee shall not be required to transfer or exchange (i) any bond during the fifteen (15) days next preceding the selection of Bonds for redemption or (ii) any Bond called for redemption.

The Institution and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Institution and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Institution and of the registered owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture.

This bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, TRUSTEES OF CLARK UNIVERSITY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of an Authorized Representative, all as of the date set forth above.

TRUSTEES OF CLARK UNIVERSITY

By: _____
Authorized Representative

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION]

This is one of the Bonds described in the within-mentioned Indenture, and this Bond has been registered on the date set forth below.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

Dated:

By _____
Authorized Signatory

APPENDIX C

[FORM OF ASSIGNMENT]

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the books of the within-named Trustee, with full power of substitution in the premises.

Dated: _____

By _____

Signature Guaranteed By:

NOTICE: Signature must be guaranteed by a Participant in a Recognized Signature Guaranty Medallion Program.

APPENDIX D

PROPOSED FORM OF OPINION OF COUNSEL TO THE INSTITUTION

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[PROPOSED FORM OF INSTITUTION COUNSEL OPINION]

November 24, 2021

Trustees of Clark University
950 Main Street
Worcester, Massachusetts 01610

U.S. Bank National Association
One Federal Street, 10th Floor
Boston, Massachusetts 02110

Re: \$155,200,000 Clark University Taxable Bonds, Series 2021 (the "Bonds")

Ladies and Gentlemen:

We have acted as bond counsel for Trustees of Clark University (the "Institution") in connection with the issuance of the Bonds and are furnishing our opinion in connection with the authorization, issuance, validity, and delivery of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture (hereinafter defined).

The Bonds are being issued by means of a book-entry system, with bond certificates not available for distribution to the public and with transfers of beneficial ownership effected on the records of The Depository Trust Company, New York, New York ("DTC") and its participants pursuant to rules and procedures established by DTC and its participants.

The Bonds are issued pursuant to an Indenture of Trust dated as of November 1, 2021 (the "Indenture"), among the institution and U.S. Bank National Association, as Trustee (the "Trustee"). The Bonds are payable as to principal, interest, and premium, if any, and are subject to redemption prior to maturity, all as set forth in the Indenture.

We have examined in connection with this opinion the following (items 1, 2 and 3 being collectively referred to herein as the “Bond Documents”):

1. An executed counterpart of the Indenture;
2. An executed counterpart of the Purchase Contract, dated as of November 17, 2021, between the Institution and Goldman Sachs & Co. LLC (the “Purchase Contract”);
3. Bond Nos. R-1 through R-4, as executed and authenticated;
4. Certified copies of the resolutions of the Institution authorizing the issuance of the Bond Documents, and other relevant documents and certifications; and
5. Such other documents and statutes as we have deemed necessary in connection with this opinion.

We rely upon the representations and agreements of the Institution contained in the Indenture and in the certifications and agreements furnished pursuant to the Indenture including, without limitation, those contained in the Purchase Agreement, in each case with respect to the accuracy of material factual matters contained therein which were not independently established. We further assume for the purposes of this opinion that the Trustee and the Underwriter have the requisite authority to enter into and perform their obligations under those documents to which each is a party.

The opinions hereinafter expressed are generally qualified to the extent that (a) the enforceability of any provision of the Bond Documents or any rights granted to the Trustee pursuant to the Indenture are subject to and may be affected by applicable securities, bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or similar laws from time to time in effect and relating to or affecting the rights of creditors generally, and may be subject to requirements of good faith and fair dealing and commercial reasonableness, and the application by courts of competent jurisdiction of policies or laws containing provisions determined to have a paramount public interest, and (b) the availability of equitable relief, including, without limitation, the remedy of specific performance, is subject to general principles of equity, including certain equitable defenses, and to the discretion of the court before which any proceeding therefor may be brought.

Based upon such examination it is our opinion that:

1. The Institution is a nonprofit corporation validly existing under the laws of The Commonwealth of Massachusetts with full corporate power to execute and deliver the Bond Documents and to perform its obligations thereunder.

2. The execution and delivery by the Institution of the Bond Documents do not and the performance by the Institution of its obligations thereunder will not violate the Institution's charter or bylaws.

3. The Bonds have been duly authorized, issued, executed and delivered by the Institution and constitute valid, legally binding, and enforceable obligations of the Institution in accordance with their terms.

4. Each of the Bond Documents has been duly and lawfully authorized, executed, and delivered by the Institution and each is a valid and binding obligation of the Institution enforceable in accordance with its terms.

This opinion is specifically limited to matters as of the date hereof, and we undertake no obligation to update it. We express no opinion on the possible effects of changes in factual or legal matters occurring hereafter.

Very truly yours,

BOWDITCH & DEWEY, LLP

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