NEW ISSUE -- BOOK-ENTRY ONLY

$795,000,000
THE GEORGE WASHINGTON UNIVERSITY
TAXABLE BONDS, SERIES 2018

Dated: Date of Delivery **Due: September 15, 2048**

The George Washington University Taxable Bonds, Series 2018 (the "*2018 Bonds*") offered hereby will be general unsecured obligations of The George Washington University (the "*University*") and will be issued pursuant to the provisions of an Indenture of Trust dated as of April 1, 2018 (the "*Indenture*"), between the University and The Bank of New York Mellon, as trustee (the "*Trustee*"). The 2018 Bonds are payable by the University and from certain funds and accounts created and administered under the Indenture. The 2018 Bonds are being issued (1) to fund the optional redemption of certain currently outstanding taxable bonds of the University (the "*Redeemed Bonds*"), (2) to provide funds for authorized corporate purposes of the University and (3) to pay costs of issuance of the 2018 Bonds. See "**PLAN OF FINANCING**" and "**SECURITY FOR THE 2018 BONDS.**"

Interest on the 2018 Bonds is payable on March 15 and September 15 of each year (each an "*Interest Payment Date*"), commencing September 15, 2018. The Record Date with respect to each Interest Payment Date is the first day of the month of each such Interest Payment Date, or, if such day is not a Business Day, the next succeeding Business Day. The 2018 Bonds are subject to optional redemption prior to maturity. See "**THE 2018 BONDS - REDEMPTION.**"

Interest on, and gain, if any, earned on the sale or exchange or other taxable disposition of the 2018 Bonds are not excludable from gross income for federal income tax purposes. See "**TAX MATTERS.**"

The 2018 Bonds are offered when, as and if issued and accepted by the Underwriters. Certain legal matters will be passed upon for the University by the Office of the Senior Vice President and General Counsel of the University, and by Ballard Spahr LLP, Washington, D.C., the University's Special Counsel, and for the Underwriters by Parker Poe Adams & Bernstein LLP, Charlotte, North Carolina, Underwriters' Counsel. It is expected that the 2018 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about April 4, 2018.

BARCLAYS

J.P. MORGAN **LOOP CAPITAL MARKETS**

March 27, 2018

$795,000,000
THE GEORGE WASHINGTON UNIVERSITY
TAXABLE BONDS, SERIES 2018

MATURITY: September 15, 2048

INTEREST RATE	PRICE	CUSIP*
4.126%	100%	372546AW1

* CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP data herein is provided by S&P Global Market Intelligence, a division of S&P Global, Inc. CUSIP data herein is provided for convenience of reference only. The University does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2018 Bonds.

PROSPECTIVE BONDHOLDERS ARE ADVISED TO READ THIS ENTIRE OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO.

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE 2018 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

IN CONNECTION WITH THE OFFERING OF THE 2018 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 2018 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson, or other person has been authorized by the University or the Underwriters to give any information or to make any representations with respect to the 2018 Bonds, other than those contained in this Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Certain information contained herein has been obtained from The Depository Trust Company, Clearstream, Euroclear and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the University or the Underwriters. 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 herein shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. See "**AVAILABILITY OF CONTINUING DISCLOSURE**" herein. This Offering Memorandum is not to be construed as a contract or agreement between the University and the purchasers or holders of any of the 2018 Bonds.

This Offering Memorandum should be considered in its entirety and no one factor considered less important than any other by reason of its location herein. Where agreements, reports or other documents are referred to herein, reference should be made to such agreements, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

This Offering Memorandum contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors, including factors affecting the University's financial condition, could cause actual results to differ materially from those stated in the forward-looking statements.

THE 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.

THE GEORGE WASHINGTON UNIVERSITY PRINCIPAL OFFICIALS

Thomas J. LeBlanc	President
Louis H. Katz*	Executive Vice President and Treasurer
Forrest Maltzman	Provost and Executive Vice President for Academic Affairs
Beth Nolan	Senior Vice President and General Counsel

* On February 7, 2018, Mr. Katz announced that he will step down from his position as Executive Vice President and Treasurer at the end of June, 2018. Mark Diaz has been named as his successor. See Appendix A — "**THE GEORGE WASHINGTON UNIVERSITY — Governance and Administration**."

TABLE OF CONTENTS

SUMMARY OF THE OFFERING

Issuer	The George Washington University
Securities Offered	$795,000,000 Taxable Bonds, Series 2018 due on the date set forth on the cover page and the inside cover page of this Offering Memorandum
Interest Accrual Dates	Interest will accrue from the date of delivery
Interest Payment Dates	March 15 and September 15 each year, commencing September 15, 2018
Redemption	The 2018 Bonds are subject to optional redemption prior to maturity by the University, on any Business Day, in whole or in part, at the redemption price, including, if applicable, the Make-Whole Redemption Price, as further described herein. See "**THE 2018 BONDS — REDEMPTION**" herein
Settlement Date	On or about April 4, 2018
Authorized Denominations	$1,000 and integral multiples thereof
Form and Depository	The 2018 Bonds will be delivered solely in book-entry form through the facilities of DTC
Use of Proceeds	The University will use the net proceeds of this offering (1) to fund the optional redemption of certain currently outstanding taxable bonds of the University (the "*Redeemed Bonds*"), (2) to provide funds for authorized corporate purposes of the University and (3) to pay costs of issuance of the 2018 Bonds.
Ratings	Moody's: "A1" S&P: "A+"

INFORMATION COVERING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

MINIMUM UNIT SALES

THE 2018 BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE 2018 BOND OF USD $1,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 150 UNITS (BEING 150 2018 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF USD $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

THE 2018 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 RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA ("EEA"). FOR THESE PURPOSES, A 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"); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED, THE "INSURANCE MEDIATION 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 DIRECTIVE 2003/71/EC (AS AMENDED, THE "PROSPECTUS DIRECTIVE"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE 2018 BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFERING MEMORANDUM HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA") AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. IT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFERING MEMORANDUM IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS, INCLUDING IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA APPLIES TO THE UNIVERSITY. 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. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFERING MEMORANDUM OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE 2018 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) ("COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE") 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)("SECURITIES AND FUTURES ORDINANCE"), OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE, AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE 2018 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 SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO 2018 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 SECURITIES AND FUTURES ORDINANCE AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE 2018 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 2018 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 OF NATIONAL INSTRUMENT 33-105 *UNDERWRITING CONFLICTS* ("NI 33-105"), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN KOREA

THE 2018 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA FOR PUBLIC OFFERING IN KOREA UNDER THE

FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY THE “FSCMA”). THE 2018 BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT AS OTHERWISE PERMITTED UNDER THE APPLICABLE LAWS AND REGULATIONS OF 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 2018 BONDS OFFERED IN KOREA OR TO A RESIDENT IN KOREA SHALL BE LESS THAN FIFTY AND FOR A PERIOD IN ONE YEAR FROM THE ISSUE DATE OF THE 2018 BONDS, NONE OF THE 2018 BONDS MAY BE DIVIDED RESULTING IN AN INCREASED NUMBER OF THE 2018 BONDS. FURTHERMORE, THE 2018 BONDS MAY NOT BE RESOLD TO KOREAN RESIDENTS UNLESS THE PURCHASER OF THE 2018 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 2018 BONDS.

NOTICE TO PROSPECTIVE INVESTORS IN SINGAPORE

THIS OFFERING MEMORANDUM HAS NOT BEEN AND WILL NOT BE REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS OFFERING MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF THE 2018 BONDS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE 2018 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 UNDER SECTION 274 OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) (THE “SFA”), (II) TO A RELEVANT PERSON, OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS, SPECIFIED IN SECTION 275 OF THE SFA OR (II) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE THE 2018 BONDS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 BY A RELEVANT PERSON WHICH IS: (A) A CORPORATION (WHICH IS NOT 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 (B) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY IS AN ACCREDITED INVESTOR, THEN SECURITIES, DEBENTURES AND UNITS OF SECURITIES AND DEBENTURES OF THAT CORPORATION OR THE BENEFICIARIES’ RIGHTS AND INTEREST IN THAT TRUST SHALL NOT BE TRANSFERABLE FOR 6 MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED 2018 BONDS UNDER SECTION 275 EXCEPT: (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SFA OR TO A RELEVANT PERSON, OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS, SPECIFIED IN SECTION 275 OF THE SFA; (II) WHERE NO CONSIDERATION IS GIVEN FOR THE TRANSFER; (III) BY OPERATION OF LAW; (IV) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR (V) AS SPECIFIED IN REGULATION 32 OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS)(SHARE AND DEBENTURES) REGULATIONS 2005 OF SINGAPORE.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFERING MEMORANDUM IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE 2018 BONDS. THE 2018 BONDS MAY NOT BE

PUBLICLY OFFERED, SOLD OR ADVERTISED, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE OR ON ANY OTHER EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2018 BONDS CONSTITUTES A PROSPECTUS AS SUCH TERM IS UNDERSTOOD PURSUANT TO ART. 652A OR ART. 1156 OF THE SWISS CODE OF OBLIGATIONS OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE LISTING RULES OF THE SIX SWISS EXCHANGE OR ANY OTHER REGULATED TRADING FACILITY IN SWITZERLAND, AND NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE 2018 BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. NEITHER THIS OFFERING MEMORANDUM NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, NOR THE UNIVERSITY, NOR THE 2018 BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. THE 2018 BONDS ARE NOT SUBJECT TO SUPERVISION BY ANY SWISS REGULATORY AUTHORITY, E.G., THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA, AND INVESTORS IN THE 2018 BONDS WILL NOT BENEFIT FROM PROTECTION OR SUPERVISION BY SUCH AUTHORITY.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE 2018 BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS AND MAY NOT BE SOLD, ISSUED OR OFFERED WITHIN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES A REGISTRATION OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. NO PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORIZED TO OFFER, SELL, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING AND SALE OF THE 2018 BONDS IN TAIWAN.

$795,000,000
THE GEORGE WASHINGTON UNIVERSITY
TAXABLE BONDS, SERIES 2018

INTRODUCTION

This Offering Memorandum, which includes the cover page and Appendices attached hereto, is furnished by The George Washington University (the "*University*") to provide information regarding the University's Taxable Bonds, Series 2018 (the "*2018 Bonds*"). The 2018 Bonds are subject to optional redemption as described herein.

The 2018 Bonds are being issued (1) to fund the optional redemption of certain currently outstanding taxable bonds of the University (the "*Redeemed Bonds*"), (2) to provide funds for authorized corporate purposes of the University and (3) to pay costs of issuance of the 2018 Bonds. See "**PLAN OF FINANCING**."

The 2018 Bonds will be general unsecured obligations of the University. The University will issue the 2018 Bonds pursuant to an Indenture of Trust dated as of April 1, 2018 (the "*Indenture*") between the University and The Bank of New York Mellon, as trustee (the "*Trustee*"). No specific revenues of the University are pledged to the payment of the 2018 Bonds, and the 2018 Bonds are not secured by the pledge of any property, except to the extent of the Funds and Accounts held by the Trustee under the Indenture. The terms of the Indenture require payments by the University sufficient to pay the principal of and premium, if any, and interest on the 2018 Bonds and certain other amounts payable under the Indenture as the same become due. See "**SECURITY FOR THE 2018 BONDS**" and Appendix C – "**CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST**."

There follows in this Offering Memorandum descriptions of the University and the 2018 Bonds, together with summaries of the terms of the 2018 Bonds and of certain provisions of the Indenture. All summaries and references herein to the 2018 Bonds, to agreements and to documents do not purport to be comprehensive or definitive and are qualified in their entirety by references to the definitive forms thereof, and all references to the 2018 Bonds are further qualified by reference to the information with respect thereto contained in the Indenture. Prior to the delivery of the 2018 Bonds, copies of such documents are available for inspection at the offices of Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Public Finance Department. Subsequent to the issuance, sale and delivery of the 2018 Bonds, copies of such documents will be available at the designated corporate trust office of the Trustee. This Offering Memorandum should be read in its entirety, and no one subject discussed herein should be considered less important than any other by reason of its location in the text.

THE UNIVERSITY

The George Washington University is a private, nonsectarian, coeducational institution located in downtown Washington, D.C., a few blocks from the White House. The University was established in 1821, when President James Monroe signed an Act of Congress giving Columbian College, as the University was then called, its first charter; in 1904, an Act of Congress changed the name to The George Washington University, acknowledging President Washington's dream of a great university in the nation's capital. The University is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Its principal campus is located in the Foggy Bottom neighborhood; additional campuses are located in the Mount Vernon area of northwest Washington, D.C. and in Loudoun County, Virginia.

The University had 23,503 full time equivalent students enrolled as of fall 2017. The University consists of ten academic units. Eight schools offer both undergraduate and graduate degrees (the Columbian College of Arts and Sciences, the Elliott School of International Affairs, the School of Medicine and Health Sciences, the School of Engineering and Applied Science, the School of Business, the College of Professional Studies, the Milken Institute School of Public Health, and the School of Nursing), and two schools offer graduate and professional degrees (the Law School and the Graduate School of Education and Human Development). The University's students come from every state in the nation and the District of Columbia, as well as many foreign countries.

Further information concerning the University is contained in Appendix A — "**THE GEORGE WASHINGTON UNIVERSITY**."

PLAN OF FINANCING

The University expects to use $791,592,841.01 of the funds received from the sale and delivery of the 2018 Bonds (representing the par amount of the 2018 Bonds less the Underwriters' discount of $3,407,158.99) (1) to fund the optional redemption of the Redeemed Bonds, (2) to provide funds for authorized corporate purposes of the University and (3) to pay approximately $481,250.00 of the costs of issuance of the 2018 Bonds.

The Redeemed Bonds are comprised of (i) all of the University's Taxable Bonds, Series 2010 in the currently outstanding principal amount of $70,690,000, (ii) all of the University's Taxable Bonds, Series 2011 in the currently outstanding principal amount of $100,000,000, (iii) all of the University's Taxable Bonds, Series 2011A in the currently outstanding principal amount of $50,000,000, and (iv) all of the University's Taxable Bonds, Series 2012 in the currently outstanding principal amount of $300,000,000. The Redeemed Bonds are expected to be redeemed on April 27, 2018 at their respective principal amounts thereof, plus the applicable make-whole redemption price premium and interest accrued to the redemption date. The University is undertaking the refunding of the Redeemed Bonds to refinance maturities coming due between 2018 and 2022.

The University expects to use approximately $250,000,000 of the proceeds of the 2018 Bonds for authorized corporate purposes.

SECURITY FOR THE 2018 BONDS

GENERAL

The 2018 Bonds will be unsecured general obligations of the University. No specific revenues of the University are pledged to the payment of the 2018 Bonds, and the 2018 Bonds are not secured by the pledge of any property, except the Funds and Accounts held by the Trustee under the Indenture as described in the next paragraph. The Indenture requires the University to make payments sufficient, together with other moneys available therefor, to pay when due the principal of and premium, if any, and interest on the 2018 Bonds and other amounts payable under the Indenture.

Pursuant to the Indenture, the University will pledge and assign to the Trustee for the benefit of the holders of the 2018 Bonds and the holders of any other outstanding Bonds all moneys, securities and obligations, including Permitted Investments (including the investment income from Permitted Investments) deposited with or held by the Trustee in trust in the Funds and Accounts created under the Indenture. No reserve fund is established under the Indenture, however, and no moneys, securities or obligations are expected to be deposited or held under the Indenture, except for deposits required for the payment of debt service on the 2018 Bonds. See Appendix C – "**CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST – The Indenture** – *Creation of Funds and Accounts; Deposit of and Use of Moneys*."

Any attempt by the Trustee to enforce payment of the Indenture may be limited by bankruptcy proceedings and general principles of equity, which may restrict the ability of the Trustee to seek payment from property of the University. See Appendix C – "**CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST**."

ADDITIONAL INDEBTEDNESS AND OTHER INDEBTEDNESS

The University may issue Additional Bonds under the Indenture, without limitation as to amount.

The University reserves the right under the Indenture to incur Indebtedness, and to incur additional payment obligations with respect to any additional Indebtedness either as unsecured general obligations of the University, or as obligations for the payment of which specific revenue or property is pledged by the University. The Indenture does not restrict the ability of the University to grant security interests or liens to other creditors. Any such security interests or liens created might be enforceable even if enforcement would adversely affect the ability of the University to provide for payment of the 2018 Bonds.

As of June 30, 2017, the University had unsecured debt outstanding under several indentures and other documents separate and apart from the Indenture. See Appendix B – "**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GEORGE WASHINGTON UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016** – Consolidated Statements of Financial Position", "– Consolidated Statements of Unrestricted Activities" and " – Note 10 - Bonds and Note Payable" and Appendix C – **"CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST – Certain Definitions**."

THE 2018 BONDS

GENERAL

The 2018 Bonds will mature on the date set forth on the cover page and inside cover page of this Offering Memorandum. The 2018 Bonds shall be issuable as fully registered bonds without coupons in denominations of $1,000 principal amount or integral multiples thereof. See "**BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES**" for information concerning certain procedural transfer restrictions on the 2018 Bonds.

All payments of interest, premium, if any, and principal of, the 2018 Bonds shall be paid through a securities depository, which shall initially be The Depository Trust Company ("*DTC*" and, together with any successor securities depository, the "*Bond Depository*") used in accordance with its normal procedures, which as of the date hereof are summarized under "**BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES**."

INTEREST

The 2018 Bonds will bear interest at a fixed rate as set forth on the inside cover page of this Offering Memorandum. Interest on the 2018 Bonds will be initially payable on September 15, 2018 and semiannually thereafter on March 15 and September 15 of each year. Interest accrued on the 2018 Bonds shall be computed on the basis of a 360-day year, consisting of twelve 30-day months.

REDEMPTION

Optional Redemption at Par. The 2018 Bonds are subject to redemption prior to maturity by written direction of the University, in whole or in part, on any Business Day not earlier than March 15, 2048 (6 months prior to the maturity date of the 2018 Bonds) (the "*Par Redemption Date*"), upon payment of a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Optional Redemption at Make-Whole Redemption Price. The 2018 Bonds are subject to redemption prior to maturity by written direction of the University, in whole or in part, on any Business Day prior to the Par Redemption Date, at the Make-Whole Redemption Price. The "*Make-Whole Redemption Price*" is the greater of (i) 100% of the principal amount of the 2018 Bonds to be redeemed; or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2018 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2018 Bonds are to be redeemed, discounted to the date on which the 2018 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 20 basis points, plus, in each case, accrued and unpaid interest on the 2018 Bonds to be redeemed to the redemption date. The "*Treasury Rate*" is, 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, but not more than 45 calendar 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 2018 Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the yield on actually traded United States Treasury securities with a constant maturity of one year will be used (determined by reference to the aforementioned publications).

PARTIAL REDEMPTION OF 2018 BONDS

Upon surrender of any 2018 Bond redeemed in part only, the University will execute (but need not prepare) and the Registrar will prepare or cause to be prepared, authenticate and deliver to the Holder thereof, at the expense of the University, a new 2018 Bond or 2018 Bonds of Authorized Denominations, equal in aggregate principal amount to the unredeemed portion of the 2018 Bond surrendered.

NOTICE OF REDEMPTION

Notice of redemption will be delivered by the Registrar, not less than 30 days prior to the redemption date, to the Bond Depository (or if the 2018 Bonds are no longer held by the Bond Depository, to the Owners of the 2018 Bonds at their addresses appearing on the bond registration books of the Registrar). The Registrar shall also give notice of redemption by certified mail to such information services as shall be designated by the University. Each notice of redemption shall state the date of such notice, the date of issue of the 2018 Bonds, the redemption date, the redemption price, including, if applicable, the Make-Whole Redemption Price (or the method of calculating such price), 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 2018 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 2018 Bonds the redemption price, including, if applicable, the Make-Whole Redemption Price, thereof or of said specified portion of the principal amount thereof in the case of a 2018 Bond to be redeemed in part only (including interest accrued thereon to the redemption date) and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2018 Bonds be then surrendered.

Failure by the Registrar to give notice as described above to any one or more of the information services designated by the University, or the insufficiency of any such notice will not affect the sufficiency of the proceedings for redemption. Failure by the Registrar to mail notice of redemption to any one or more of the respective Owners of any 2018 Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Owners to whom such notice was mailed.

The University may instruct the Registrar to provide conditional notices of redemption, which may condition the redemption of the 2018 Bonds upon the receipt of moneys or any other event. If money is not received to complete the redemption (or such other event has not occurred), the redemption will not be made and the Registrar will give notice of such within a reasonable time after the last date on which money was to have been received (or such other event was to have occurred) in the same manner as notice of such redemption was given.

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, including, if applicable, the Make-Whole Redemption Price, of the 2018 Bonds (or portion thereof) so called for redemption being held by the Trustee, on the date fixed for redemption designated in such notice, the 2018 Bonds (or portion thereof) so called for redemption shall become due and payable at the redemption price, including, if applicable, the Make-Whole Redemption Price, specified in such notice, interest on the 2018 Bonds so called for redemption shall cease to accrue, said 2018 Bonds (or portion thereof) will cease to be entitled to any benefit or security under the Indenture, and the Holders of said 2018 Bonds will have no rights in respect thereof except to receive payment of said redemption price, including, if applicable, the Make-Whole Redemption Price, from funds held by the Trustee for such payment.

SELECTION OF 2018 BONDS FOR REDEMPTION

So long as the 2018 Bonds are registered in book-entry only form and the Bond Depository is the sole registered owner thereof, if less than all of the 2018 Bonds are called for prior redemption, the particular 2018 Bonds or portions thereof to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with the procedures of DTC, provided that, so long as the 2018 Bonds are held in book-entry form, the selection for redemption of such 2018 Bonds shall be made in accordance with the operational arrangements of DTC then in effect. If DTC's operational arrangements do not allow for the redemption of the 2018 Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the 2018 Bonds will be selected for redemption, in accordance with the procedures of DTC, by lot or in such other manner as is in accordance with the applicable DTC operational arrangements. If DTC is no longer the sole registered owner of the 2018 Bonds, if less than all of the 2018 Bonds are called for redemption, the Trustee will select the 2018 Bonds to be redeemed on a pro rata basis.

PURCHASE IN LIEU OF REDEMPTION

2018 Bonds called for redemption by the University may, at the option of the University, be purchased by the University in lieu of redemption on the same terms and conditions, including at the same price, as if such 2018 Bonds were redeemed if the University shall deliver to the Trustee on or before the second Business Day immediately preceding such redemption date a written notice specifying the principal amount and any applicable CUSIP numbers of 2018 Bonds to be purchased in lieu of being redeemed. In such event, the Trustee shall apply moneys designated for the redemption of the 2018 Bonds to the payment of the purchase price for such 2018 Bonds (which purchase price shall be the same as the redemption price). 2018 Bonds purchased in accordance with the foregoing which are not delivered to the Trustee on the purchase date shall be deemed to have been purchased by the University, and the University shall be deemed to be the Owner of such 2018 Bonds for all purposes under the Indenture.

BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

BOOK-ENTRY ONLY SYSTEM – THE DEPOSITORY TRUST COMPANY

The following information concerning The Depository Trust Company and its book-entry only system has been obtained from sources that the University and the Underwriters believe to be reliable. Neither the University nor the Underwriters guarantee or make any representation as to the accuracy or completeness thereof.

The Depository Trust Company ("*DTC*"), New York, New York, will act as securities depository for the 2018 Bonds. The 2018 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 2018 Bond in the aggregate principal amount the 2018 Bonds will be issued and deposited with DTC. So long as Cede & Co. is the registered owner of the 2018 Bonds, as DTC's partnership nominee, references herein to the owners or registered owners of the 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2018 Bonds.

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

Purchases of the 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 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 2018 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 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 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 2018 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 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2018 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 University 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 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2018 BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OR REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE UNIVERSITY OR TO DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. **BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE 2018 BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.**

Principal and interest payments on, and redemption premium, if any, with respect to the 2018 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 University or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the University or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. The University may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The University takes no responsibility for the accuracy thereof.

The University and the Trustee cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the 2018 Bonds (a) payments of principal of or interest on the 2018 Bonds, (b) confirmations of their ownership interests in the 2018 Bonds or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the 2018 Bonds, or that they will do so on a timely basis or that DTC, the Direct

Participants or the Indirect Participants will serve and act in the manner described in this Offering Memorandum.

Neither the University nor the Trustee will have any responsibility or obligation to the Direct Participants, Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal amount of or redemption price or interest on the 2018 Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted to be given to owners under the terms of the Indenture; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the 2018 Bonds or (5) any consent given or other action taken by DTC as owner.

GLOBAL CLEARANCE AND SETTLEMENT PROCEDURES FOR THE 2018 BONDS

The following is based on information made available by Clearstream and Euroclear or obtained from sources that the University and the Underwriters believe to be reliable, but the University and the Underwriters take no responsibility for the accuracy of this information. The University and the Underwriters have no responsibility for the performance by Clearstream and Euroclear or either of their Participants of their respective obligations as described in this Offering Memorandum or under the rules and procedures governing their respective operations.

Investors may elect to hold interests in the 2018 Bonds through either DTC (in the United States) or through Clearstream or Euroclear, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and/or Euroclear's names on the books of their respective U.S. depositories, which in turn will hold such interests in customers' securities accounts in the U.S. depositories' names on the books of DTC.

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations ("Clearstream Participants"), and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector ("*Commission de Surveillance du Secteur Financier"*). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Underwriters for the 2018 Bonds. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly. Distributions with respect to 2018 Bonds held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Euroclear was created in 1968 to hold securities for participants of Euroclear ("*Euroclear Participants*"), and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries.

Euroclear is operated by Euroclear Bank S.A./N.V. (the "*Euroclear Operator*"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System (the "*Euroclear Terms and Conditions*") and applicable Belgian law govern securities clearance accounts and cash accounts with the Euroclear Operator. Specifically, these terms and conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipt of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the terms and conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding securities through Euroclear Participants.

Payments with respect to 2018 Bonds held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream or Euroclear Participants, on the other, will be effected through DTC, in accordance with DTC's rules, on behalf of the relevant European international clearing system by its U.S. depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering interests in the 2018 Bonds to or receiving interests in the 2018 Bonds from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to DTC.

Because of time-zone differences, credits of interests in the 2018 Bonds received in Clearstream or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and will be credited the business day following the DTC settlement date. Such credits or any transactions involving interests in such 2018 Bonds settled during such processing will be reported to the relevant Euroclear or Clearstream Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of interests in the 2018 Bonds by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the 2018 Bonds among Direct and Indirect Participants of DTC, Clearstream Participants and Euroclear Participants. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue or change those procedures at any time.

THE UNIVERSITY, THE UNDERWRITERS, THE PAYING AGENT AND THE REGISTRAR CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR OR EUROCLEAR PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2018 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE 2018 BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE 2018 BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE 2018 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR OR EUROCLEAR PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFERING MEMORANDUM.

THE UNIVERSITY, THE UNDERWRITERS, THE PAYING AGENT AND THE REGISTRAR WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR, EUROCLEAR PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE 2018 BONDS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR OR EUROCLEAR PARTICIPANTS; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR OR EUROCLEAR PARTICIPANTS OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE 2018 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, CLEARSTREAM, CLEARSTREAM PARTICIPANTS, EUROCLEAR OR EUROCLEAR PARTICIPANTS OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE INDENTURE; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE 2018 BONDS.

LEGAL MATTERS

Certain legal matters will be passed upon for the University by the Office of the Senior Vice President and General Counsel of the University, and by Ballard Spahr LLP, Washington, D.C., the University's Special Counsel, and for the Underwriters by Parker Poe Adams & Bernstein LLP, Charlotte, North Carolina, Underwriters' Counsel.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the registered holders of the 2018 Bonds upon an event of default under the Indenture are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law, the remedies provided under the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds will be qualified as to enforceability of the various legal instruments, limitations imposed by bankruptcy, reorganization, insolvency or similar laws affecting the rights of creditors generally and by judicial discretion applicable to equitable remedies and proceedings generally.

TAX MATTERS

THE MATERIAL UNDER THIS CAPTION "TAX MATTERS" CONCERNING THE TAX CONSEQUENCES OF OWNERSHIP OF THE 2018 BONDS WAS WRITTEN TO SUPPORT THE MARKETING OF THE 2018 BONDS, AND EACH OWNER SHOULD SEEK ADVICE BASED ON THE OWNER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. THIS MATERIAL WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER.

GENERAL

Interest on and profit, if any, on the sale of the 2018 Bonds are not excludable from gross income for federal, state or local income tax purposes.

GENERAL FEDERAL TAX MATTERS

The following discussion summarizes the material United States federal income tax consequences generally applicable to the purchase, ownership and disposition of the 2018 Bonds by the beneficial owners thereof (*"Owners"*). The discussion is limited to the tax consequences to the initial Owners of the 2018 Bonds who purchase the 2018 Bonds at the issue price within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the *"Code"*) and generally does not address the tax consequences to subsequent purchasers of the 2018 Bonds. The discussion does not purport to be a complete analysis of all of the potential United States federal income tax consequences relating to the purchase, ownership and disposition of the 2018 Bonds, nor does this discussion describe any federal estate or gift tax consequences. Furthermore, the discussion does not address all aspects of taxation that might be relevant to particular purchasers in light of their individual circumstances. For instance, the discussion does not address the alternative minimum tax provisions of the Code or special rules applicable to certain categories of purchasers including dealers in securities or foreign currencies, insurance companies, regulated investment companies, real estate mortgage investment conduits, financial institutions, tax-exempt entities, Owners whose functional currency is not the United States dollar and, except to the extent discussed below, Foreign Owners (as defined below). The discussion does not address the special rules applicable to purchasers who hold the 2018 Bonds as part of a hedge, straddle, conversion, constructive ownership or constructive sale transaction or other risk reduction transaction. The discussion does not address foreign taxes.

The discussion is based on the provisions of the Code, the regulations of the Department of the Treasury, and administrative and judicial interpretations, all as in effect today and all of which are subject to change, possibly on a retroactive basis. The discussion assumes that the 2018 Bonds are held as capital assets within the meaning of Section 1221 of the Code.

TAX CONSEQUENCES TO UNITED STATES OWNERS

Stated interest payments on the 2018 Bonds is taxable to a United States Owner as ordinary income at the time the interest accrues or is received in accordance with the United States Owner's method of accounting for United States federal income tax purposes. A "United States Owner" is an Owner of a 2018 Bond that is, for United States federal income tax purposes: (1) a citizen or resident of the United States, (2) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (3) an estate, the income of which is subject to United States federal income taxation regardless of its source, or (4) a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons with authority to control all substantial decisions, or a trust that was in existence on August 20, 1996, and has elected to continue its then current treatment as a United States trust. If a partnership (or an entity taxable as a partnership) holds the 2018 Bonds, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership.

Original Issue Discount. A 2018 Bond will be treated as issued with original issue discount ("*OID*") for U.S. federal income tax purposes if the stated principal amount of such 2018 Bond exceeds its issue price by at least the de minimis threshold amount of 1⁄4 of one percent of the stated principal amount of such 2018 Bond multiplied by the number of complete years from the issue date of such 2018 Bond to its maturity. If a 2018 Bond is issued with OID, United States Owners, regardless of their regular method of tax accounting, will have to include the OID in gross income (as ordinary income) as it accrues (on a constant yield to maturity basis), prior to their receipt of the cash corresponding to such OID, which ordinarily will result in the inclusion of increasing amounts of OID in income in successive accrual periods.

Sale, Exchange, Redemption or Retirement of the 2018 Bonds. In general, upon the sale, exchange, redemption or retirement of a 2018 Bond, a United States Owner will recognize capital gain or loss equal to the difference between the amount realized on such sale, exchange, redemption or retirement (not including any amount attributable to accrued but unpaid interest that the United States Owner has not already included in gross income) and such United States Owner's adjusted tax basis in the 2018 Bond. Any amount attributable to accrued but unpaid interest that the Owner has not already included in gross income will be treated as a payment of interest. A United States Owner's adjusted tax basis in a 2018 Bond generally will equal the cost of the 2018 Bond to such United States Owner, reduced by principal payments received by such United States Owner and increased by any accrued but unpaid interest (including OID, if any) the United States Owner has included in taxable income.

Bond Premium. A holder of a 2018 Bond who purchases such 2018 Bond at a cost greater than the sum of all amounts payable on the 2018 Bond after the acquisition date (other than payments made at least annually over the term of the 2018 Bond of stated interest) will have amortizable bond premium. If the holder elects to amortize the bond premium, such election will apply to all 2018 Bonds held by the holder on the first day of the taxable year to which the election applies, and to all 2018 Bonds thereafter acquired by the holder. The premium must be amortized using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, but a reduction in basis is required for amortizable bond premium even though such premium is applied to reduce interest payments. Bond premium on a 2018 Bond held by a holder that has not elected to amortize bond premium will decrease the gain or loss otherwise recognized on the disposition of the 2018 Bond. Purchasers of any 2018 Bonds who acquire such 2018 Bonds at issue or in a secondary market at a premium should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such 2018 Bonds.

Backup Withholding. Owners will be subject to "backup withholding" of federal income tax in the event they fail to furnish a taxpayer identification number to the paying agent or there are other, related compliance failures. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to an Owner will be allowed as a credit against the Owner's U.S. federal income tax liability and may entitle the Owner to a refund, provided that the required information is timely furnished to the Internal Revenue Service. Owners should consult their tax advisors concerning the application of information reporting and backup withholding rules.

Unearned Income Tax. Certain United States Owners that are individuals, estates or trusts whose income exceeds certain thresholds are required to pay an additional 3.8% tax on, among other things, interest income and capital gains, subject to certain limitations and exceptions (the "*Unearned Income Tax*"). United States Owners that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Unearned Income Tax to their income and gains from the 2018 Bonds.

TAX CONSEQUENCES TO FOREIGN OWNERS

Payments of interest (including OID) on a 2018 Bond to an Owner that is not a United States Owner (a "*Foreign Owner*") are generally not subject to United States federal income tax or nonresident withholding tax, provided that:

- the Foreign Owner is not actually or constructively a "10-percent shareholder" under Section 871(h) or 881(c)(3)(B) of the Code;
- the Foreign Owner is not, for United States federal income tax purposes, a controlled foreign corporation with respect to which the University is a "related person" within the meaning of Section 881(c)(3)(C) of the Code;
- the Foreign Owner is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- the certification requirements under Section 871(h) or 881(c) of the Code and regulations (summarized below) are met; and
- the 2018 Bond interest is not effectively connected with the conduct by the Foreign Owner of a trade or business in the United States under Section 871(b) or Section 882 of the Code.

In order to obtain the exemption from income and withholding tax, either (1) the Foreign Owner must provide its name and address, and certify, under penalties of perjury on Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY or W-8EXP, as applicable, to the University, its paying agent, or other applicable withholding agent as the case may be, that such Owner is a Foreign Owner or (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business ("*Financial Institution*") and holds a 2018 Bond on behalf of the Foreign Owner, must certify, under penalties of perjury, to the University or its paying agent that such certificate has been received from the Owner by it or by any intermediary Financial Institution and must furnish the University or its paying agent with a copy of the certificate. A certificate is generally effective only with respect to payments of interest made to the certifying Foreign Owner after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. A Foreign Owner who does not satisfy the exemption requirements is generally subject to United States withholding tax on payments of interest (including OID).

Interest on a 2018 Bond (including OID) that is effectively connected with the conduct of a United States trade or business by the Foreign Owner is generally subject to United States federal income tax in the same manner as with a United States Owner, except to the extent otherwise provided under an applicable tax treaty. Effectively connected interest income received by a corporate Foreign Owner may also, under certain circumstances, be subject to an additional branch profits tax. Effectively connected interest income will not be subject to withholding tax if the Foreign Owner delivers a properly completed Internal Revenue Service Form W-8ECI to the University or its paying agent.

Sale, Exchange, Redemption or Retirement of the 2018 Bonds. In general, a Foreign Owner of a 2018 Bond will not be subject to United States federal income or withholding tax on the receipt of payments of principal on a 2018 Bond and will not be subject to United States federal income tax on any gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of such 2018 Bond unless:

- the Foreign Owner is a nonresident alien individual who is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are met under Section 871(a)(2) of the Code;
- the Foreign Owner is required to pay tax pursuant to the provisions of United States tax law applicable to certain United States expatriates; or
- the gain is effectively connected with the conduct of a United States trade or business by the Foreign Owner (or pursuant to an applicable tax treaty is attributable to a United States permanent establishment of the Foreign Owner).

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act or "*FATCA*") on certain types of payments made to non-United States financial institutions and certain other non-United States entities. Specifically, a 30% withholding tax may be imposed on payments of interest (including OID) on, or gross proceeds from the sale or other disposition of, a 2018 Bond paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the United States Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. An intergovernmental agreement governing FATCA between the United States and an applicable foreign country may modify the requirements described in this paragraph.

Under applicable U.S. Treasury regulations and administrative guidance, withholding under FATCA generally will apply to payments of interest on the 2018 Bonds. Withholding on withholdable payments of gross proceeds begins on January 1, 2019.

The FATCA provisions are particularly complex, and the scope and timing of their application remains uncertain. Prospective investors should consult their own tax advisors regarding how these rules may apply in their particular jurisdictional and other circumstances.

Other Matters. Special rules not discussed in this summary may apply to certain Foreign Owners that are classified for federal income tax purposes as "controlled foreign corporations," "passive foreign investment companies," "expatriates," "surrogate foreign corporations," "personal holding companies," or corporations that accumulate earnings to avoid United States federal income tax.

STATE, LOCAL AND FOREIGN TAXES

Owners may be subject to state, local, or foreign taxes with respect to an investment in the 2018 Bonds. Prospective investors are urged to consult their tax advisors with respect to the state, local and foreign tax consequences of an investment in the 2018 Bonds.

ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to ERISA ("*ERISA Plans*"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on 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, other than governmental and church plans as defined herein ("*Qualified Retirement Plans*"), on Individual Retirement Accounts ("*IRAs*") described in Section 408 and 408(a) of the Code, and on certain other plans described in Section 4975(e)(1) of the Code (collectively, "*Tax-Favored Plans*").

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) for which no election has been made under Section 410(d) of the Code, and non-U.S. benefit plans (as described in Section 4(b)(4) of ERISA), are not subject to the requirements of ERISA or Section 4975 of the Code. While assets of such plans may be invested in the 2018 Bonds without regard to the ERISA and Code considerations described below, they may be nevertheless subject to the provisions of applicable federal, state, local or foreign law that are similar to these ERISA and Code provisions. Accordingly, fiduciaries of such plans should consult with their counsel in considering whether to purchase the 2018 Bonds.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "*Benefit Plans*") and persons who have certain specified relationships to the Benefit Plans ("*Parties in Interest*" or "*Disqualified Persons*"), unless a statutory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) a fiduciary with respect to a plan; (2) a person providing services to a plan; and (3) 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) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available.

Plan Asset Issues. Certain transactions involving the purchase, holding or transfer of the 2018 Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the University were deemed to be assets of a Benefit Plan. The United States Department of Labor has promulgated regulations at 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the "*Plan Asset Regulation*") describing what constitutes the assets of a Benefit Plan with respect to the Benefit Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, the assets of the University would be treated as plan assets of a Benefit Plan for purposes of ERISA and the Code only if the Benefit Plan acquires an "equity interest" in the University and none of the exceptions contained in the Plan Asset Regulation is applicable. An equity interest is defined under the Plan Asset Regulation 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 is little statutory or regulatory guidance on this subject, and there can be no assurances in this regard, it appears that the 2018 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. Accordingly, the assets of the University should not be treated as the assets of plans investing in the 2018 Bonds. If the University's assets were deemed to constitute "plan assets" pursuant to the Plan Asset Regulation, transactions that the University might enter into, or may have entered into in the ordinary course of business, might constitute non-exempt prohibited transactions under ERISA and/or Section 4975 of the Internal Revenue Code.

Prohibited Transaction Exemptions. However, without regard to whether the 2018 Bonds are treated as an equity interest for such purposes, the acquisition or holding of 2018 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the University, its affiliates and other parties connected with the offering (such as the Underwriters), or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. In such case, certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a 2018 Bond. Included among these exemptions are:

- Prohibited Transaction Class Exemption ("*PTCE*") 96-23, which exempts certain transactions effected on behalf of a Benefit Plan by an "in-house asset manager";
- PTCE 90-1, which exempts certain investments by "insurance company pooled separate accounts";
- PTCE 95-60, which exempts certain investments by "insurance company general accounts";
- PTCE 91-38, which exempts certain investments by bank collective investment funds; and
- PTCE 84-14, which exempts certain transactions effected on behalf of a Benefit Plan by a "qualified professional asset manager."

Note that IRAs (and certain other plans described in Section 4975(e)(1)) are typically not represented by banks, insurance companies or registered investment advisors so that, practically speaking, these status-based exemptions may be unavailable.

There is also a statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (which may be available to IRAs as well as to other Benefit Plans) (the "*Statutory Exemption*"). The Statutory Exemption covers transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of which is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary).

The availability of each of these PTCEs and/or the Statutory Exemption is subject to a number of important conditions which the Benefit Plan's fiduciary must consider in determining whether such exemptions apply. There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the 2018 Bonds, or that, if available, the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions.

Any ERISA Plan fiduciary considering whether to purchase 2018 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of any similar federal, state, local or foreign law.

Representation. It is the responsibility of each purchaser (and each subsequent transferee) of the 2018 Bonds to ensure that its purchase, holding and transfer of such 2018 Bonds is not a prohibited transaction. Each purchaser of a 2018 Bond will be deemed to have represented and warranted that either under ERISA or applicable similar laws (1) it is not a Benefit Plan, such as an IRA, and no portion of the assets used to acquire or hold the 2018 Bonds constitutes assets of any Benefit Plan or (2) the acquisition, holding and disposition of a 2018 Bond will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable similar laws for which there is no applicable statutory, regulatory or administrative exemption.

In addition, any purchaser, transferee or holder of the 2018 Bonds or any interest therein that is a benefit plan investor as defined in 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (a "*Benefit Plan Investor*") or a fiduciary purchasing the 2018 Bonds on behalf of a Benefit Plan Investor (a "*Plan Fiduciary*") should consider the impact of the new regulations promulgated by the Department of Labor at 29 C.F.R. § 2510.3-21 on April 8, 2016 (81 Fed. Reg. 20,997) (the "*Fiduciary Rule*"). In connection with the Fiduciary Rule, each Benefit Plan Investor will be deemed to have represented by its acquisition of the 2018 Bonds that:

1. none of the University, its affiliates and other parties connected with the offering (such as the Underwriters) or any of their respective affiliates (the "*Transaction Parties*") has provided or will provide advice with respect to the acquisition of the 2018 Bonds to the Benefit Plan Investor, other than to the Plan Fiduciary which is "independent" (within the meaning of the Fiduciary Rule) of the Transaction Parties;

2. the Plan Fiduciary either:

    (a) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the "*Advisers Act*") or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; or

    (b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan Investor; or

    (c) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; or

(d) is a broker-dealer registered under the Securities Exchange Act of 1934 as amended; or

(e) has, and at all times that the Benefit Plan Investor is invested in the 2018 Bonds will have, total assets of at least $50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the Benefit Plan Investor investing in or holding the 2018 Bonds in such capacity);

3. the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Benefit Plan Investor of the 2018 Bonds;

4. the Plan Fiduciary is a "fiduciary" within the meaning of Section 3(21) of ERISA and section 4975 of the Code with respect to the Benefit Plan Investor and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor's acquisition of the 2018 Bonds;

5. none of the Transaction Parties has exercised any authority to cause the Benefit Plan Investor to invest in the 2018 Bonds or to negotiate the terms of the Benefit Plan Investor's investment in the 2018 Bonds; and

6. the Plan Fiduciary acknowledges and agrees that it has been informed by the Transaction Parties:

(a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Benefit Plan Investor's acquisition of the 2018 Bonds; and

(b) of the existence and nature of the Transaction Parties' financial interest in the Benefit Plan Investor's acquisition of the 2018 Bonds.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition of any 2018 Bonds by any Benefit Plan Investor.

The foregoing representations and statements are intended to comply with the Department of Labor regulations at 29 C.F.R. Sections 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (Fed. Reg. 20,997). If and to the extent these sections of the Fiduciary Rule are revoked, repealed or no longer effective, these representations and statements shall be deemed to be no longer in effect.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing 2018 Bonds on behalf of, or with the assets of, any Benefit Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any similar laws to such investment and whether an exemption would be applicable to the purchase and holding of the 2018 Bonds. The acquisition, holding and, to the extent relevant, disposition of 2018 Bonds by or to any Benefit Plan is in no respect a representation by the University (or any affiliate or representative of the University) that such an investment meets all relevant legal requirements with respect to investments by such Benefit Plans generally or any particular Benefit Plan, or that such an investment is appropriate for Benefit Plans generally or any particular Benefit Plan.

LITIGATION

There is no legal action or other proceeding pending or, to the knowledge of the University, threatened: (i) seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2018 Bonds; (ii) in any way questioning or affecting the validity of the 2018 Bonds or any actions of the University taken with respect to the issuance or sale thereof or questioning or affecting the powers of the University in a manner which would adversely affect the obligations of the University with respect to the 2018 Bonds; or (iii) in any way questioning or affecting the validity of the pledge or application of any money, revenues or security provided for the payment of the 2018 Bonds, the use of proceeds of the 2018 Bonds or the existence or powers of the University. For a discussion of pending litigation against the University, see Appendix A – "**THE GEORGE WASHINGTON UNIVERSITY – Litigation and Regulatory Issues**."

AVAILABILITY OF CONTINUING DISCLOSURE

Because the 2018 Bonds are not municipal securities, the University is not required to undertake continuing disclosure with respect to the 2018 Bonds under Rule 15c2-12 promulgated by the Securities and Exchange Commission (the *"Rule"*). However, the University has agreed in the Indenture to make available to existing and potential holders of the 2018 Bonds, on a voluntary basis, information substantially identical to that required under an agreement executed to ensure compliance with the Rule, by posting such information on its website. The University may, at its option, post such information electronically through another generally available means or service instead of posting on its website. Failure to provide the information described in this paragraph will not constitute an Event of Default under the Indenture.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the 2018 Bonds from the University. The Underwriters will be obligated to purchase all of the 2018 Bonds, if any are purchased, and intend to make a bona fide offering of the 2018 Bonds to purchasers in accordance with applicable law at the prices set forth therein.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of The George Washington University and its subsidiaries as of and for the years ended June 30, 2017 and June 30, 2016, included in Appendix B of this Offering Memorandum, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report, appearing herein.

RATINGS

The 2018 Bonds have been rated "A1" by Moody's Investors Service, Inc. ("*Moody's*") and "A+" by S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("*S&P*"), on the basis of their respective evaluations of the financial condition and affairs of the University.

Any explanation of the significance of such ratings must be obtained from Moody's and S&P. No application has been made to any other rating agency in order to obtain additional ratings on the 2018 Bonds. The ratings are not a recommendation to buy, sell or hold the 2018 Bonds, and each rating should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised with respect to the 2018 Bonds downward by Moody's or S&P. Such action, if taken, could have an adverse effect on the market price of the 2018 Bonds.

MISCELLANEOUS

The University has furnished all information herein except that contained under "**INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE OF THE UNITED STATES**" and "**UNDERWRITING**" and except as otherwise expressly stated. Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized. Neither this Offering Memorandum, nor any statement which may have been made orally or in writing with respect to this Offering Memorandum nor any statement made as described under "**AVAILABILITY OF CONTINUING DISCLOSURE**" is to be construed as a contract with any 2018 Bondholder.

The summaries of the provisions of the 2018 Bonds, the Indenture, and all other summaries herein and references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and are made subject to all of the detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions of such documents.

All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions herein will be realized. To the extent statements made herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information set forth in this Offering Memorandum should not be construed as representing all of the conditions affecting the University or the 2018 Bonds.

The University has approved the use and distribution of this Offering Memorandum in connection with the offering and sale of the 2018 Bonds.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

THE GEORGE WASHINGTON UNIVERSITY

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

THE GEORGE WASHINGTON UNIVERSITY

CERTAIN INFORMATION CONCERNING THE UNIVERSITY

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE GEORGE WASHINGTON UNIVERSITY

This Appendix A contains information about The George Washington University (the University or GW) and its operations. Certain financial information with respect to the University is included in this Appendix A. The information should be read in connection with the University's consolidated financial statements, which are included in Appendix B and which, together with the notes thereto, should be read in their entirety.

I. GENERAL

The George Washington University is a private, nonsectarian, coeducational institution located in downtown Washington, DC, a few blocks from the White House. The University was established in 1821, when President James Monroe signed an Act of Congress giving Columbian College, as the University was then called, its first charter. In 1904, an Act of Congress changed the name to The George Washington University, acknowledging President Washington's dream of a great university in the nation's capital. The University is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Its principal campus is located in the Foggy Bottom neighborhood; additional campuses are located in northwest Washington and in Loudoun County, Virginia. (See **UNIVERSITY FACILITIES**.)

The University enrolled 23,503 full-time equivalent students as of fall 2017. The University consists of ten academic units. Eight schools offer both undergraduate and graduate degrees (the Columbian College of Arts and Sciences, the Elliott School of International Affairs, the School of Medicine and Health Sciences, the School of Engineering and Applied Science, the School of Business, the College of Professional Studies, the Milken Institute School of Public Health, and the School of Nursing), and two schools offer graduate and professional degrees (the Law School and the Graduate School of Education and Human Development). (See **ACADEMIC AND RESEARCH PROGRAMS**.) The University's students come from every state in the nation and the District of Columbia, as well as approximately 130 foreign countries.

The University also has principal affiliations with District Hospital Partners, L.P., which operates The George Washington University Hospital, and Medical Faculty Associates, Inc., which is the primary multi-specialty group practice and clinical faculty organization that performs medical education functions for the University.[1] The University also has affiliation agreements with Children's National Medical Center (pediatrics), INOVA Health Systems, the Veterans Administration and others in support of its educational and research missions. These relationships are overseen by the Vice President for Health Affairs and Dean of the School of Medicine and Health Sciences.

II. GOVERNANCE AND ADMINISTRATION

A. Board of Trustees

The management, direction, and governance of the University are vested in the Board of Trustees. The Board of Trustees currently consists of 28 persons. The Bylaws of the University establish the Board membership as including the President of the University as an ex officio member, 15-35 Charter Trustees and five to seven Alumni Trustees. The Board elects Trustees for terms of four years. Two of the Alumni Trustees must be recent graduates and may serve one term of four years. The remaining three to five Alumni Trustees and Charter Trustees may not serve more than three terms. These Trustees may be elected as either a Charter Trustee or an Alumni Trustee in any term, but, unless otherwise provided for in the Bylaws, no Trustee shall

[1] In 1997, the University reorganized The George Washington University Hospital (the University Hospital) under a limited partnership agreement with Universal Health Services, Inc. whereby the University contributed certain assets in exchange for a 20% limited partnership interest in District Hospital Partners, L.P., which is responsible for the administration of the University Hospital. In 2000, the faculty practice plan affiliated with the University was incorporated as Medical Faculty Associates, Inc.

serve for longer than a total of twelve years. All Charter and Alumni Trustees are unable to continue serving as a Trustee following the end of the fiscal year during which they turn 75 years old. Persons are qualified to serve as Trustees without regard to race, color, creed, sex, national origin, place of residence, or membership in any class or category protected by applicable law. With the exception of the President of the University, no person who is an officer, faculty member, student or employee of the University, or is 75 years of age or older, is eligible to be elected as a Trustee.

CURRENT MEMBERS OF THE BOARD OF TRUSTEES

W. Scott Amey
Gabbi Baker
Roslyn M. Brock
Nelson A. Carbonell, Jr. - Chair
Mark H. Chichester
Amr A. ElSawy
Kyle Farmbry
Diana B. Henriques
A. Michael Hoffman
James F. Humphreys
Madeleine S. Jacobs
David C. Karlgaard
Stuart S. Kassan
Jay E. Katzen
J. Richard Knop
Peter B. Kovler
Thomas J. LeBlanc (ex officio)
Ann Walker Marchant
Sally Nuamah
Judith Lane Rodgers
Steven S. Ross
Grace E. Speights – Secretary
Robert K. Tanenbaum
Avram Tucker
Cynthia Steele Vance
George W. Wellde, Jr.
Martha B. Wyrsch
Ellen Zane – Vice Chair

B. Executive Administration

Thomas J. LeBlanc serves as President of the University. As President, Dr. LeBlanc is the chief administrative officer of the University. He is elected by the Board of Trustees and is responsible for implementing the policies of the Board of Trustees. Other administrative officers of the University are: Louis H. Katz, Executive Vice President and Treasurer; Forrest Maltzman, Provost and Executive Vice President for Academic Affairs; and Beth Nolan, Senior Vice President and General Counsel.

Dr. LeBlanc, Mr. Katz, Dr. Maltzman, and Ms. Nolan are the senior administrative officers of the University. The following are brief biographical sketches of those officers:

Thomas J. LeBlanc, President. Thomas (Tom) J. LeBlanc became the 17th President of the George Washington University on August 1, 2017. Prior to his presidency, Dr. LeBlanc served as the Executive Vice President and Provost at the University of Miami from July 2005 through July 2017. Before that, he served as the Robert L. and Mary L. Sproull Dean of the Faculty of Arts, Sciences, and

Engineering at the University of Rochester between 1996 and 2005. Dr. LeBlanc received his B.S. degree in computer science from the State University of New York in 1977, and his M.S. and Ph.D. degrees in computer science from the University of Wisconsin at Madison in 1979 and 1982, respectively. After completion of his Ph.D. degree, he joined the faculty of the University of Rochester in Rochester, NY, as an Assistant Professor of Computer Science. In 1987, he received the Office of Naval Research Young Investigator award for his work in parallel and distributed computer systems. He was appointed Chair of the Department of Computer Science in 1990, and served in that capacity until his appointment as Dean in 1996.

Louis H. Katz, Executive Vice President and Treasurer. In January 2003, Louis H. Katz was appointed Executive Vice President and Treasurer. Prior to his current appointment, Mr. Katz served as the University's Vice President and Treasurer for 12 years. He is the Chief Financial Officer of the University and has primary responsibility for the management of its financial, physical, information technology, and human resources. Mr. Katz has overall responsibility for the University's strategic, operating, and capital planning and budgeting. He is an advisor to the President and Board of Trustees in financial and strategic matters affecting the development and operations of the institution. He has thirty years of experience in the management of academic institutions with medical centers. Before accepting his first position at the University in 1990, Mr. Katz served as Vice President for Administration and Treasurer at Tulane University from 1982 to 1990. Mr. Katz earned his Bachelor's degree in economics and finance in 1972 from Purdue University's Krannert School of Management. In 1986, he received a Master in Business Administration from Tulane University. In February 2018, Mr. Katz announced that he will step down from his position as Executive Vice President and Treasurer at the end of June, 2018. Mr. Katz will serve the University as an advisor through December 2018 focused on balance sheet activities primarily related to the endowment and investment real estate holdings. He will be replaced by Mark Diaz, former Vice President for Budget and Planning at the University of Miami from 2012 to 2017. Prior to 2012, Mr. Diaz served as Associate Vice President for Budget and Planning from 2005 to 2012 as well as interim Chief Financial Officer for the University of Miami's Miller School of Medicine and UHealth.

Forrest Maltzman, Provost and Executive Vice President for Academic Affairs. Forrest Maltzman was appointed Provost and Executive Vice President for Academic Affairs in June 2016. He has spent most of his career at George Washington University, most recently serving as Senior Vice Provost for Academic Affairs and Planning and as a Professor of Political Science. Dr. Maltzman was appointed to the GW faculty in 1993 as an assistant professor of political science. In 2006, he served as chair of the University's reaccreditation steering committee. He was elected as chair of the Department of Political Science, the largest academic department in the Columbian College of Arts and Sciences. Since joining the Office of the Provost in 2011, Dr. Maltzman has made significant strides in advancing GW's mission to serve its students and faculty. In particular, he has enhanced the University's efforts in the areas of enrollment management and campus utilization, including leadership roles in the construction of Science and Engineering Hall and GW Museum, as well as the integration of the Corcoran College of Art + Design into the Columbian College of Arts and Sciences. Dr. Maltzman earned a bachelor's degree in government and history from Wesleyan University and his doctoral degree in political science from the University of Minnesota.

Beth Nolan, Senior Vice President and General Counsel. Ms. Nolan has served as Senior Vice President and General Counsel of the George Washington University since 2007. She was previously a partner in the White Collar Group of Crowell & Moring LLP, and served in the Clinton Administration as Counsel to the President of the United States, as Deputy Assistant Attorney General in the Justice Department's Office of Legal Counsel, and as Associate Counsel to the President. She has been a tenured member of the faculty of The George Washington University Law School, teaching courses in Constitutional Law, Professional Responsibility and Ethics, Government Ethics, and Government Lawyering, and a Fellow in the Institute of Politics at Harvard's Kennedy School of Government. At the beginning of her career, Ms. Nolan clerked for the Honorable Collins J. Seitz of the United States Court of Appeals for the Third Circuit, after which she spent four years in the US Department of Justice. Ms. Nolan received her B.A. from Scripps College in

Claremont, California, and her law degree magna cum laude from Georgetown University, where she was Editor in Chief of the Law Journal.

III. ACADEMIC AND RESEARCH PROGRAMS

A. Academic Units

The University includes ten academic units, with a full-time equivalent enrollment of 23,503 students as of fall 2017 at all of its sites in the District of Columbia and Virginia and online. The academic units are described below:

Columbian College of Arts and Sciences offers programs leading to the degrees of Bachelor of Arts, Bachelor of Science, Bachelor of Fine Arts, Master of Arts, Master of Fine Arts, Master of Forensic Sciences, Master of Public Administration, Master of Public Policy, Master of Science, Master of Philosophy, Master of Psychology, Doctor of Philosophy, and Doctor of Psychology.

School of Medicine and Health Sciences offers programs leading to the degrees of Bachelor of Science in Health Sciences, Master of Science in Health Sciences, Doctor of Physical Therapy, Doctor of Occupational Therapy, Doctor of Philosophy, and Doctor of Medicine.

Law School offers programs leading to the degrees of Juris Doctor, Master of Laws, Master of Studies in Law, and Doctor of Juridical Science.

School of Engineering and Applied Science offers programs leading to the degrees of Bachelor of Science, Bachelor of Arts, Engineer, Applied Scientist, Master of Science, Master of Engineering, Doctor of Engineering, and Doctor of Philosophy.

Graduate School of Education and Human Development offers programs leading to the degrees of Master of Arts in Education and Human Development, Master of Arts in Teaching, Master of Education, Education Specialist, Doctor of Philosophy, and Doctor of Education.

School of Business offers programs leading to the degrees of Bachelor of Accountancy, Bachelor of Business Administration, Bachelor of Science, Master of Accountancy, Master of Business Administration, Master of Science in Finance, Master of Science in Business Analytics, Master of Science in Information Systems Technology, Master of Science in Project Management, Master of Science in Government Contracts, Master of Tourism Administration, and Doctor of Philosophy.

Elliott School of International Affairs offers programs leading to the degrees of Bachelor of Arts, Master of Arts, Master of International Policy and Practice, and Master of International Studies.

College of Professional Studies offers programs leading to the degrees of Associate in Professional Studies, Bachelor of Professional Studies, and Master of Professional Studies.

Milken Institute School of Public Health offers programs leading to the degrees of Bachelor of Science, Master of Science, Master of Public Health, Master of Health Administration, Doctor of Public Health, and Doctor of Philosophy.

School of Nursing offers programs leading to the degrees of Bachelor of Science in Nursing, Master of Science in Nursing, Doctor of Nursing Practice Program.

B. Research Programs

The University has numerous programs of research and training that are supported by research grants and contracts. In fiscal year 2017, the University received $180 million in grants and contracts for research. Grants and contracts expenditures for sponsored research and training from governmental and private agencies during the five years ended June 30 are as follows (in thousands):

GRANTS AND CONTRACTS EXPENDITURES

Fiscal Years Ended June 30	Total Grants & Contracts Expenditures
2013	$164,301
2014	189,948
2015	180,105
2016	170,775
2017	180,544

Seventy-one percent of the total grant and contract activity for fiscal year 2017 related to federal sponsors. The various agencies within the Department of Health and Human Services (DHHS) comprise approximately 79% of the federal funding to the University. In addition, the University is classified as "RU/H: Research Universities (high research activity)" in the Carnegie Foundation for the Advancement of Teaching's classification of American universities.

Funds received by the University for research cover both direct and indirect costs of the projects. Details of indirect cost reimbursements are reached through negotiation with the University's cognizant agency DHHS. The University's current Federal Indirect Cost Recovery Rate (ICR) was renegotiated in 2015 at 59.5% for all on-campus organized research activities. The rate is effective through June 2019. The negotiations for the next rate cycle will begin after 2018 financial data becomes available. Some federal grants, especially for sponsored instructional and educational services, carry a stipulated limit on ICRs. Federal research grants and contracts are only infrequently subject to such limits.

C. Employees, Faculty and Staff

The University has approximately 5,400 regular full-time and part-time employees (faculty and staff). In addition, the University has as many as 6,000 temporary employees, including student employees (some of whom are currently inactive). Sixty percent of the regular full-time faculty are tenured, and ninety-four percent have a doctorate or equivalent degree.

The University has collective bargaining agreements in effect with the following labor unions:

- Service Employees International Union (SEIU), Local 32 BJ (contract effective January 1, 2017 through December 31, 2019).
- Teamsters Local Union No. 639 (contract effective February 11, 2018 through February 28, 2021).
- International Union, Security, Police and Fire Professionals of America, and Its Amalgamated Local 294 (contract effective May 18, 2015 – May 17, 2018 and currently under negotiation for renewal).
- Service Employees International Union (SEIU), Local 500 (contract effective August 13, 2016 through June 30, 2018 and currently under negotiation for renewal).

These collective bargaining agreements cover approximately 1,350 employees of the University.

D. Accreditation

The George Washington University is accredited by its regional accrediting agency, the Middle States Commission on Higher Education.

The Law School is a charter member of the Association of American Law Schools and is approved by the Section of Legal Education and Admissions to the Bar of the American Bar Association.

The School of Medicine and Health Sciences has had continuous approval by its accrediting body, which is currently the Liaison Committee on Medical Education, sponsored jointly by the American Medical Association and the Association of American Medical Colleges. The medical laboratory science program is accredited by the National Accrediting Agency for Clinical Laboratory Science. The Commission on Accreditation of Allied Health Education Programs has accredited the physician assistant program. The physical therapy program is accredited by the Commission on the Accreditation of Physical Therapist Education of the American Physical Therapy Association.

In the School of Nursing, the Bachelor of Science and Master of Science degree programs in nursing and the Doctor of Nursing Practice are accredited by the Commission on Collegiate Nursing Education. The Bachelor of Science program in nursing is approved by the Virginia Board of Nursing; the Master of Science and the Doctor of Nursing Practice are approved by the Washington, DC Board of Nursing.

The Milken Institute School of Public Health is accredited by the Council on Education for Public Health. The Master of Health Administration program is accredited by the National Association of Long Term Care Administrator Boards and the Commission on Accreditation of Healthcare Management Education.

In the School of Engineering and Applied Science, the Bachelor of Science programs in civil, mechanical, electrical, biomedical, and computer engineering are accredited by the Engineering Accreditation Commission of ABET, Inc. The Bachelor of Science computer science curriculum is accredited by the Computing Accreditation Commission of ABET, Inc.

The Graduate School of Education and Human Development is a charter member of the American Association of Colleges for Teacher Education and is accredited under the Council for the Accreditation of Educator Preparation as a National Council for the Accreditation of Teacher Education legacy program and the District of Columbia State Education Agency, Office of the State Superintendent of Education, for its eligible Master's, Specialist, and Doctoral degree programs; the Master's programs in school counseling and clinical mental health counseling and the Doctoral program in counseling are accredited by the Council for Accreditation of Counseling & Related Educational Programs; the Master's program in rehabilitation counseling is accredited by the Council on Rehabilitation Education.

The School of Business is a member of AACSB International–The Association to Advance Collegiate Schools of Business; the Association accredits its undergraduate and graduate business administration and accountancy programs. The programs in accountancy satisfy the educational requirements for the Certified Public Accountant and the Certified Management Accountant professional examinations.

The Elliott School of International Affairs is a member of the Association of Professional Schools of International Affairs.

In the Columbian College of Arts and Sciences, the Bachelor and Master of Fine Arts degree programs in interior architecture are accredited by the Council for Interior Design Accreditation. The Department of Chemistry is on the approved list of the American Chemical Society. The Doctor of Philosophy program in Clinical Psychology in the Department of Psychology and the Doctor of Professional Psychology Program in

Clinical Psychology in the Department of Professional Psychology are accredited by the American Psychological Association. The Master of Arts degree program in speech–language pathology is accredited by the Education and Training Board of the Boards of Examiners in Speech–Language Pathology and Audiology. The Master in Public Administration and the Master of Public Policy degree programs are on the approved list of the National Association of Schools of Public Affairs and Administration. The Master of Forensic Science degree programs in Forensic Chemistry, Forensic Molecular Biology, and Forensic Toxicology are accredited by the Forensic Science Education Programs Accreditation Commission. The Art and Design programs in the former Corcoran College of Art + Design are accredited by the National Association of Schools of Art and Design. The Art Therapy Program is accredited by the American Art Therapy Association.

E. Student Applications and Enrollment

Student full-time equivalent enrollment at the University for the past five academic years is set forth in the following table:

FULL-TIME EQUIVALENT ENROLLMENT[1]

Fall Semester	Under-Graduate	Graduate[2]	Law, J.D.	Medicine, M.D.	Non-Degree	Total
2013	9,770	8,837	1,565	714	246	21,132
2014	10,046	8,815	1,591	705	252	21,409
2015	10,435	8,983	1,662	727	225	22,032
2016	10,724	9,579	1,632	718	213	22,866
2017	11,203	9,931	1,446	705	218	23,503

Notes:
1 Number of students is expressed as full-time credit hour loads.
2 Excludes Law, J.D. and Medicine, M.D.

Data on the number of applicants, acceptances and matriculants at the University during the past five academic years (as of fall semester census dates) are set forth in the following table:

APPLICANTS, ACCEPTANCES, AND MATRICULANTS

	2013-14	2014-15	2015-16	2016-17	2017-18
New Freshmen					
Applied	21,789	19,069	19,837	25,488	26,987
Accepted	7,493	8,351	9,216	10,249	11,059
% accepted	34%	44%	46%	40%	41%
Matriculated	2,356	2,416	2,589	2,525	2,610
% matriculated	31%	29%	28%	25%	24%
Graduate[1]					
Applied	22,452	22,257	22,348	23,715	26,116
Accepted	10,598	10,518	11,319	12,177	13,216
% accepted	47%	47%	51%	51%	51%
Matriculated	4,410	4,389	4,660	4,971	5,169
% matriculated	42%	42%	41%	41%	39%
Law (J.D.)					
Applied	6,844	6,264	7,028	7,214	7,460
Accepted	2,884	2,866	2,845	2,704	2,493
% accepted	42%	46%	40%	37%	33%
Matriculated	483	538	469	458	405
% matriculated	17%	19%	16%	17%	16%
Medicine (M.D.)					
Applied	10,397	10,981	11,839	12,393	11,432
Accepted	339	320	323	326	335
% accepted	3%	3%	3%	3%	3%
Matriculated	177	179	180	177	175
% matriculated	52%	56%	56%	54%	52%

As of March 3, 2018, the University has received 26,583 freshman applications, offered admission to 11,685 students, and received 795 deposits for fall 2018. Beginning in fall 2014, the University only accepted the Common Application.

Notes:
1 Includes all graduate programs except J.D. and M.D.

F. Tuition and Fees

Undergraduate tuition and fees for full-time study during the past five academic years are set forth in the following table:

UNDERGRADUATE STUDENT TUITION, FEES AND CHARGES

Academic Year	Tuition[1]	Fees[2]	Room and Board	Total Cost
2013-14	$47,290	$53	$10,850	$58,193
2014-15	48,700	60	11,700	60,460
2015-16	50,367	68	12,050	62,485
2016-17	51,875	75	12,500	64,450
2017-18	53,435	83	13,000	66,518

Notes:
1 Tuition stated for first year students. Remains fixed until graduation, up to five years.
2 Fees are calculated based on a fifteen credit hour maximum per semester.

Professional school tuition during the past five academic years is shown in the following table:

TUITION FOR FULL-TIME STUDY AT PROFESSIONAL SCHOOLS

Academic Year	Law	Medicine
2013-14	$49,840	$52,355
2014-15	52,033	54,183
2015-16	54,114	55,272
2016-17	56,244	56,790
2017-18	58,520	58,495

G. Financial Aid

The University estimates that during the academic year 2016-2017, approximately 60% of all undergraduates received some form of financial assistance. The table which follows provides detail regarding undergraduate financial aid.

	2012-13	2013-14	2014-15	2015-16	2016-17
University Aid	$166,741,178	$168,868,541	$174,016,398	$184,781,559	$197,138,296
Federal Aid[1]	7,563,057	7,837,791	8,218,019	8,491,914	8,831,964
Student Loan	35,884,675	35,685,091	37,938,687	38,549,085	38,588,773
Parent Loan	21,898,731	20,643,690	21,494,246	23,583,131	27,008,259
Federal Work/Study[2]	5,231,011	5,130,977	5,054,758	5,522,472	7,055,702
Tuition Remission	3,079,555	3,188,771	3,432,566	3,496,296	3,563,975
TOTAL	$240,398,207	$241,354,861	$250,154,674	$264,424,457	$282,186,969

Notes:

1 Federal Student Aid includes approximately 25% University matched funds.

2 Federal Work-Study figures are amounts awarded, not amounts earned, and include approximately 30% University matched funds.

IV. UNIVERSITY FACILITIES

The University operates three campuses: the Foggy Bottom Campus and the Mount Vernon Campus, located in the District of Columbia, and the Virginia Science and Technology Campus, located in Loudoun County, Virginia.

The Foggy Bottom Campus is located in downtown Washington, DC, three blocks west of the White House, within the Foggy Bottom and West End neighborhoods. The Foggy Bottom Campus is made up of approximately 45 acres of land and is generally bounded by Pennsylvania Avenue on the north, 19th Street on the east, E Street on the south and 24th Street on the west. The campus is comprised of a variety of structures from historic row houses to modern, newly constructed buildings.

The Mount Vernon Campus, located in northwest Washington, DC, is comprised of approximately 26 acres of land and includes a variety of academic and residence hall buildings. This campus offers a variety of course offerings and special programs such as the Women's Leadership programs and graduate programs in interior design and forensic science.

The Virginia Science and Technology Campus is located in Loudoun County, Virginia. The Virginia campus is comprised of approximately 122 acres of land and features five buildings used for academic, research, and administrative functions, as well as a sixth building that is under long-term lease to the National Transportation Safety Board Academy.

In addition to these campus locations, the University offers programs at two educational centers in Alexandria, VA and Arlington, VA and educates students in various corporate/government sites located throughout the United States and abroad.

The University has continued to invest in its physical properties, with several major projects having been completed in the recent past, as discussed below:

- Science and Engineering Hall (SEH) is a state-of-the art building that offers teaching and research laboratories for the University's science and engineering disciplines which was opened in 2015. In 2016, construction of the 7th and 8th floors for use by the Milken Institute School of Public Health and the School of Medicine and Health Sciences commenced.

- District House is a new residential facility that provides approximately 898 beds and replaces three former residence halls as well as beds previously located in a leased complex known as City Hall. The building also includes student meeting spaces and a lower-level retail food court. Project construction began in July 2013 and was completed in August 2016 in advance of the fall 2016 semester.

- The University has completed a complete renovation of Corcoran Hall, a historic classroom building located on the Foggy Bottom campus at 725 21st Street, to modernize the building and create new program space for chemistry, physics and other academic uses, including classroom and lab facilities. The landmarked building also received life-safety, and infrastructure improvements. The building was re-opened at the start of the spring 2018 semester.

For internal accounting purposes, the University frequently allocates specific facility revenues (including revenues from housing, parking, ground lease payments, etc.) towards the University's debt service obligations. Currently, approximately 75% of the University's debt service is funded by such specific facility revenue sources. Management expects to make similar allocations to any additional debt service associated with new capital projects.

The University is undertaking the following projects at various stages of development. General information about these projects may be found at "https://neighborhood.gwu.edu/2007-foggy-bottom-campus-plan", which is provided for information only and is not incorporated by reference.

2112 Pennsylvania Avenue (formerly 2100 West Pennsylvania)
As discussed in **SECTION VI. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS**, the University selected Skanska USA Commercial Development, Inc. to transform the 2100 West Pennsylvania Avenue building, as well as six adjacent row houses (previously used for commercial retail and University uses), into a 250,000-square-foot Class A office building with approximately 7,000 square feet of ground floor retail. The 75-year ground lease includes a phase-in rent until substantial completion and then a rent payment to the University, which will increase annually. Redevelopment costs will be borne by Skanska USA, continuing the University's strategy to maximize value from its investment properties without allocating its own liquidity. Substantial completion is expected in mid-2018.

2100 Pennsylvania Avenue (formerly 2100 East Pennsylvania)
The University has entered into a Development Agreement with Boston Properties for the redevelopment of the existing 2100 East Pennsylvania Avenue building, as well as the University's adjacent administrative building, Rice Hall, into a new 400,000 square foot trophy commercial office building with significant ground floor retail space.

The project is tracking to the schedule outlined by GW and Boston Properties in the Development Agreement, with a targeted completion date of mid-2022 and has received final approval from DC's Zoning Commission in February 2018. In December 2017, Boston Properties announced that the law firm of Wilmer Hale will occupy nearly 300,000 square feet of space (approximately 60% of the office square footage) in the new project once completed. Space planning and construction to facilitate the relocation of GW staff located in Rice Hall is underway.

2000 Pennsylvania Avenue
The University has retained Cushman & Wakefield, a commercial real estate services firm, to advise the University as it seeks a real estate investor/developer to enter into a long-term ground lease of 2000 Pennsylvania Avenue, NW. Known as 2000 Penn, the property is a mixed-use building including both office and retail space including both street fronting retail in historic row houses and interior retail accessed off a galleria.

The approximately 400,000-square-foot building is being offered under a long-term ground lease with the anticipation that in the near term the building will continue to be operated as a commercial mixed-use building. There are existing office and retail tenants in the building, but the property has potential for future rezoning and redevelopment within its historic context. The University has received significant interest in the property and is in the process of evaluating multiple competitive offers. The University will make a decision on its next steps later this spring.

The Flagg Building on 17th Street
As part of its agreement with the Corcoran Gallery of Art (the Corcoran) and the National Gallery of Art to incorporate the Corcoran College of Art + Design into the University's Columbian College of Arts and Sciences, GW assumed ownership of the Flagg building in August 2014. As discussed in **SECTION VI. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS**, the Flagg building located on 17th Street NW will continue to be used for arts education. It is expected that renovations of the 17th Street building will occur over the next several years in a phased manner to address existing building conditions and retrofit the building for academic uses. Phase I construction is substantially complete as of spring 2018.

The University is committed to sustainability and targets new buildings and major renovations to obtain Leadership in Environmental and Energy Design (LEED) certification of a minimum of LEED Silver. Projects and renovations that have achieved LEED Gold include the Law Clinic Townhouses, The Avenue, Lafayette Hall, Charles E. Smith Center, West Hall, Ames Hall, South Hall, the Ross Hall 5th & 6th floor renovation, Science and Engineering Hall and District House. The 2112 Pennsylvania Avenue (formerly 2100 West Pennsylvania Avenue) project is targeting LEED gold certification as is the 2100 Pennsylvania Avenue (formerly 2100 East Pennsylvania) project. The Milken Institute School of Public Health building has earned the prestigious designation of LEED Platinum. The renovation of Corcoran Hall is targeting a minimum of LEED Silver.

V. FINANCES

A. Financial Condition

1. Discussion and Financial Statements

The University presents its consolidated financial statements (Consolidated Financial Statements) in accordance with the accounting principles generally accepted in the United States of America (GAAP). The financial statements are divided into three major net asset classes: Unrestricted, Temporarily Restricted, and Permanently Restricted. The following tables provide a summary of changes in Total Net Assets for the five fiscal years ended June 30, 2013-17, derived from the audited Consolidated Financial Statements of the University. The financial information below for fiscal years 2017 and 2016 should be read in conjunction with the University's Consolidated Financial Statements for the years ended June 30, 2017 and 2016 (see **APPENDIX B**). For a complete description of the University's significant accounting policies, see the Notes to the Consolidated Financial Statements. The consolidated financial position of the University is presented in the audited Consolidated Statement of Financial Position as of June 30, 2017. Except as disclosed herein, since June 30, 2017, there has been no material adverse change in the consolidated financial condition or consolidated changes in net assets of the University.

2. Summary of Consolidated Financial Activity

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (IN THOUSANDS)
as of June 30,

	2013	2014	2015	2016	2017
ASSETS					
Cash and short term investments	$ 324,591	$ 40,578	$ 82,382	$ 200,982	$ 318,203
Accounts receivable, net	40,902	56,030	59,307	60,727	74,082
Pledges receivable, net	68,441	130,057	94,039	74,573	56,446
Loans and notes receivable, net	29,350	28,863	29,983	35,599	35,649
Investments	1,760,862	1,983,120	2,043,240	2,008,389	2,165,852
Physical properties, net	1,290,888	1,517,645	1,707,811	1,748,718	1,712,115
Other assets	30,804	26,239	25,006	17,586	21,633
TOTAL ASSETS	$ 3,545,838	$ 3,782,532	$ 4,041,768	$ 4,146,574	$ 4,383,980
LIABILITIES					
Accounts payable and accrued expenses	$ 205,413	$ 215,788	$ 213,622	$ 207,244	$ 185,875
Bonds and notes payable	1,378,834	1,361,030	1,549,844	1,722,017	1,761,945
Refundable deposits and advances	71,031	75,955	77,962	94,316	114,315
TOTAL LIABILITIES	1,655,278	1,652,773	1,841,428	2,023,577	2,062,135
NET ASSETS	1,890,560	2,129,759	2,200,340	2,122,997	2,321,845
TOTAL LIABILITIES AND NET ASSETS	$ 3,545,838	$ 3,782,532	$ 4,041,768	$ 4,146,574	$ 4,383,980

CONDENSED CONSOLIDATED STATEMENTS OF ACTIVITIES (IN THOUSANDS)
for the Fiscal Years Ended June 30,

	2013	2014	2015	2016	2017
REVENUES					
Student tuition and fees, net	$ 598,954	$ 608,128	$ 638,998	$ 671,608	$ 729,837
Grants and contracts	173,449	199,276	189,481	180,670	191,247
Contributions, net	55,607	141,500	186,570	54,263	53,220
Investment income, net	164,933	295,159	101,534	67,880	268,454
Auxiliary enterprises	101,667	98,388	98,652	103,394	116,102
Other income	83,374	89,085	89,623	95,276	102,286
TOTAL REVENUES	1,177,984	1,431,536	1,304,858	1,173,091	1,461,146
EXPENSES					
Instructional and general	985,631	1,061,904	1,097,521	1,110,414	1,147,553
Auxiliary enterprises	94,089	88,517	88,922	91,896	94,290
Independent operations	40,052	40,260	49,750	45,407	35,055
TOTAL EXPENSES	1,119,772	1,190,681	1,236,193	1,247,717	1,276,898
Postretirement related changes	1,198	(1,656)	1,916	(2,717)	14,600
Changes in net assets	$ 59,410	$ 239,199	$ 70,581	$ (77,343)	$ 198,848
Net assets, beginning of year	1,831,150	1,890,560	2,129,759	2,200,340	2,122,997
Net assets, end of year	$1,890,560	$2,129,759	$2,200,340	$2,122,997	$2,321,845

3. Outstanding Indebtedness

As of December 31, 2017, the University had unsecured indebtedness outstanding of $1,590,750,000. The University intends to use proceeds from the Series 2018 Bonds to redeem the outstanding Series 2010 Bonds in the amount of $70,690,000, to redeem the outstanding Series 2011 Bonds in the amount of $100,000,000, to redeem the outstanding Series 2011A Bonds in the amount of $50,000,000, to redeem the outstanding Series 2012 Bonds in the amount of $300,000,000, and to pay the applicable make-whole premiums. The remainder of the proceeds will be used for renovations to residence halls, authorized corporate purposes of the University and to pay the issuance costs on the Series 2018 bonds.

Following the issuance of the Series 2018 Bonds and the redemption of the Series 2010 Bonds, the Series 2011 Bonds, the Series 2011A Bonds and the Series 2012 Bonds, the University will have approximately $1,865,060,000 of outstanding indebtedness. The University maintains two lines of credit with a national bank totaling $150,000,000. There are no amounts outstanding under the lines of credit. The lines of credit include certain financial covenants, including a requirement to maintain expendable financial resources to direct debt of at least 1.1 to 1 calculated as of the end of each fiscal year.

4. Physical Properties

The net book values of the University's land, buildings, improvements, furniture, and equipment are set forth in the following table:

INVESTMENT IN PHYSICAL PROPERTIES, NET OF ACCUMULATED DEPRECIATION (IN THOUSANDS)

As of June 30,	Land[1]	Buildings and Improvements[2]	Furniture and Equipment	Total
2013	$151,676	$1,062,277	$76,935	$1,290,888
2014	152,260	1,282,263	83,122	1,517,645
2015	190,660	1,417,756	99,395	1,707,811
2016	190,660	1,465,457	92,601	1,748,718
2017	179,975	1,449,546	82,594	1,712,115

Notes:
1 Includes land held for future use.
2 Includes construction in progress at fiscal year end.

5. Contributions

Net contributions to the University for the most recent fiscal years ended June 30, are set forth in the following table:

CONTRIBUTIONS, NET[1] (IN THOUSANDS)

	2013	2014[2]	2015[3]	2016	2017
Unrestricted	$17,228	$21,627	$82,181	$16,441	$18,489
Temporarily Restricted	37,513	108,867	94,321	34,834	32,592
Permanently Restricted	866	11,006	10,068	2,988	2,139
TOTAL CONTRIBUTIONS, NET	$55,607	$141,500	$186,570	$54,263	$53,220

Note:
1 Pledge revenues are included for all years. Includes donated gifts in kind.
2 Includes Milken School of Public Health gifts.
3 Includes acquisition of the Corcoran College of Art + Design.

B. Endowment

The values of the University's endowment and investment fund assets, net of liabilities, and the endowment payout are set forth in the following table:

INVESTMENT PORTFOLIO
(IN MILLIONS)

As of June 30,	All Investments	Endowment Net Fair Value	Total Endowment Payout
2013	$1,761	$1,375	$68
2014	1,983	1,577	71
2015	2,043	1,616	74
2016	2,008	1,570	85
2017	2,166	1,729	79

The Board of Trustees Committee on Finance and Audit and the Subcommittee on Endowment and Investments (Subcommittee) are responsible for the oversight of the University's endowment. The Subcommittee exercises authority over the investment policies and asset allocation of the University's endowment; makes recommendations to the Board with respect to spending policy, in conjunction with the Committee on Finance and Audit and with Strategic Investment Group. In December 2014, the University partnered with Strategic Investment Group to be the University's Outsourced Chief Investment Office (OCIO). The selection of Strategic Investment Group as OCIO provider followed a decision made in March 2014 to take advantage of the broad expertise and experience that a large portfolio management firm can offer. The University conducted an extensive request for proposal process to search for the firm to serve as the OCIO provider, and Strategic Investment Group was selected. The Board of Trustees Committee on Finance and Audit, the Subcommittee, and the OCIO convene on a regular basis to review investment performance, asset allocation policies and strategies proposed by University staff.

As of December 31, 2017, the unaudited net fair value of the Endowment was approximately $1.75 billion. The goal of the Endowment is to enhance returns and purchasing power from investments while preserving resources for future generations. The long-term return objective for the Endowment is to generate an average annual real return, net of inflation as measured by the Consumer Price Index, of at least 5.0%. This return objective is net of investment management fees. In addition, the OCIO provider has the objective of outperforming a Custom Benchmark Index, net of fees and expenses, which reflects the policy allocation to each asset class in the investment guidelines.

The University's investment philosophy reflects a disciplined, consistent and diversified investment approach based on asset allocations that are expected to achieve the investment objectives of the Endowment. A range of active and passive strategies may be employed. The OCIO provider is responsible for making investment decisions for the assets assigned to it on a fully discretionary basis in a manner consistent with the investment guidelines and objectives adopted by the Subcommittee as reflected in an investment management agreement between the University and the OCIO provider. The portfolio is periodically rebalanced to the target weightings for each asset class. The Pooled Endowment's long-term goals and the need to provide resources for current spending as well as preserve purchasing power calls for a bias towards equity and equity-like asset classes. The following table sets forth the maximum exposure limits for the Pooled Endowment, which does not include investment real estate, the Cheney Cardiovascular Fund, the Katzen Cancer Center Fund, the Ramsey Student Investment Fund, the Phillips Student Investment Fund, and the Real Estate Student Investment Fund:

Asset Category	Policy Allocation	Policy Ranges (Min/Max)
Equities	42%	-10% / +10%
Alternatives	28%	25% / 45%
Real Assets	0%	0% / 10%
Fixed Income	30%	20% / 45%
Opportunistic	0%	0% / 10%
Cash	0%	0% / 20%

Policy ranges are based on the March 15, 2015 Investment Policy Statement. The Subcommittee and the OCIO are currently reviewing the policy.

1. Investment Real Estate

The University has a portfolio of investment properties that are valued as part of its endowment investment portfolio. These assets include two Class A office buildings and one hotel as well as other real estate investments, including ground leases, in the vicinity of the Foggy Bottom campus. As of December 31, 2017, the two Class A office buildings had occupancy levels of 64% (2100 Pennsylvania Avenue, currently being vacated in anticipation of redevelopment) and 96% (2000 Pennsylvania Avenue). The building at 2112 Pennsylvania Avenue is under redevelopment through a ground lease to Skanska USA Commercial Development, Inc., and the building at 2100 East Pennsylvania Avenue and the Rice Hall building at 2121 I Street are planned for redevelopment through a ground lease to Boston Properties as referenced in **SECTION VI. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS**. Other real estate investments include two 60-year ground leases to Boston Properties (office component) and Warf Investment Advisory Group Inc. (residential component) for the mixed used project located at Square 54 (The Avenue). The Avenue is located in the center of Foggy Bottom at the convergence of Pennsylvania Avenue, Washington Circle, and Eye and 23rd Streets, NW, immediately adjacent to the Foggy Bottom-GWU Metrorail station and provides a mix of retail, residential, and office uses, including a grocery store.

C. Fundraising

In fiscal years 2016 and 2017, the University raised $96 million and $117 million, respectively, in cash, pledges, and deferred commitments. Preliminary unaudited fundraising results as of February 28, 2018 are approximately $64 million. Total cash in the form of pledge payments and new commitments averaged approximately $95 million per year over the past two years. Unrestricted cash gifts totaled $5.5 million for the fiscal year ending June 30, 2017. The University is investing in fundraising and fundraising staff.

In May 2017, GW announced the $1 billion philanthropic campaign had surpassed it goal one year ahead of schedule. The campaign was a comprehensive, University-wide philanthropic effort to raise funds to support the University's vision and priorities. Refer to **SECTION VI. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS** for further information.

VI. MANAGEMENT'S DISCUSSION OF CONSOLIDATED OPERATIONS

In January 2017 the Board of Trustees, in consultation with the elected Faculty Consultative Committee and the Faculty Senate Executive Committee, announced that Dr. Thomas LeBlanc had been selected to serve as the 17th President of the George Washington University. Dr. LeBlanc, who previously served as executive vice president, provost and professor of computer science and electrical and computer engineering at the University of Miami, replaced Dr. Steven Knapp. Dr. LeBlanc was both the chief academic officer and the chief budget officer, responsible for the University of Miami's 11 schools and colleges, the library system, the division of student affairs, the division of continuing and international education and undergraduate education, admissions and financial aid. Prior to that, he was a member of the computer science faculty, chair of the department of computer science, vice provost and dean of the faculty of arts, sciences and engineering and Robert L. and Mary L. Sproull Dean of the College Faculty at the University of Rochester. Dr. LeBlanc began his tenure at GW in August 2017.

As provost at the University of Miami, Dr. LeBlanc oversaw the development and implementation of the university's strategic plan. Dr. LeBlanc's shares GW's aspiration to become a comprehensive global research university. GW's Board of Trustees and executive management team recognized that this was an occasion for the University to reevaluate the existing Vision 2021 Strategic Plan (the Strategic Plan) adopted by the Board of Trustees in 2013. The University's aspiration remains the same, to improve against its peer institutions, and to become a preeminent research institution. The newly stated strategic initiatives are focused on five major themes: 1) enhancing the undergraduate student experience; 2) increasing the profile of research; 3) improving institutional culture; 4) improving fundraising performance and return on fundraising investment; and 5) strengthening the medical enterprise. The Strategic Plan strives to address three key questions: 1) what defines a GW education? 2) what are the goals of our research? and 3) how does service enhance the GW community?

The University continues to focus on enhancing the student experience by modifying how student services are delivered and by continuing to use econometrics to improve the university's enrollment management strategy, both at the undergraduate and graduate levels. The econometrics model allows the University to evaluate trade-offs between short-term net tuition gains and long-term fiscal health resulting from compositional differences in the size and profile of the entering class. The University employs strong undergraduate enrollment practices, such as centralized admissions and targeted analysis to recruit and retain the highest quality students. The undergraduate yield and financial aid models are well-developed and continue to be used to support decision-making related to predicting headcount, net tuition revenue, discount rate, and academic quality of the entering first-year class. Through econometric modeling, the University pursues specific populations of high quality students that are the best match for the institution. Recruitment and retention of these students results in higher graduations rates and stabilized tuition revenue streams. As a result of this focus, undergraduate enrollment at the University has grown steadily from fall 2013 through fall 2017, and is projected to maintain at this level in the fall 2018.

One important factor to this sustained improvement has been the University's continued commitment to affordability, as indicated by the fixed-tuition/guaranteed financial aid program for up to five years of enrollment and the freshmen tuition discount rate. Financial aid is an important component of recruiting and retaining the best students. The University targets financial aid to influence yield management and retention rates. Retention of students is critical to improving University rankings, building a stable budget, and producing a strong alumni base. The freshmen tuition discount rate increased from 32.6% for freshmen entering in fall 2008 to 41.7% for freshmen entering in fall 2017, which the University considers an investment in high quality students. The geographic diversity of the student population has increased as well, with students from all 50 states and approximately 130 countries; the University's goal is to continue to further diversify both domestically and internationally. GW's international undergraduate population increased from 8.8 percent in 2013 to 10.7 percent in 2017 and graduate international enrollment increased from 17.2 percent to 18 percent over the same period.

The University has seen favorable increases in enrollment at both the undergraduate and graduate levels for the fall of 2017. Undergraduate applications increased by 6% from 25,488 for fall 2016 to 26,987 for fall 2017. The first-year retention rate rose from 90.2% in 2015 to 91.4% in 2016. Graduate headcount increased by 2% from 15,486 for fall 2016 to 15,821 in fall 2017. As a result of declining graduate enrollment in 2015, the University reassessed the graduate enrollment management strategy and infrastructure. Many of the practices that were successfully employed at the undergraduate level to stabilize enrollments are now being applied to the graduate enrollment process, including centralized oversight and the use of business intelligence to monitor applications, acceptances and matriculants. These changes have resulted in increased enrollment in FY16, FY17 and FY18. In 2015, the university implemented a five-year planning process from FY16 through FY20. The goal for the planning period was to develop a plan that closed the gap created by the decline in graduate enrollment. The anticipated timeline to a balanced budget has been accelerated by two years due to success in revenue growth and cost alignment strategies. The acceleration of cost reduction strategies led to projected expense reductions of $186 million over five years. These cost reductions were partially offset by increases to support online education and investments in financial aid. Compensation expenses were below budget by $183 million over five years primarily due to delays in hiring and restructuring of organizations.

As referenced in **SECTION IV. UNIVERSITY FACILITIES**, the University continues to invest in its physical infrastructure and facilities. The University continues to improve the value of investment properties through strategic partnerships that maximize cash flow from investment properties without committing University liquidity. The revenue streams created by investment properties are allocated to the highest academic priorities of the University. For several years, the University has internally financed capital projects with cash generated through operating surpluses and "non-borrowing" capital and investing activities, while maintaining the discipline to continue charging debt service to those projects and their respective operating budgets.

Similar to the investment practices of major universities across the country, the University has long used the income from investment properties to help fund its academic mission. The return from these investments, many of which are situated along Pennsylvania Avenue, helps to defray the costs of academic programs, facilities, student financial aid, and other expenses necessary to operate a world class university. Investment in properties on the edge of its campus helps to ensure the maintenance of well-run buildings near the campus, providing an attractive environment for the University population and the Foggy Bottom residents, as well as providing tax revenue for the District.

In May 2014, following an extensive and highly competitive developer solicitation process, GW selected Skanska USA Commercial Development, Inc. (Skanska) to transform seven townhouse properties, previously known as Site 75A, and 2100 West Pennsylvania Avenue to create the newly developed 2112 Pennsylvania Avenue building. These properties were demolished beginning in late 2015 to make way for the redevelopment of the site into a 250,000 square foot Class A office building with ground floor retail along Pennsylvania Avenue. Under the arrangement, redevelopment costs are borne by Skanska and do not require a capital investment by the University. The arrangement includes a 75-year ground lease and phased-in rent until substantial completion (anticipated in mid-2018) and then a rent payment which will increase annually. The building was designed by world-renowned architect Gensler, and will exhibit an elegant glass curtain wall façade.

In December 2016, the University signed a Development Agreement with Boston Properties to redevelop 2100 East Pennsylvania Avenue and Rice Hall, located at 2121 I Street, into a new investment property featuring 400,000 square feet of trophy commercial office and retail space. Under the agreement, the buildings will be redeveloped by Boston Properties under a long-term ground lease with the University. The redevelopment of 2100 East Pennsylvania Avenue and Rice Hall will generate revenue for academic priorities, following the model of similar redevelopment projects along Pennsylvania Avenue, including 2200 Pennsylvania Avenue (the Avenue), outlined below.

Arguably the most well-known of GW's investment real estate assets, The Avenue is a dynamic urban town center with a mix of retail (including a Whole Foods), residential, and office uses at a key transit-oriented development site located on Pennsylvania Avenue, Washington Circle and immediately adjacent to the Foggy Bottom-GWU Metrorail station. GW's developer partnership for construction of The Avenue and was a critical component to funding construction of GW's Science and Engineering Hall, which is primarily funded through the cashflows associated with the two 60-year ground leases with private developers associated with this project. As of December 31, 2017, payments to the University from the Avenue have totaled $92.6 million. These payments funded a majority of the $275 million construction costs through a combination of direct funding and the funding of future debt service payments. The utilization of this new facility enhances research volume by making the grant proposals from University principal investigators more competitive. It also enables the University to attract leading research faculty, while ensuring a revenue stream to improve operations and foster collaboration between University and non-University researchers.

In spring 2015 the University opened Science and Engineering Hall, a state-of-the art building that offers teaching and research laboratories for science and engineering disciplines. This building nearly doubled the amount of space previously available to the University's science and engineering disciplines. It provided additional space for the University's Columbian College of Arts and Sciences, the School of Engineering and Applied Science, the Milken Institute School of Public Health and the School of Medicine and Health Sciences. The Milken Institute School of Public Health has built out the 7th floor of Science and Engineering Hall to provide laboratories, equipment, and technology in support of school's research activities as well as a teaching laboratory for general academic purposes. The School of Medicine & Health Sciences has built out the 8th floor to provide program space for the GW Cancer Center, led by renowned researcher in lymphoma and immunotherapy research, Dr. Eduardo Sotomayor.

Included in Science and Engineering Hall is a newly launched department of biomedical engineering which would not be possible without the newly installed laboratories. The building also houses state-of-the-art shared Nano-fabrication, imaging, and gene sequencing cores. A "High Bay", an expansive, three-story lab featuring a reinforced "strong wall" and a "strong floor", allows researchers to test the strength of enormous objects, like bridge beams. The lab includes a 20-ton crane, a dedicated loading bay and a machine shop. The Microscopy Suite is a collection of five rooms, specially built to dampen vibrations from the nearby Metro and house high-resolution microscopy equipment, allowing researchers to study nanometer-sized samples in ultra-fine detail and create 3-D reconstructions of specimens. Among the many teaching spaces in the Science and Engineering Hall, 1,000-square-foot teaching labs are stacked at the center of the building from the third floor to the eighth floor. Enclosed by glass on three sides, they include labs for software engineering, circuitry and robotics. The 8th floor build-out also includes construction of a greenhouse, two teaching laboratories and additional offices for faculty and researchers.

The University is positioning itself to become a preeminent research institution in the future by recruiting leaders and expanding cross-disciplinary research in the areas of autism, computational biology, cybersecurity, the global status of women, sustainability and urban food studies. Science and Engineering Hall has enabled the University to recruit exceptional faculty; provide a world-class infrastructure in which to teach, to learn and do research; create an environment that energizes those immersed in their research, and increase alumni investments. The Autism and Neurodevelopmental Disorders Institute, which was created in partnership with Children's National Medical Center to establish GW as the go-to institution for cross-disciplinary autism research, is led by Dr. Kevin Pelphrey. Dr. Pelphrey brings more than 15 years of experience in autism and neuroscience research, most recently as director of Yale University's Center for Translational Developmental Neuroscience. The School of Engineering and Applied Sciences has received funding for projects involving imaging devices for medical diagnostics, opto-electronics devices, and high performance computing. For research needs that use high performance computing for data analysis, GW recently acquired and has implemented a new shared high performance computing cluster named Colonial One. Colonial One is managed by professional IT staff in the University's Division of IT Technology, Architecture, and Research Services Group with University-sponsored computational staff housed in the Computational Biology Institute and Columbian College of Arts and Sciences. GW rose from 103rd place in 2012 to 81st place in 2016 in the National Science Foundation's Higher Education Research and Development Survey rankings by federally financed research and development expenditures.

In August 2014, the George Washington University, the Corcoran Gallery of Art and Corcoran College of Art + Design, and the National Gallery of Art finalized an agreement to incorporate the Corcoran College of Art + Design into the University's Columbian College of Arts and Sciences. The University envisions a comprehensive and innovative art program that combines the University programs in theater, dance, museum studies, interior architecture and design, fine arts and art history, and music with the existing art programs received from the Corcoran College of Art + Design. The integration and cross collaboration of these programs will significantly raise the University's profile in the arts, particularly in the Washington, D.C. area. Relationships and collaboration between the art program and other art institutions, such as the Smithsonian, National Gallery of Art, and Textile Museum, are a key component to the plan. The program will also connect the arts with other schools and colleges within the University. The new leadership will strive to focus on cultivating diverse creative practices and engage with communities both on and off campus; emphasize a rigorous pedagogy by enhancing the undergraduate program and developing new graduate programs, including partnership programs with the School of Media and Public Affairs; and develop a three year business plan to address community engagement, building a strong donor base, re-engaging alumni, and cultivating relationships with external organizations.

As a part of this agreement, the University accepted ownership of the Corcoran School's Flagg Building, which has approximately 176,000 square feet and is located on 17th Street NW. GW received approximately $35 million from the Corcoran to be used towards building renovations. In addition, the University assumed ownership of a separate academic building, the Fillmore, which was sold in June 2015 for $16.5 million. These receipts funded the first phase of renovations, which began on the 119 year old building in the summer of 2015. First phase renovations include adding fire suppression systems, life safety systems, code-required fresh air and ventilation systems, new mechanical units including an emergency generator, modern plumbing, and code-compliant electrical systems. Additionally, the renovations included the addition of classroom spaces, renovation of several key classrooms, and the addition of accessibility features such as ramps installed in various areas of the building. The work is complete as of spring 2018. The University expects that funding for future phases of the building's renovation will be supported through fundraising and related programmatic revenue.

From June 30, 2007 to December 31, 2017, the market value of the University's total endowment assets grew from approximately $1.15 billion to $1.75 billion, an increase of 52%. The University benefited from strong equity markets and a well-positioned asset allocation during this period. Since the global financial crisis, the University has worked to control overall risk. A key focus of the University's investment risk analysis remains on liquidity. As of December 31, 2017, approximately $823 million of the University's total endowment was accessible within one year or less.

The net operating results of the District Hospital Partners L.P. (DHP) since its inception have resulted in a good financial position and positive cash flow for the partnership. The partnership began paying quarterly distributions, starting with the period ending December 2008. The first payment was received in July 2009, and as of December 31, 2017, the University has received approximately $75 million in cash. These distributions are allocated to the University's School of Medicine and Health Sciences to support their medical education programs. In January, 2016, the University and DHP entered into an agreement to make a subordinate loan to Medical Faculty Associates, Inc. (MFA) in connection with certain cash flow difficulties experienced by MFA. The maximum available amount under the credit facility is $40 million, shared 50/50 between the lenders. The MFA's current outstanding draw is $25 million, of which the University's share is $12.5 million. Through its 20% ownership of DHP, the University has additional exposure of $2.5 million. Discussions are occurring between the parties related to the terms of the credit facility, including amount of credit available, interest rate and term of loan.

The University engages in multi-year planning and budgeting for its academic programs and activities, as well as for the administrative and capital structures which support those programs and activities. The process integrates academic programming, fiscal, and facilities planning. Program priorities are reviewed annually, along with enrollment, revenue, and operating expense assumptions. Detailed budgets are then prepared at the department level, and submitted through the deans and vice presidents to the Executive Vice President and Treasurer and then to the President. Throughout this process, the University's facilities requirements are reviewed and incorporated into a capital budget for the coming year. The University's Board of Trustees, through its various committees, is consulted regularly throughout the annual planning and budgeting process. Operating and capital budgets are formally presented and recommended to the Board's Committee on Finance and Audit for its review prior to presentation to the Board of Trustees for consideration and approval. In addition, the Committee on Finance and Audit is regularly apprised of the status of budget management processes such as disaggregated reserve usage, tenure/tenure-track faculty recruitment planning, and strategic investment business plans.

VII. LITIGATION AND REGULATORY ISSUES

The University is a defendant in certain pending civil suits. Based upon information currently available, management believes that any liability resulting therefrom will not materially affect the financial position or changes in net assets of the University.

VIII. INSURANCE AND SELF-INSURANCE PROGRAM

The University procures and maintains commercial insurance covering the four key types of risk to which it is exposed: 1) liability for bodily injury and property damage (i.e. general liability, professional liability, automobile liability, and excess liability); 2) liability for executive risks (i.e. trustees and officers liability, employment practices liability, and cyber liability); 3) loss of or damage to University property (i.e. property, crime, and fine arts); and 4) workers' compensation. This insurance is either required by law or considered by the University to be prudent and customary for an institution of higher education of its size and character. Reserves are established to cover loss within the deductibles and retention of the University's insurance program. The only key exposure not covered by the University's insurance program is medical professional liability involving licensed health care professionals in hospitals (i.e. residents) which is instead covered under by Medical Faculty Associates' Professional Liability insurance program covering malpractice claims made after October 1, 2007 with a retroactive date of July 1, 2000; and an actuarially determined amount held by the University covering malpractice claims made prior to October 1, 2007.

APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GEORGE WASHINGTON UNIVERSITY FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE GEORGE WASHINGTON UNIVERSITY

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2017 and 2016

Report of Independent Auditors

To the President and Board of Trustees of
The George Washington University:

We have audited the accompanying consolidated financial statements of The George Washington University and its subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of unrestricted activities, consolidated statements of activities, and consolidated statements of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 our 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, we consider internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The George Washington University and its subsidiaries as of June 30, 2017 and 2016, and the changes of their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

September 27, 2017

PricewaterhouseCoopers LLP, 1800 Tysons Boulevard, McLean, VA 22102
T: 703 918 3000, www.pwc.com

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Consolidated Statements of Financial Position
As of June 30, 2017 and 2016
(in thousands)

	2017	2016
ASSETS		
Cash and cash equivalents	$ 243,149	$ 115,620
Short-term investments	75,054	85,362
Accounts receivable, net	74,082	60,727
Pledges receivable, net	56,446	74,573
Investments	2,165,852	2,008,389
Loans and notes receivable, net	35,649	35,599
Physical properties, net:		
Land and buildings	1,629,521	1,656,117
Furniture and equipment	82,594	92,601
Other assets	21,633	17,586
Total assets	$ 4,383,980	$ 4,146,574
LIABILITIES		
Accounts payable and accrued expenses	$ 185,875	$ 207,244
Deferred revenue:		
Tuition and other deposits	67,416	49,782
Grants and contracts payments	17,138	14,646
Bonds and note payable, net	1,761,945	1,722,017
Funds advanced for student loans	29,761	29,888
Total liabilities	2,062,135	2,023,577
NET ASSETS		
Unrestricted net assets:		
Unrestricted operating (deficit)	(31,659)	(29,826)
Unrestricted capital and investing	1,609,371	1,445,153
Total unrestricted	1,577,712	1,415,327
Temporarily restricted	464,887	436,715
Permanently restricted	279,246	270,955
Total net assets	2,321,845	2,122,997
Total liabilities and net assets	$ 4,383,980	$ 4,146,574

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

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Consolidated Statements of Unrestricted Activities
Years Ended June 30, 2017 and 2016
(in thousands)

	2017			2016		
	Operating	Capital and Investing	Total Unrestricted	Operating	Capital and Investing	Total Unrestricted
REVENUE						
Student tuition and fees	$ 1,019,581	$ -	$ 1,019,581	$ 941,969	$ -	$ 941,969
Less: University funded scholarships	(289,744)	-	(289,744)	(270,361)	-	(270,361)
Net student tuition and fees	729,837	-	729,837	671,608	-	671,608
Grants and contracts						
Program funds	161,924	-	161,924	153,914	-	153,914
Indirect cost recoveries	29,323	-	29,323	26,756	-	26,756
Investment income, net	15,866	81,384	97,250	286	(3,307)	(3,021)
Investment real property rents and appreciation	-	112,683	112,683	-	82,912	82,912
Change in value of split-interest agreements	-	6	6	-	4	4
Auxiliary enterprises	116,102	-	116,102	103,394	-	103,394
Contributions, net	16,350	2,139	18,489	17,790	(1,349)	16,441
Net assets released from restrictions	14,405	45,280	59,685	13,898	35,594	49,492
Medical education agreements	63,759	33	63,792	62,389	16	62,405
Other income	35,879	2,591	38,470	30,335	2,524	32,859
Total revenue	1,183,445	244,116	1,427,561	1,080,370	116,394	1,196,764
EXPENSES						
Salaries and wages	556,998	-	556,998	546,811	-	546,811
Fringe benefits	119,866	-	119,866	119,735	-	119,735
Purchased services	232,912	537	233,449	217,916	784	218,700
Supplies	14,235	110	14,345	12,934	88	13,022
Equipment	9,788	6,451	16,239	12,315	3,692	16,007
Bad debt	1,731	-	1,731	1,716	-	1,716
Occupancy	47,066	84,787	131,853	57,698	83,258	140,956
Investment real property expense	-	34,397	34,397	-	35,849	35,849
Scholarships and fellowships	16,311	-	16,311	16,841	-	16,841
Communications	4,312	-	4,312	4,638	-	4,638
Travel and training	25,856	-	25,856	25,505	-	25,505
Interest	-	60,147	60,147	-	58,536	58,536
Debt extinguishment costs	-	23,154	23,154	-	12,157	12,157
Other	35,133	3,107	38,240	33,815	3,429	37,244
Total expenses	1,064,208	212,690	1,276,898	1,049,924	197,793	1,247,717
OTHER INCREASES (DECREASES) IN NET ASSETS						
Debt service and mandatory purposes	(103,185)	103,185	-	(88,839)	88,839	-
Endowment support	75,129	(77,672)	(2,543)	71,660	(73,839)	(2,179)
Capital expenditures	(13,480)	13,480	-	(14,742)	14,742	-
Postretirement related changes	-	14,600	14,600	-	(2,717)	(2,717)
Support/investment	(79,534)	79,199	(335)	93	211	304
Total other changes in net assets	(121,070)	132,792	11,722	(31,828)	27,236	(4,592)
INCREASE (DECREASE) IN NET ASSETS	(1,833)	164,218	162,385	(1,382)	(54,163)	(55,545)
NET ASSETS (DEFICIT) AT THE BEGINNING OF THE YEAR	(29,826)	1,445,153	1,415,327	(28,444)	1,499,316	1,470,872
NET ASSETS (DEFICIT) AT THE END OF THE YEAR	$ (31,659)	$ 1,609,371	$ 1,577,712	$ (29,826)	$ 1,445,153	$ 1,415,327

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

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Consolidated Statements of Activities
Years Ended June 30, 2017 and 2016
(in thousands)

	2017				2016			
	Total Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	**Total Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
REVENUE								
Student tuition and fees	$ 1,019,581	$ -	$ -	$ 1,019,581	$ 941,969	$ -	$ -	$ 941,969
Less: University funded scholarships	(289,744)	-	-	(289,744)	(270,361)	-	-	(270,361)
Net student tuition and fees	729,837	-	-	729,837	671,608	-	-	671,608
Grants and contracts								
Program funds	161,924	-	-	161,924	153,914	-	-	153,914
Indirect cost recoveries	29,323	-	-	29,323	26,756	-	-	26,756
Investment income, net	97,250	55,494	-	152,744	(3,021)	(10,006)	-	(13,027)
Investment real property rents and appreciation	112,683	-	-	112,683	82,912	-	-	82,912
Change in value of split-interest agreements	6	1,643	1,378	3,027	4	(452)	(1,557)	(2,005)
Auxiliary enterprises	116,102	-	-	116,102	103,394	-	-	103,394
Contributions, net	18,489	32,592	2,139	53,220	16,441	34,834	2,988	54,263
Net assets released from restrictions	59,685	(60,120)	435	-	49,492	(49,517)	25	-
Medical education agreements	63,792	-	-	63,792	62,405	-	-	62,405
Other income	38,470	-	24	38,494	32,859	-	12	32,871
Total revenue	1,427,561	29,609	3,976	1,461,146	1,196,764	(25,141)	1,468	1,173,091
EXPENSES								
Salaries and wages	556,998	-	-	556,998	546,811	-	-	546,811
Fringe benefits	119,866	-	-	119,866	119,735	-	-	119,735
Purchased services	233,449	-	-	233,449	218,700	-	-	218,700
Supplies	14,345	-	-	14,345	13,022	-	-	13,022
Equipment	16,239	-	-	16,239	16,007	-	-	16,007
Bad debt	1,731	-	-	1,731	1,716	-	-	1,716
Occupancy	131,853	-	-	131,853	140,956	-	-	140,956
Investment real property expense	34,397	-	-	34,397	35,849	-	-	35,849
Scholarships and fellowships	16,311	-	-	16,311	16,841	-	-	16,841
Communications	4,312	-	-	4,312	4,638	-	-	4,638
Travel and training	25,856	-	-	25,856	25,505	-	-	25,505
Interest	60,147	-	-	60,147	58,536	-	-	58,536
Debt extinguishment costs	23,154	-	-	23,154	12,157	-	-	12,157
Other	38,240	-	-	38,240	37,244	-	-	37,244
Total expenses	1,276,898	-	-	1,276,898	1,247,717	-	-	1,247,717
OTHER INCREASES (DECREASES) IN NET ASSETS								
Endowment support	(2,543)	75	2,468	-	(2,179)	1,121	1,058	-
Postretirement related changes	14,600	-	-	14,600	(2,717)	-	-	(2,717)
Support/investment	(335)	(1,512)	1,847	-	304	(1,107)	803	-
Total other changes in net assets	11,722	(1,437)	4,315	14,600	(4,592)	14	1,861	(2,717)
INCREASE (DECREASE) IN NET ASSETS	162,385	28,172	8,291	198,848	(55,545)	(25,127)	3,329	(77,343)
NET ASSETS AT THE BEGINNING OF THE YEAR	1,415,327	436,715	270,955	2,122,997	1,470,872	461,842	267,626	2,200,340
NET ASSETS AT THE END OF THE YEAR	$ 1,577,712	$ 464,887	$ 279,246	$ 2,321,845	$ 1,415,327	$ 436,715	$ 270,955	$ 2,122,997

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

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON, DC

Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016
(in thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 198,848	$ (77,343)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated assets	(4,204)	(1,434)
Depreciation, amortization and accretion expenses	81,972	82,098
Provision for bad debt	1,731	1,716
Change in value of split-interest agreements	(3,027)	2,005
Net unrealized (gain) loss on investments	(142,484)	17,153
Net realized (gain) on investments	(29,168)	(13,814)
Net (gain) on sale of property	(15,210)	-
Debt extinguishment costs	23,153	12,157
Loss on disposal of furniture and equipment	111	727
(Increase) decrease in operating assets:		
Accounts receivable	(14,941)	(3,072)
Pledges receivable	18,127	19,466
Other assets	(4,046)	1,622
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(20,205)	7,890
Tuition and other deposits	17,634	13,443
Grants and contracts deferred revenue	2,492	2,966
Contributions restricted for long-term investment	(5,922)	(13,694)
Net cash provided by operating activities	104,861	51,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(228,313)	(510,375)
Proceeds from sales and maturity of investments	256,662	540,589
Purchase of short-term investments	(324,402)	(285,154)
Proceeds from sales and maturity of short-term investments	334,710	200,138
Purchases and renovations of land and buildings	(57,338)	(116,958)
Additions of furniture and equipment	(14,239)	(18,050)
Net proceeds from sale of real property	37,246	-
(Increase) in other loans and notes receivable	(41)	(5,629)
Net cash provided by (used in) investing activities	4,285	(195,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from contributions restricted for long-term investment	5,922	13,694
Principal payments and refinancing of bonds and notes payable	(9,696)	(59,140)
Extinguishment of debt	(200,000)	(112,000)
Debt extinguishment costs	(23,153)	(12,157)
Proceeds from borrowings and refinancing of bonds	250,000	350,000
Payments of debt issuance costs	(1,400)	(1,955)
Principal payments on capital lease	(3,163)	(1,250)
Refundable advances from the U.S. Government	(127)	(55)
Net cash provided by financing activities	18,383	177,137
NET INCREASE IN CASH AND CASH EQUIVALENTS	127,529	33,584
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	115,620	82,036
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 243,149	$ 115,620
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest, net of amounts capitalized	$ 71,858	$ 66,453
Income tax payments	290	25
Assets and liabilities acquired under capital lease	610	1,231

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

Note 1 - The University

The George Washington University (the University) is a private, not-for-profit institution of higher education based in Washington, D.C. The University provides education and training services, primarily for students at the undergraduate, graduate, and postdoctoral levels, and performs research, training, and other services under grants, contracts, and similar agreements with sponsoring organizations, primarily departments and agencies of the U.S. Government. The University's revenues are predominantly derived from student tuition, room, and other fees. The University is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and reporting practices prescribed for not-for-profit entities. The consolidated financial statements include the accounts of the George Washington University and its wholly owned subsidiaries. Significant intercompany transactions and balances have been eliminated.

Cash and Cash Equivalents

Highly liquid financial instruments with original maturities at dates of purchase of three months or less are classified as cash equivalents and include U.S. Treasury securities, collateralized interest-bearing repurchase agreements carried at fair value, and other short-term, highly liquid investments carried at fair value. Cash and cash equivalents held by endowment fund investment managers are included in Investments. Purchases and sales of investment cash equivalents are netted for reporting on the Consolidated Statements of Cash Flows.

Aggregate cash and cash equivalent balances maintained at financial institutions exceed the amount guaranteed by federal agencies and therefore bear risk. The University has not experienced any loss due to this risk.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions received for capital projects, endowment funds, or student loans and contributions under split-interest agreements or perpetual trusts are reported as capital and investing unrestricted revenues, temporarily restricted revenues, or permanently restricted revenues according to donor-imposed restrictions. All other contributions are reported as operating revenues unless the donor has otherwise restricted the contributions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Promises to give with payments to be received after one year from the date of the financial statements are discounted at a risk-adjusted rate approximating the market rates for unsecured borrowing as required by fair value measurement accounting standards. Allowance is made for uncollectible contributions based upon management's judgment after analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Investments and Investment Income

Investments include both endowment and non-endowment investments owned by the University and are further detailed in Note 5. Investment income (loss) is included in unrestricted revenues, temporarily restricted revenues, or permanently restricted revenues depending on donor restrictions.

Investments known as split-interest agreements are unique to not-for-profit organizations. These are agreements where donors enter into trust or other arrangements under which the University receives benefits shared with other beneficiaries. The assets associated with these arrangements are recorded at their fair value and are included in Investments (Note 5). Once liabilities to other beneficiaries are satisfied, the residual assets are transferred to the University.

The University manages the following types of arrangements. The associated liabilities to beneficiaries in these arrangements are calculated based on various actuarial assumptions and are recorded in Accounts payable and accrued expenses (Note 9).

- Gift annuities consist of non-trust assets donated to the University in exchange for a fixed payment for the life of the beneficiary(s).
- Pooled life income funds are donated funds received by the University in which the donor receives or assigns a life income. The funds are pooled by the University and are assigned a specific number of units in the pool. The beneficiary(s) is paid the amount of income earned on the donor's assigned units.
- Charitable remainder trusts consist of trust assets donated to the University in exchange for a percentage of fair value-based payment for the life of the beneficiary(s).

The University is a beneficiary of trusts held by third parties which include:

- Perpetual trusts where the University has an irrevocable right to income on trust assets in perpetuity, but never receives the assets held in trust. These beneficial interests are shown at fair value of the underlying assets, which approximates the discounted present value of the anticipated cash flows.
- Charitable remainder trusts similar to those described above, except that the University does not hold the assets as trustee. These beneficial interests are shown at present value which is calculated using the fair value of the trust assets at the measurement date, discounted based on various actuarial assumptions impacting the timing of cash flows to the University.

Accounts Receivable

Accounts receivable are reported at net realizable value. Accounts are written off against the allowance for doubtful accounts when determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of individual accounts. The University does not accrue interest on these accounts.

Loans Receivable and Refundable Advances

Loans receivable are primarily related to federal student financial aid programs and are carried at face value, less an allowance for doubtful accounts of $0.47 million and $0.48 million at June 30, 2017 and 2016, respectively. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of individual accounts. The majority of the University's loans receivable represents amounts due under federally guaranteed programs; therefore no reserves are recorded for the federal portion. Generally, payment on loans receivable commences upon graduation and can extend up to 10 years. These loans carry interest rates ranging from 3% to 9%. The carrying value of loans receivable approximates fair value. Funds provided by the U.S. Government under the Federal Perkins and Health Professions Student Loan Programs are loaned to qualified students and may be loaned again after collection. These funds are ultimately refundable to the U.S. Government. These federal loan programs have cash restricted as to their use of $2.8 million and $3.3 million as of June 30, 2017 and 2016, respectively.

Physical Properties

Land, buildings, furniture, and equipment are stated at cost or fair value at the date of donation. Buildings, furniture, and equipment are depreciated on a straight-line basis over the estimated useful life of the assets. Construction in progress costs are included in Land and buildings on the Consolidated Statements of Financial Position. Interest cost incurred during construction is capitalized as part of the cost of capital projects. Equipment under capital leases is included in assets and liabilities at the value of future minimum lease payments discounted by the University's incremental borrowing rate. Property acquired on federally funded awards that meets the University's capitalization criteria is recorded as an asset of the University and depreciated in accordance with the University's depreciation policy. These assets are disposed of as prescribed by relevant federal requirements at the conclusion of the award.

Net Asset Classes

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the University are classified and reported as follows:

Permanently restricted - Net assets subject to donor-imposed restrictions that stipulate they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

Temporarily restricted - Net assets subject to donor-imposed restrictions that may be or will be met either by actions of the University and/or by the passage of time.

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Revenues from sources other than contributions or investment income are reported as increases in unrestricted net assets. Contributions are reported as increases in the appropriate category of net assets, except contributions that impose restrictions that are met in the same fiscal year they are received are included in unrestricted revenues. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions recognized on net assets, i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as releases from temporarily restricted net assets to unrestricted net assets. Temporary restrictions on gifts to acquire or construct long-lived assets are considered met in the period in which the assets are acquired.

The University follows a practice of classifying its revenues and expenses within unrestricted net assets as capital and investing or operating. Items classified as capital and investing include accounts and transactions related to endowment funds and plant facilities, except for donor-restricted contributions to endowment principal and plant. Substantially all of the net assets classified as unrestricted in the Consolidated Statements of Financial Position have been invested in property and equipment, consolidated endowment pool, or are designated for specific uses.

Other Increases (Decreases) In Net Assets

Debt service and mandatory purposes - Transfers from operating net assets to capital and investing net assets are for principal and interest payments.

Endowment support - Transfers of investment income provide support for operating activities based on the spending policy of the Board of Trustees.

Capital expenditures - Transfers from operating net assets to capital and investing net assets are for equipment purchases.

Postretirement related changes - Recognition in unrestricted net assets of changes in the actuarial liability for postretirement benefit plans other than net periodic benefit cost, as well as amortization of changes recognized in prior years from unrestricted net assets to expenses as a component of the net periodic benefit cost.

Support/investment - Other transfers among operating net assets, capital and investing net assets, and temporarily/permanently restricted net assets.

Tuition, Fees, and Scholarships

The University recognizes unrestricted revenues from student tuition and fees within the fiscal year in which the academic term is predominantly conducted. Deferred tuition and fees are included in Deferred revenue: Tuition and other deposits in the Consolidated Statements of Financial Position.

Tuition discounts in the form of scholarships and grants-in-aid, including those funded by the endowment, research funds, and gifts, have been reported as a reduction of tuition revenues. A tuition discount represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Cash payments to students, excluding compensation, are reported as Scholarships and fellowships expense in the Consolidated Statements of Activities.

Occupancy

The University uses the category of Occupancy to group costs associated with depreciation and maintenance of physical property. Occupancy expense includes depreciation, rent, utilities, insurance, taxes, repairs, and maintenance.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from these estimates.

Reclassifications to Prior Year Financial Statements

Certain prior year amounts have been reclassified to conform to the current year's presentation. Unamortized debt issuance costs of $6.7 million have been moved from Other assets to be presented as a deduction to Bonds and note payable for the year ended June 30, 2016 (see Note 10). This change is due to the July 1, 2016 adoption of ASU 2015-03, *Interest - Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs*.

Recently Adopted Accounting Standards

The University adopted ASU 2015-07*, Fair Value Measurement: Disclosures for Investment in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* effective July 1, 2016 and has retrospectively applied it for investments held at June 30, 2016. Under the new guidance, investments measured at net asset value (NAV) calculated by the investment manager as a practical expedient for fair value are excluded from the fair value hierarchy. Investments using NAV as a practical expedient totaling $672 million and $615 million as of June 30, 2017 and 2016, respectively, have been excluded from the fair value hierarchy (see Note 6).

Note 3 – Accounts Receivable

	June 30	
(in thousands)	**2017**	**2016**
Grants and contracts	$ 35,218	$ 26,860
Student tuition and fee accounts	23,641	23,316
Due from affiliation agreements	4,008	4,725
Due from hospital limited partnership	4,502	4,674
Other	9,392	4,442
Allowance for doubtful accounts	(2,679)	(3,290)
Total	$ 74,082	$ 60,727

Note 4 – Pledges Receivable

	June 30	
(in thousands)	**2017**	**2016**
Unconditional promises expected to be collected in:		
Less than one year	$ 38,985	$ 40,640
One year to five years	32,400	44,916
Over five years	1,218	1,408
Subtotal	72,603	86,964
Allowance for uncollectible pledges	(12,910)	(7,710)
Unamortized discount to present value	(3,247)	(4,681)
Total	$ 56,446	$ 74,573

Pledges receivable expected to be fulfilled more than one year from the date of the financial statements are recorded at fair value at the date of the gift, discounted at 3.95% - 4.59% with the discount amortized over the life of the pledge.

At June 30, 2017 and 2016, the University had received notification of outstanding bequest intentions and certain conditional promises to give of approximately $178 million and $155 million, respectively. These intentions and conditional promises are not recognized as assets and, if received, will generally be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, or general operating support of a particular department or division of the University.

Note 5 – Investments

(in thousands)	June 30 2017	June 30 2016
Cash and cash equivalents	$ 42,191	$ 19,677
Fixed income:		
Asset-backed securities	44,294	38,504
Corporate debt securities	43,403	46,655
Government debt securities	127,042	119,406
Other	4,419	2,812
Global equity	387,856	335,529
Hedge funds	146,508	139,918
Private equity	169,449	175,387
Real estate	1,027,487	984,320
Split-interest agreements:		
GW as trustee	13,851	13,141
Trusts held by others	46,633	40,423
Deferred compensation plan assets	44,790	38,117
Other	54,901	53,335
Net pending trades	13,092	-
Unrealized (loss) gain on open futures contracts	(64)	1,165
Total	$ 2,165,852	$ 2,008,389

Investment income, net: *(in thousands)*	June 30 2017	June 30 2016
Interest and dividends	$ 10,854	$ 8,893
Net gains (losses) on investments carried at fair value	127,780	(32,050)
Net gains on investment carried at other than fair value	18,501	15,827
Administrative expenses	(4,391)	(5,697)
Total	$ 152,744	$ (13,027)

Investment real property rents and appreciation: *(in thousands)*	June 30 2017	June 30 2016
Real property rents	$ 55,603	$ 57,060
Net unrealized appreciation	57,080	25,852
	$ 112,683	$ 82,912

The University enters into derivative transactions for market risk management purposes only. The University has not and will not enter into any derivative transaction for speculative or profit generating purposes. As of June 30, 2017 and 2016, the fair value of the derivatives was not material.

In December 2016, the University entered into an agreement to redevelop an investment property and an adjacent administrative building under a long-term ground lease. As a result of the agreement, the administrative building and its associated land with a book value of $2.6 million was reclassified from operating assets in Land and buildings to Real estate in Investments. The carrying value of the Real estate in Investments was adjusted from historical cost basis to the appraised fair value of the property.

The University holds a 28.56% interest in the Columbia Plaza Limited Partnership, whose income and distributions are accounted for under the equity method, which is included in Real estate at $23.5 million and $23.2 million as of June 30, 2017 and 2016, respectively. The University also holds a 20% interest in District Hospital Partners, L.P., accounted for under the equity method, which is included in Other investments, valued at $42.1 million and $40.4 million as of June 30, 2017 and 2016, respectively.

Note 6 - Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The fair value accounting standard provides a framework for measuring fair value and to categorize the inputs used in valuation techniques. The three levels of fair value established by the standard are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable.
- Level 3 - Prices or valuation techniques in which one or more significant inputs or significant value drivers are unobservable. The determination of fair value for these financial instruments requires one or more inputs subject to significant management judgment or estimation.

Assets Measured at Fair Value on a Recurring Basis

(in thousands)	2017		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	$ 236,567	$ 6,582	$ 243,149
Short-term investments	74,784	270	75,054
Investments	2,073,140	92,712	2,165,852
Total	$ 2,384,491	$ 99,564	$ 2,484,055

(in thousands)	2016		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	$ 105,128	$ 10,492	$ 115,620
Short-term investments	84,905	457	85,362
Investments	1,930,714	77,675	2,008,389
Total	$ 2,120,747	$ 88,624	$ 2,209,371

Assets not subject to fair value reporting include cash deposits, two limited partnership investments where the University's interest exceeds 20% accounted for under the equity method of accounting, and intangible assets.

For assets reported at fair value, the following table summarizes the valuation of financial instruments by pricing observability levels. Investments that use NAV as a practical expedient to measure fair value are excluded from the fair value hierarchy.

		Classified in Fair Value Hierarchy			Total
As of June 30, 2017 ***(in thousands)***	**NAV**	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
Cash equivalents at fair value	$ -	$ 236,567	$ -	$ -	$ 236,567
Short-term investments at fair value	-	74,784	-	-	74,784
Investments:					
Cash and cash equivalents	-	42,190	1	-	42,191
Fixed income:					
Asset-backed securities	44,294	-	-	-	44,294
Corporate debt securities	17,229	-	26,174	-	43,403
Government debt securities	31,808	95,234	-	-	127,042
Other	1,656	2,334	429	-	4,419
Global equity	260,603	126,047	-	-	386,650
Hedge funds	146,508	-	-	-	146,508
Private equity	169,449	-	-	-	169,449
Real estate	-	-	-	1,003,974	1,003,974
Split-interest agreements:					
GW as trustee	-	13,851	-	-	13,851
Trusts held by others	-	-	-	46,633	46,633
Deferred compensation plan assets	-	28,354	10,133	6,303	44,790
Unrealized loss-open futures contracts	-	(64)	-	-	(64)
Total investments at fair value	671,547	307,946	36,737	1,056,910	2,073,140
Total assets at fair value	$ 671,547	$ 619,297	$ 36,737	$ 1,056,910	$ 2,384,491

		Classified in Fair Value Hierarchy			Total
As of June 30, 2016 ***(in thousands)***	**NAV**	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
Cash equivalents at fair value	$ -	$ 105,128	$ -	$ -	$ 105,128
Short-term investments at fair value	-	84,905	-	-	84,905
Investments:					
Cash and cash equivalents	-	19,675	2	-	19,677
Fixed income:					
Asset-backed securities	38,504	-	-	-	38,504
Corporate debt securities	20,182	-	26,473	-	46,655
Government debt securities	34,357	85,049	-	-	119,406
Other	-	2,318	494	-	2,812
Global equity	206,836	127,506	-	-	334,342
Hedge funds	139,918	-	-	-	139,918
Private equity	175,387	-	-	-	175,387
Real estate	-	-	-	961,167	961,167
Split-interest agreements:					
GW as trustee	-	13,141	-	-	13,141
Trusts held by others	-	-	-	40,423	40,423
Deferred compensation plan assets	-	23,640	9,553	4,924	38,117
Unrealized gain-open futures contracts	-	1,165	-	-	1,165
Total investments at fair value	615,184	272,494	36,522	1,006,514	1,930,714
Total assets at fair value	$ 615,184	$ 462,527	$ 36,522	$ 1,006,514	$ 2,120,747

The following estimates and assumptions were used to determine the fair value of each class of financial instruments listed above.

- Cash and cash equivalents - Cash and cash equivalents include cash deposits in investment funds and short-term U.S. Treasury securities, and other short-term, highly liquid investments which are actively traded. Cash equivalents also include a bank repurchase agreement valued at $5.2 million at June 30, 2017 and 2016. The repurchase agreement is collateralized by bank-owned securities issued by the U.S. Government or agencies thereof. Cash equivalents are priced using independent market prices in the primary trading market and are classified as either Level 1 or Level 2.

- Fixed income investments - These investments generally include asset-backed securities, convertible bonds, corporate debt, investment funds with fixed income portfolios, and federal and municipal bonds and U.S. treasury notes. These assets are primarily valued using market prices, such as broker quotes, for the same or similar instruments. Securities in this category that trade in less active markets and are redeemable in the near term are typically categorized as Level 2. Investment funds that are not publicly traded may be categorized as Level 1, 2 or 3 depending upon redemption terms.

- Global equity investments - These investments generally include separately held accounts, shares in commingled funds, and global equity holdings. Securities traded on an active exchange are priced using unadjusted market quotes for identical assets and are classified as Level 1.

- Hedge funds – These investments generally include funds that invest in long and short positions, pursuing a diverse range of investment strategies. These investments are typically funds structured in a fund of funds vehicle. The objective of the fund of funds is to generate long-term capital appreciation. The fair value of these investments has been estimated using the NAV of the funds which are calculated by the investment manager, and excluded from the fair value leveling table.

- Private equity - These investments generally include limited partnerships that are not publicly traded and cannot be redeemed because the investments include restrictions that do not allow redemption through maturity. The fair values of these investments have been estimated using the NAV of the funds, which are calculated by the investment manager and are excluded from the fair value leveling table. The valuation policies adopted by the manager are reviewed for propriety, consistency, compliance, and completeness. Inputs used to determine fair value are based upon the best available information provided by the investment manager and may incorporate management judgments and best estimates after considering a variety of factors. For a small percentage of these investments, the manager reported NAV is prepared using non-U.S. GAAP, which may differ from fair value reported under U.S. GAAP. Where material differences are known to exist, management bases its measurements on fair value estimates obtained from the investment managers and/or third-party valuation advisors. Quantitative information about the significant unobservable inputs used in arriving at these fair value measurements is not readily available. Changes to these inputs may result in significant changes to the fair value measurement and such changes could be material to the consolidated financial statements.

- Real estate - Real estate investment properties are valued based on results from an independent appraisal and a professional third-party market valuation and are included in Level 3. To determine fair value in cases where the two valuation methods yielded resulting values within 5%, the University adopted the average of the two values as the fair value. In cases where the variance between the two valuations was greater than 5%, the University considered the ranges of values provided by the valuators and made certain assumptions with respect to future property cash flow expectations and risk pricing in the form of income capitalization rates and discount rates. Valuation adjustments represent management's assumptions of how a market participant would view the properties, and are based on the range of future cash flows and risk pricing presented in the appraisals and professional valuations. Different assumptions or changes in future market conditions could significantly affect the estimated fair value and such changes could be material to the consolidated financial statements.

	As of June 30, 2017			
	Fair Value *(in thousands)*	Valuation Techniques	Unobservable Inputs	Range
Hotel	$ 49,000	Discounted cash flow	Exit capitalization rate	7.00-7.50%
			Discount rate	9.00-9.50%
Office buildings	$ 342,472	Discounted cash flow	Exit capitalization rate	5.00-7.00%
			Discount rate	6.75-7.50%
Investment real estate subject to ground lease	$ 611,613	Direct Capitalization	Capitalization rate	3.50-4.50%

	As of June 30, 2016			
	Fair Value *(in thousands)*	Valuation Techniques	Unobservable Inputs	Range
Hotels	$ 68,100	Discounted cash flow	Exit capitalization rate	7.50%
			Discount rate	9.50-10.50%
Office buildings	$ 478,812	Discounted cash flow	Exit capitalization rate	6.25-7.75%
			Discount rate	6.00-7.50%
Investment real estate subject to ground lease	$ 413,400	Direct Capitalization	Capitalization rate	3.50-4.75%

- <u>Split-interest agreements</u> - Assets received under split-interest agreements from donors where the University serves as trustee are categorized as Level 1 based on the observability of pricing inputs to the underlying investments held in those trusts. The University's beneficial interests in perpetual trusts held by third parties are categorized as Level 3. These are valued using a discounted cash flow analysis based on the assumed timing and duration of those cash flows.

- <u>Deferred compensation plan assets</u> - Assets purchased under deferred compensation arrangements include mutual funds, insurance company pooled separate accounts, and variable annuities and are categorized as Level 1, Level 2, or Level 3 based on the observability of pricing inputs for the investment vehicles. Funds that are publicly traded are categorized as Level 1, while Level 2 assets include funds which are not publicly traded, but have established NAV or are based on quoted prices for similar assets. Level 3 assets include annuity contracts issued by an insurance company.

The University follows guidance that allows investment funds without a readily determinable fair value to report NAV or its equivalent as a practical expedient to estimate fair value if certain criteria are met. The fair values of the following investments have been estimated using reported NAV:

in thousands	**2017**				**2016**
Category of Investment	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period	Fair Value
Fixed income - asset-backed securities	$ 44,294	$ -	Daily to quarterly	1-15 days	$ 38,504
Fixed income - corporate debt	17,229		Quarterly	30-90 days	20,182
Fixed income - government debt	31,808	-	Daily to monthly	1-15 days	34,357
Fixed income - other	1,656	2,542	Redemption not permitted during life of fund	N/A	-
Global equity	260,603	-	Monthly to quarterly	1 to 60 days	206,836
Hedge funds	146,508	-	Quarterly	90 days	139,918
Private equity	169,449	73,032	Redemption not permitted	N/A	175,387
Total	$ 671,547	$ 75,574			$ 615,184

- Fixed income - asset-backed securities - These funds are typically composed of mortgage-backed securities. There are no assets in liquidation as of June 30, 2017.

- Fixed income - corporate debt - These funds are primarily composed of high-yield bonds and corporate debt. Approximately 8.0% of these funds are in liquidation and the time period over which the assets will be liquidated is unknown at June 30, 2017.

- Fixed income - government debt - These funds are primarily composed of debt securities and debt obligations of governments and government-related issuers worldwide. There are no assets in liquidation as of June 30, 2017.

- Fixed income - other - These assets are primarily composed of credit instruments and equity securities in Asia-Pacific. There are no assets in liquidation as of June 30, 2017.

- Global equity - These funds are typically composed of publicly traded developed and emerging market stocks, and long/short equity. Less than 1% of these funds are in liquidation at June 30, 2017.

- Hedge funds - These assets are composed of a hedge fund of funds. There are no assets in liquidation as of June 30, 2017.

- Private equity - These assets are primarily composed of long term lock-up funds to include private equity, venture capital, oil and gas, land, distressed debt, infrequently traded small-capitalization and micro-capitalization securities. Distributions from the majority of these investments are received through the liquidation of the underlying assets. It is estimated that approximately 87.5% of the underlying assets will be liquidated within 10 years.

Changes in Level 3 Assets

(in thousands)	2017					
	Beginning of year	Net realized/ unrealized gains	Purchases/ additions	Sales	End of year	Total net gains included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2017
Real estate	$961,167	$63,310	$9,093	($29,596)	$1,003,974	$57,114
Split- interest agreements - trusts held by others	40,423	2,090	4,180	(60)	46,633	2,090
Deferred compensation	4,924	-	1,379	-	6,303	-
	$ 1,006,514	$ 65,400	$ 14,652	$ (29,656)	$ 1,056,910	$ 59,204

(in thousands)	2016					
	Beginning of year	Net realized/ unrealized gains (losses)	Purchases/ additions	Sales	End of year	Total net gains (losses) included in earnings attributable to the change in net unrealized gains (losses) for assets still held at June 30, 2016
Real estate	$933,651	$25,892	$2,660	($1,036)	$961,167	$25,892
Split- interest agreements - trusts held by others	40,830	(1,613)	1,336	(130)	40,423	(1,613)
Deferred compensation	4,458	-	466	-	4,924	-
	$ 978,939	$ 24,279	$ 4,462	$ (1,166)	$ 1,006,514	$ 24,279

Level transfers are accounted for at the beginning of the reporting period and are typically the result of a change in the observability of significant valuation inputs. There were no level transfers for the year ended June 30, 2017. For the year ended June 30, 2016, level 1 to 2 transfers totaled $0.14 million and there were no level 3 transfers.

Realized/unrealized gains (losses) on Level 3 assets included in changes in net assets are reported in the following revenue categories:

(in thousands)	2017		
	Investment income	Investment real property rents and appreciation	Change in value of split-interest agreements
Total net gains included in changes in net assets	$ 6,230	$ 57,080	$ 2,090
Change in net unrealized gains relating to assets still held at June 30	$ 34	$ 57,080	$ 2,090

(in thousands)	2016		
	Investment income	Investment real property rents and appreciation	Change in value of split-interest agreements
Total net gains (losses) included in changes in net assets	$ 40	$ 25,852	$ (1,613)
Change in net unrealized gains (losses) relating to assets still held at June 30	$ 40	$ 25,852	$ (1,613)

Note 7 - Endowment

The University's Endowment (Endowment) consists of the unitized investment pool, investment real estate, and separately managed funds. The Endowment provides stable financial support to a wide variety of programs and activities in perpetuity, playing a critical role in enabling the University to achieve its mission. Programs supported by the Endowment include scholarships, chairs and professorships, fellowships, research activities, and libraries. The Endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The University interprets the Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

The University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Appreciation on the donor-restricted endowment fund is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. The classification of temporarily restricted net assets includes funds donated to the University under an agreement permitting the Board to expend below the original value of the gift in periods of deficient earnings.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The preservation of the fund over time
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions including the possible effects of inflation and deflation
- The investment policies and expected total return from income and the appreciation of investments
- Other resources of the organization

Endowment funds are categorized in the following net asset classes:

	June 30			
(in thousands)	2017		2016	
	Donor-restricted Endowment Funds	Board-designated Endowment Funds	Donor-restricted Endowment Funds	Board-designated Endowment Funds
Unrestricted	$ (6,944)	$ 1,196,133	$ (11,952)	$ 1,098,569
Temporarily restricted	304,531	-	254,461	-
Permanently restricted	235,427	-	229,200	-
Total endowment funds	$ 533,014	$ 1,196,133	$ 471,709	$ 1,098,569

Changes in endowment funds by net asset classification are summarized as follows:

(in thousands)	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 1,086,617	$ 254,461	$ 229,200	$ 1,570,278
Investment return:				
Investment income	24,885	3,659	-	28,544
Net appreciation (realized and unrealized)	111,269	53,146	-	164,415
Administrative expenses	(2,175)	(2,216)	-	(4,391)
Total investment return	133,979	54,589	-	188,568
Contributions	799	8,249	3,577	12,625
Appropriations of assets for expenditure	(49,282)	(29,914)	-	(79,196)
Reinvestment of payout and internal transfers to endowments	17,076	17,146	2,650	36,872
Endowment net assets, end of year	$ 1,189,189	$ 304,531	$ 235,427	$ 1,729,147

(in thousands)	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 1,118,273	$ 274,225	$ 223,859	$ 1,616,357
Investment return:				
Investment income	30,311	1,926	-	32,237
Net (depreciation) (realized and unrealized)	(5,877)	(9,236)	-	(15,113)
Administrative expenses	(3,841)	(1,856)	-	(5,697)
Total investment return	20,593	(9,166)	-	11,427
Contributions	402	16,876	4,294	21,572
Appropriations of assets for expenditure	(56,637)	(28,250)	-	(84,887)
Reinvestment of payout and internal transfers to endowments	3,986	776	1,047	5,809
Endowment net assets, end of year	$ 1,086,617	$ 254,461	$ 229,200	$ 1,570,278

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $6.9 million and $11.9 million as of June 30, 2017 and 2016, respectively.

Investment Objectives and Risk Parameters

The objective of the Endowment is to preserve and enhance the corpus of the endowment over time while also supporting the spending needs of the University. While it is the University's goal to maintain purchasing power in practice, it is not the University's accounting policy to accommodate purchasing power adjustments by classifying any additional portion of net appreciation as permanently restricted. The level of risk is measured by the annualized standard deviation of quarterly portfolio returns and is expected to be that incurred by university endowments of similar size with similar return objectives over a complete market cycle.

Strategies Employed for Achieving Objectives

Asset allocation policy is the cornerstone of a disciplined, consistent, and diversified approach to achieving the Endowment's investment objectives. The Endowment is broadly diversified across and within asset classes in order to minimize the impact of unexpected asset class- and security- specific adverse results and avoid excessive portfolio volatility. The Endowment's long-term target asset allocation is approved by the Subcommittee on Endowment and Investments of the Board of Trustees.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University's Board of Trustees establishes a spending policy that determines how endowment distributions are made. The spending policy is designed to balance current and future spending requirements by ensuring that a portion of investment return is distributed for current expenditure with the remainder reinvested to shield against inflation. The payout rate is approved annually by the Board of Trustees as part of the budget process. Currently, spending increases in the payout are capped by the change in the Consumer Price Index for the Washington, DC metro area, adjusted for new gifts received during the year. The annual payout is intended to approximate 5% of the average fair value of the endowment. In establishing this policy, the University considered the long-term expected return on its endowment.

Accumulated appreciation in endowment funds with donor-restricted corpus is classified as temporarily restricted net assets until appropriated for spending under the spending policy. At the time of appropriation, the amount of investment income necessary to satisfy the spending policy for the endowment fund and related purpose restrictions, if applicable, is reflected as a Net assets released from restriction, which reduces temporarily restricted net assets and increases unrestricted capital and investing net assets. Any excess of income earned over the approved spending amount is retained in unrestricted, temporarily restricted, or permanently restricted net assets depending on donor restrictions.

Note 8 - Physical Properties

(in thousands)	June 30	
	2017	**2016**
Land	$ 179,975	$ 190,660
Buildings	2,111,143	1,935,430
Construction in progress	26,250	173,988
Accumulated depreciation	(687,847)	(643,961)
Total	$ 1,629,521	$ 1,656,117

Furniture and equipment	$ 167,835	$ 164,734
Library and historical research materials	74,230	79,625
Equipment under capital leases	9,917	10,545
Accumulated depreciation	(169,388)	(162,303)
Total	$ 82,594	$ 92,601

The value of Construction in progress includes the addition of capitalized interest of approximately $1.3 million and $4.1 million for the years ended June 30, 2017 and 2016, respectively.

Furniture and equipment expenditures

(in thousands)	June 30	
	2017	**2016**
Capitalized	$ 14,983	$ 19,670
Expensed	16,382	16,007
Total	$ 31,365	$ 35,677

Depreciation expense

(in thousands)	June 30	
	2017	**2016**
Buildings	$ 56,002	$ 55,249
Furniture and equipment	23,098	23,818
Equipment under capital leases	1,773	1,911
Total	$ 80,873	$ 80,978

Note 9 - Accounts Payable and Accrued Expenses

(in thousands)	June 30 2017	June 30 2016
Accrued building construction payable	$ 11,703	$ 14,815
Accrued interest payable	20,769	23,121
Accrued other liabilities	29,650	30,482
Accrued payroll and related liabilities	84,323	80,418
Accumulated postretirement liability	5,028	22,092
Asset retirement obligation	1,203	1,148
Split interest agreements	6,528	6,694
Trade payables	14,825	17,854
Other payables	11,846	10,620
Total	$ 185,875	$ 207,244

Note 10 - Bonds and Note Payable

(in thousands)	Final Scheduled Maturities	2017 Ending Interest Rate	2017 Amount Outstanding	2016 Amount Outstanding
Taxable bonds:				
2009 Series General Obligation	2/1/2019	Fixed 6.0%	$ -	$ 200,000
2010 Series General Obligation	9/15/2020	Fixed 4.812%	80,940	90,620
2011 Series General Obligation	9/15/2021	Fixed 4.452%	100,000	100,000
2011A Series General Obligation	9/15/2021	Fixed 3.576%	50,000	50,000
2012 Series General Obligation	9/15/2022	Fixed 3.485%	300,000	300,000
2012A Series General Obligation	9/15/2017	Fixed 1.827%	168,000	168,000
2013 Series General Obligation	9/15/2043	Fixed 4.363%	170,000	170,000
2014 Series General Obligation	9/15/2044	Fixed 4.3%	300,000	300,000
2015 Series General Obligation	9/15/2045	Fixed 4.868%	350,000	350,000
2016 Series General Obligation	9/15/2046	Fixed 3.545%	250,000	-
Unsecured note payable	5/1/2021	Fixed 3%	68	83
			1,769,008	1,728,703
Less: debt issuance costs			(7,063)	(6,686)
Total			$ 1,761,945	$ 1,722,017

As of June 30, 2017, the University has two renewable available lines of credit with a national bank totaling $150 million. These lines of credit have variable interest rates and expire in 2017 and 2018. There were no amounts outstanding under lines of credit at June 30, 2017 or 2016.

2016 bond issuance - In July 2016, the University issued $250 million in Series 2016 taxable, fixed-rate bonds at 3.545% with a maturity date of September 15, 2046. The bond proceeds were used to repay Series 2009 fixed-rate bonds of $200 million at 6.0% and to fund debt extinguishment costs of $23.1 million.

Interest expense *(in thousands)*	Expense category	June 30 2017	June 30 2016
Bonds/notes payable	Interest	$ 60,032	$ 58,425
Rental property	Investment real property	10,382	11,500
Capital leases	Interest	115	111
Total		$ 70,529	$ 70,036

As of June 30, 2017, principal payments are due on bonds and note payable in accordance with the following schedule:

Fiscal Year Ending June 30	*(in thousands)*
2018	$ 178,266
2019	10,877
2020	4,017
2021	55,848
2022	150,000
Thereafter	1,370,000
Total	$ 1,769,008

Note 11 - Commitments and Contingencies

The University is a defendant in certain pending civil suits. Based upon information currently available, management believes that any liability resulting therefrom will not materially affect the financial position or changes in net assets of the University.

Amounts received and expended by the University under various federal and state programs are subject to audit by government agencies. Management believes that adjustments, if any, which might result from such audits would not have a significant impact upon the consolidated financial position or changes in net assets of the University.

The University leases certain office, academic, residential, and administrative facilities under non-cancelable operating leases expiring at various dates through 2028. Rent expense under operating leases totaled $15.7 million and $23.5 million for the years ended June 30, 2017 and 2016, respectively. The aggregate minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30	*(in thousands)*
2018	$ 11,919
2019	12,028
2020	9,838
2021	9,952
2022	8,453
Thereafter	25,027
Total	$ 77,217

Note 12 - Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University are classified and reported as follows:

Permanently restricted - Net assets subject to donor-imposed restrictions that stipulate they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

Temporarily restricted - Net assets subject to donor-imposed restrictions that may be or will be met either by actions of the University and/or by the passage of time.

Temporarily and permanently restricted net assets consist of the following:

	June 30			
(in thousands)	2017		2016	
	Temporarily Restricted	Permanently Restricted	Temporarily Restricted	Permanently Restricted
Building funds	$ 23,263	$ -	$ 34,848	$ -
Endowment funds:				
Instruction & academic support	193,229	140,189	158,779	137,594
Student aid	88,773	83,586	74,668	80,195
Building funds	871	632	786	632
Other endowments	21,658	11,020	20,228	10,779
	304,531	235,427	254,461	229,200
Loan funds	-	3,812	-	3,607
Pledges:				
Instruction & academic support	26,075	865	43,955	40
Student aid	14,129	383	10,721	674
Building funds	2,997	-	5,680	-
Other pledges	11,996	1	13,503	-
	55,197	1,249	73,859	714
Split-interest agreements	27,720	26,903	21,601	25,580
Other	54,176	11,855	51,946	11,854
Total	$ 464,887	$ 279,246	$ 436,715	$ 270,955

Note 13 - Program and Supporting Activities Expense

	June 30	
(in thousands)	**2017**	**2016**
Instruction and academic support	$ 706,209	$ 680,863
Research	193,102	180,080
Auxiliary enterprises	94,290	91,896
Student services	104,123	105,859
Institutional support	127,020	126,064
Independent operations	35,055	45,407
Student aid	17,099	17,548
Total	$ 1,276,898	$ 1,247,717

Independent operations include expenses associated with the University's investment real estate operations and defeasance costs of $8.8 million for the year ended June 30, 2016.

Costs related to the maintenance and operation of physical plant of $214.8 million and $216.8 million for the years ended June 30, 2017 and 2016, respectively, include depreciation of plant assets and interest on plant debt. These costs are allocated among program and supporting activities based upon periodic inventories of facility square foot usage. Interest on plant debt is allocated based on the percentage of actual interest expense attributable to properties.

Technology costs of $71.9 million and $79.1 million for the years ended June 30, 2017 and 2016, respectively, are allocated to other functions based upon relative benefits provided to academic and administrative users of the services. Technology costs include expenses associated with the operation and maintenance of administrative systems, campus network and telecommunications systems, computing labs, and related support for students and faculty.

Note 14 - Retirement Plans and Postretirement Benefits

Full-time and regular part-time faculty and staff are eligible for participation in the University's defined contribution retirement program. The program is administered by the University. Independent vendors receive contributions for the plan for investment purposes and process distributions from the plan. Any present or future employee who completes two years of service becomes eligible to participate in the program.

The plan consists of both a noncontributory and a matching component. All eligible participants receive a contribution equal to 4% of their base salary. In addition, for those employees electing to participate in the matching portion of the program, the University contributes an additional amount equal to 1½% for each 1% of eligible compensation contributed by the employee, but not to exceed an amount equal to 6% of the participant's eligible compensation. Participants are immediately fully vested in both types of the University's contributions. Eligible participants direct the investment of contributions made on their behalf. For eligible participants who do not provide investment direction for contributions, the University contributions are invested in a Qualified Default Investment Alternative based on the expected year of retirement. University contributions to the retirement plan amounted to $38.3 million and $36.9 million for the years ended June 30, 2017 and 2016, respectively.

The University provides health care and life insurance benefits to certain retired employees. These employees become eligible for benefits after meeting age and service requirements. Effective June 1, 2017, the University updated its post retirement benefit plan to provide a Medicare health insurance exchange for retirees and long-tem disability participants who are age 65 or older. A Retiree Health Savings Plan is provided for retirees who are under age 65 or are not Medicare eligible. The plan change reduced the accumulated postretirement liability by approximately $16 million. The University's policy is to fund postretirement benefits as payments are made. Accounts payable and accrued expenses include accumulated postretirement liability of $5.0 million and $22.1 million as of June 30, 2017 and 2016, respectively.

Note 15 - Related Parties

MEDICAL FACULTY ASSOCIATES, INC.

The University has an Academic Affiliation Agreement with Medical Faculty Associates, Inc. (MFA). Under the agreement, MFA provides clinical teaching, research, and administrative services to the University which totaled approximately $31.7 million and $32.4 million the years ended June 30, 2017 and 2016, respectively. In addition, MFA leases certain office space, uses operational services, and provides academic support. Medical education agreements and other revenue of approximately $11.2 million and $11.5 million was reported for the years ended June 30, 2017 and 2016, respectively.

In January 2016, the University provided a $20 million line of credit to the MFA. The line of credit was funded with a minimum initial draw of $5 million. The unsecured line of credit has a maturity date of January 2026 with interest-only payments for the first 30 months of one-year LIBOR plus 6%.

Outstanding balances associated with the MFA are:

	June 30	
(in thousands)	**2017**	**2016**
Line of credit receivable	$ 5,000	$ 5,000
Trade receivable	822	1,574
Trade payable	(2,693)	(2,045)
Net receivable	$ 3,129	$ 4,529

DISTRICT HOSPITAL PARTNERS, L.P.

The University has a 20% limited partnership interest in District Hospital Partners, L.P. (DHP), which owns and operates the GW Hospital and provides support to the University in developing and maintaining the medical academic and research programs. The University's investment in DHP is recorded on the equity basis of accounting. The University's share of the partnership's profits for the years ended June 30, 2017 and 2016 was approximately $16.0 million and $13.1 million, respectively.

The University and DHP have executed several agreements, which reimburse or compensate the University for providing services or personnel to assist in the continued operations of the GW Hospital. Medical education agreements revenue of approximately $34.8 million and $33.7 million was reported for the years ended June 30, 2017 and 2016, respectively. The receivable from DHP for the unpaid balance of these services is $4.5 million and $4.7 million as of June 30, 2017 and 2016, respectively.

Note 16 – Subsequent events

The University has performed an evaluation of subsequent events through September 27, 2017, which is the date the financial statements were issued, noting no other events which affect the financial statements as of June 30, 2017.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE OF TRUST

The following is a summary of the Indenture. This summary does not purport to set forth all of the provisions of such document, to which reference is made for the complete and actual terms thereof.

CERTAIN DEFINITIONS

Certain terms used in the Indenture are defined below unless otherwise defined herein or the context clearly indicates otherwise. When and if such terms are used in this Offering Memorandum they shall have the meanings set forth below. Any capitalized term used in this Offering Memorandum regarding the Indenture and not defined herein shall have the meaning given such term by the Indenture.

"Accounts" means the accounts created under the Indenture.

"Additional Bonds" means any bonds issued by the University pursuant to the Indenture subsequent to the Series 2018 Bonds.

"Authenticating Agent" means The Bank of New York Mellon, or any successor of or agent of the Authenticating Agent, appointed pursuant to the Indenture.

"Beneficial Owners" means when the Bonds are held by a Bond Depository, the owner of any Bonds which are held for such owner by a Bond Depository in the form of a Global Certificate.

"Board" means the University's board of trustees or other board or group of individuals in which all of the powers of the University for the management of corporate assets are vested.

"Bond" or "Bonds" means the Series 2018 Bonds and any Additional Bonds issued from time to time under the Indenture.

"Bond Depository" means The Depository Trust Company, its successors and assigns, and any other securities depository which meets the qualifications set forth in the Indenture.

"Bond Payment Date" means any Interest Payment Date and any other date on which the principal, premium (if any) or interest on the Bonds is to be paid to the Owners thereof (whether at maturity thereof, or by acceleration of maturity or after notice of redemption or purchase or prepayment or otherwise).

"Bondholder" or "Holder" or "Holder of Bonds" or "holder of Bonds" or "Owner" or "Owner of Bonds" or "owner of Bonds" means the person in whose name any Bond is registered on the registration books maintained by the Registrar pursuant to the Indenture.

"Business Day" means any day other than a Saturday, Sunday or other day on which (a) the New York Stock Exchange or (b) banks located in New York, New York, the District or in any of the cities of the Principal Offices or drawing office, as applicable, of the Trustee, are authorized by law, regulation or execution order or obligated to be closed.

"Certificated Bonds" means the Bonds authorized to be authenticated and delivered pursuant to the Indenture.

"Closing Date" or "Closing" or "Issuance Date" means with respect to any Series of Bonds, the date of original issuance and delivery of such Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

"Commission" means the Securities and Exchange Commission.

"Counsel" means any attorney or attorneys duly admitted to practice law before the highest court of any state or the District and acceptable to the University who have regularly engaged in the practice of law as their primary occupation for at least five (5) years and none of whom are officers, full-time employees, directors or members of the University.

"Cost of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"Debt Service Fund" means the Debt Service Fund created under the Indenture.

"Default" and "Event of Default" means any "Default" or "Event of Default" under the Indenture.

"Defeasance Securities" means any of the following:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – "SLGs").

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself.

(d) Only the interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable.

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

(f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

(i) U.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Farmers Home Administration (FmHA)

Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) General Services Administration

Participation certificates

(v) U.S. Maritime Administration

Guaranteed Title XI financing

(vi) U.S. Department of Housing and Urban Development (HUD)

Project Notes

Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

"Determination Letter" means, collectively, the letters dated June 30, 1971, August 24, 2009, August 18, 2014 and September 13, 2017, issued by the Internal Revenue Service to the University recognizing the University as an organization described in Section 501(c)(3) of the Code (except for taxation of unrelated business taxable income under Section 511 of the Code) which is exempt from federal income taxation under Section 501(a) of the Code and which is not a "private foundation" as defined in Section 509 of the Code.

"District" means the District of Columbia and its successors and assigns.

"DTC", "Depository" or "Bond Depository" means The Depository Trust Company, of New York, New York and/or its nominee, Cede & Co. or any successors, Substitute Depositories or assigns thereof in whose name or names the Global Certificates shall be registered on the books of the Registrar and its successors and assigns.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Fiscal Year" means a period of 12 consecutive months ending on June 30, or on such other date, specified by the Board, of which the Trustee is given written notice.

"Funds" means, collectively, the funds and accounts created under the Indenture.

"Global Certificate" means when the Bonds are held by a Bond Depository, the Bonds in the form of one (1) Global Certificate representing the aggregate principal amount of Bonds due on a maturity date which shall be registered in the name of such Bond Depository.

"Indenture" means the Indenture of Trust, dated as of April 1, 2018, between the University and the Trustee, and any and all amendments, modifications and supplements thereto.

"Independent" means any Person not an employee or officer of the University or its affiliates.

"Interest Account" means the account by that name in the Debt Service Fund established pursuant to the Indenture.

"Interest Payment Date" means:

(i) each March 15 and September 15, commencing September 15, 2018, provided, however, that if any such date is not a Business Day, the Interest Payment Date shall be the next succeeding day which is a Business Day with the same effect as if such interest payment was made on the original interest payment date; and

(ii) the Stated Maturity Date and any other date on which any Bond service charges shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

"Mail" or "Notice" or "notice" or "Notice by Mail" means mail by first class prepaid postage to Owners of the Bonds at the addresses shown in the registration books maintained pursuant to the Indenture or delivery of all notices or instruments in accordance with the Indenture to the University, the Trustee, the Paying Agent, the Registrar, the Rating Agency or the Bond Depository. Any notice to Owners given by mail shall be deemed given and received when delivered by the Registrar to the United States Postal Service, or its successor, postage prepaid. In case, by reason of suspension of regular mail service or by reason of any other cause, it shall be impracticable to give such notice by Mail, then such notification as shall be made with the approval of the Registrar shall constitute a sufficient notification for every purpose under the Indenture.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"Outstanding" or "outstanding" means, except as provided in the Indenture, when used with reference to Bonds, as of any particular date, all Bonds, authenticated and delivered under the Indenture, as applicable, except:

(i) any Bond canceled by the Registrar or the Trustee, as applicable, (or delivered to the Registrar or Trustee for cancellation, as applicable) at or before such date;

(ii) any Bond for the payment, redemption or purchase and cancellation of the principal and interest on which provision shall have been made as provided in the Indenture; and

(iii) any Bond paid or in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture.

"Participant" or "Participants" means securities brokers and dealers, banks, trust companies and clearing corporations which have access, as participants or otherwise (directly or indirectly) to the DTC system.

"Paying Agent" means The Bank of New York Mellon, or any successor corporation of or agent of the Paying Agent, substituted in its place in accordance with the Indenture and its successors.

"Permitted Investments" means the following obligations:

(a) Direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(i) U.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Rural Economic Community Development Administration (formerly the Farmers Home Administration)

Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) Federal Housing Administration Debentures (FHA)

(v) General Service Administration

Participation certificates

(vi) Government National Mortgage Association (GNMA)

GNMA - guaranteed mortgage-backed bonds

GNMA - guaranteed pass-through obligations

(vii) U.S. Maritime Administration

Guaranteed Title XI financing

(viii) U.S. Department of Housing & Urban Development

Project Notes

Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Federal Home Loan Bank System

Senior debt obligations;

(ii) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")

Participation Certificates

Senior debt obligations;

(iii) Federal National Mortgage Association (FNMA or "Fannie Mae")

Mortgage-backed securities and senior debt obligations;

(iv) Student Loan Marketing Association (SLMA or "Sallie Mae")

Senior debt obligations;

(v) Resolution Funding Corp. (REFCORP) obligations; and

(vi) Farm Credit System

Consolidated system-wide bonds and notes;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAA-m; or AA-m and if rated by Moody's rated Aaa, AA1 or AA2 (including investments for which the Trustee serves as investment adviser or manager);

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including EIF and SAIF;

(g) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A1" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A1" or "A" or better by S&P;

(k) Repurchase agreements for 30 days or less provided such agreements follow the criteria described below; and

(i) Repurchase agreements with a dealer bank or securities firm which are:

a. Primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by S&P and Moody's, or

b. Banks rated "A" or above by S&P and Moody's.

(ii) The written repurchase contract must include acceptable securities:

a. Acceptable securities are:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA and FHLMC).

(iii) The collateral must be delivered to the trustee (if the trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) Valuation of Collateral

a. The securities must be valued weekly, marked to market at current market price plus accrued interest.

b. The value of collateral must be equal to 104% of the amount of cash transferred to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(l) Interest bearing bank deposit products.

"Person" or "person" means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

"Pre-Refunded Municipal Obligations" has the meaning set forth in paragraph (e) of the definition of Defeasance Securities.

"Principal Account" means the account by that name in the Debt Service Fund established pursuant to the Indenture.

"Principal Office" means the office maintained by any person for the transaction of business or such other office as shall be designated by such person in writing to the Trustee, the Paying Agent, the Registrar, the Authenticating Agent and the University, and specifically shall mean the office or offices with respect to:

(i) the Trustee, the office designated in the Indenture or such other office as is designated in writing to the Paying Agent, the Registrar, the Authenticating Agent and the University;

(ii) the Paying Agent, the office designated in the Indenture or such other office as is designated in writing to the Trustee, the Registrar, the Authenticating Agent and the University;

(iii) the Authenticating Agent, the office designated in the Indenture or such other office as is designated in writing to the Trustee, the Registrar and the University;

(iv) the Registrar, the office designated in the Indenture or such office as is designated in writing to the Trustee, the Paying Agent, the Authenticating Agent and the University; and

(v) the University, the office designated in the Indenture or such other office as is designated in writing to the Trustee, the Paying Agent, the Authenticating Agent and the Registrar.

"Purchase Contract" means the Contract of Purchase for the Series 2018 Bonds, dated March 27, 2018, between the University and Barclays Capital Inc., as representative of the Underwriters, or any other purchase contract relating to the purchase of Additional Bonds.

"Rating Agency" means S&P, Moody's or any other securities rating agency that shall have assigned a rating with respect to the Bonds upon the application of the University, which rating is in effect at the time in question, and the successors and assigns of any such rating agencies, and the term "Rating Agencies" shall mean all of the foregoing, collectively.

"Record Date" means, with respect to each Interest Payment Date, the first day of the month of such Interest Payment Date, or, if such day shall not be a Business Day, the next succeeding Business Day.

"Redemption Fund" means the fund by that name established pursuant to the Indenture.

"Registrar" means The Bank of New York Mellon, or any successor of or agent of the Registrar, appointed in accordance with the Indenture and their respective successors.

"Resolution" means the resolution adopted by the Board authorizing the issuance of the Series 2018 Bonds, or any resolution adopted by the Board in connection with the issuance of Additional Bonds.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Series" means the Bonds issued at any one time or otherwise issued as one series under the provisions of the Indenture, and shall refer severally to the Series 2018 Bonds and any Series of Additional Bonds.

"Series 2018 Bonds" means the $795,000,000 The George Washington University Taxable Bonds, Series 2018, issued pursuant to the Indenture.

"Special Record Date" means the special record date established by the Trustee pursuant to the Indenture for the purpose of paying principal and interest to Bondholders upon an Event of Default.

"Stated Maturity Date" or "Stated Maturity" means with respect to the Series 2018 Bonds, the maturity date or dates specified in the Indenture, and with respect to any Additional Bonds, the maturity date or dates specified in the applicable Supplemental Indenture.

"Subsidiary" means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or a state thereof which is directly or indirectly controlled by, or under common control by, the same Person as the University or any other Subsidiary. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of a majority of its voting securities, the right to designate or elect a majority of the members of its board or directors or other governing board or body or the power or right to direct the management and policies of a Person by contract or otherwise.

"Substitute Depository" means a Depository appointed pursuant to the Indenture and qualified in accordance with the provisions of the Indenture to replace a predecessor Bond Depository but shall not include a successor of any Bond Depository.

"Supplemental Indenture" means any instrument entered into by the University and the Trustee executed and delivered in accordance with the terms and provisions of the Indenture for the purpose of amending, modifying or supplementing the Indenture.

"Trust Estate" means, at any particular time, all cash and securities now or hereafter held in the Funds and Accounts, all moneys, securities and obligations, including Permitted Investments (including the investment income from Permitted Investments) which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Trustee in trust under any of the provisions of the Indenture, created or established under the Indenture and all investment earnings on the Funds and Accounts and all other property of every name and nature which is now pledged, assigned or transferred, or which may from time to time in the future be pledged assigned or transferred, to the Trustee, by delivery or by writing of any kind, as and for security under the Indenture, except for moneys or obligations deposited with or paid to the Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with the Indenture, and funds held pursuant to the Indenture for Bonds which have not been presented for payment.

"Trustee" means The Bank of New York Mellon, a banking corporation organized and existing under the laws of the State of New York, as trustee under the Indenture, its successors in trust and its and their assigns, and any co-trustee appointed and serving under the Indenture.

"UCC" means the Uniform Commercial Code as in effect in the District.

"Underwriters" means Barclays Capital Inc., J.P. Morgan Securities LLC and Loop Capital Markets LLC.

"University" means The George Washington University, an institution of higher education and body corporate organized and existing under a Special Act of Congress of the United States of America, and its successors and assigns.

"University Representative" means the Executive Vice President and Treasurer of the University and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the University then authorized by the Executive Vice President and Treasurer to perform such act or discharge such duty in writing reciting that such authorization is effective pursuant to the by-laws of the University then in effect accompanied by a written certificate of the Secretary of the Board of the University furnished to the Trustee containing the specimen signature of such person.

"Value" means with respect to funds held as part of any fund or account under the Indenture, shall be determined as of the end of each month and as otherwise required under the Indenture and shall mean the value of any investments calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the University in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest.

THE INDENTURE

The following is a summary of certain provisions of the Indenture. Such summary does not purport to be complete or definitive and reference is made to the Indenture for a full and complete statement of the terms and provisions and for the definition of capitalized terms used in this summary and not otherwise defined under "Definitions of Certain Terms in the Indenture."

Pledge. In order to secure the payment of the principal of, and interest and premium, if any, on the Series 2018 Bonds and any Additional Bonds issued under the Indenture either at their maturity or prior redemption according to their tenor and effect and to secure the performance and observance by the University of all the covenants and obligations expressed or implied in the Indenture and in the Bonds, the University conveys, transfers, assigns and pledges the Trust Estate to, and grants a security interest in the Trust Estate to the Trustee and to its successors in trust and assigns, forever, such conveyance, transfer, assignment, pledge and security interest to be effective without the recording of the Indenture or any other instrument.

Payments with Respect to the Series 2018 Bonds. The University will make payments which shall be sufficient to pay the principal of, purchase price, or premium, if any, and interest on, the Series 2018 Bonds, on the dates, in the amounts, at the times and in the manner provided in the Indenture and in the Series 2018 Bonds, whether at maturity, upon acceleration, upon redemption or otherwise. The obligation of the University to make payments for deposit into the

Interest Account of the Debt Service Fund for the payment of interest on the Series 2018 Bonds on the Interest Payment Date and into the Principal Account of the Debt Service Fund and the Redemption Fund for payment of principal of, and premium, if any, on the Series 2018 Bonds on the date for payment, as required pursuant to the Indenture, shall be reduced by the amount of moneys in the Debt Service Fund or the Redemption Fund, as applicable, available for such purposes. The University shall pay to the Trustee, at the Trustee's Principal Office, all payments payable by the University pursuant to the Indenture.

In the event that the University fails to make any payments described above with respect to the payment of the Series 2018 Bonds required by the Indenture, the item or installment in default will continue as an obligation of the University until the amount in default is fully paid.

Covenants of the University. As a further inducement to any Holder from time to time to purchase the Bonds, the University covenants, among other things, to:

(i) duly and punctually make all payments required by the Indenture and the Bonds on the dates, at the times, at the place and in the manner provided in the Indenture and in the Bonds when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise, according to the true intent and meaning thereof;

(ii) maintain its existence as a non-profit institution of higher education and to not take any action or omit to take any action or permit any circumstance within its control to arise or continue if such action, omission or circumstance will result in a modification, revocation or termination of its status as an organization described in Section 501(c)(3) of the Code which is not a "private foundation" as defined in Section 509(a) of the Code, or its classification as an organization organized and operated exclusively for educational or charitable purposes and not for pecuniary profit within the meaning of the Securities Act of 1933, as amended;

(iii) subject to certain exceptions, maintain its perpetual corporate existence by Special Act of Congress, in good standing, and its qualification to do business in the District, and will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it, provided that the University may, so long as no Event of Default exists or would exist by reason thereof without violating the agreement contained in this paragraph, consolidate with or merge into another legal entity, or permit one or more legal entities to consolidate with or merge into it, or sell or otherwise transfer to another legal entity all or substantially all of its assets as an entirety and thereafter dissolve, provided that (1) the surviving, resulting or transferee legal entity, as the case may be, shall be a legal entity organized and existing under the laws of the United States of America or of the District or of one of the states of the United States of America, shall be qualified to do business in the District, and, if not the University, shall assume in writing all of the obligations of the University under the Indenture and the Bonds, in which event the University shall be released, concurrently with and contingent upon such assumption, from all liability under the Indenture and the Bonds and (2) such consolidation, merger or transfer is in accordance with the terms and conditions of the Indenture;

(iv) keep and maintain full and accurate books and records and provide full and prompt access thereto, excluding confidential records, to the Trustee upon reasonable request therefor;

(v) maintain or obtain when needed, all necessary permits, licenses, certifications, accreditations and other governmental authorizations necessary to conduct its operations substantially as they are presently conducted or as they may in the future, be conducted;

(vi) maintain insurance coverage on the properties of the University with reputable insurance companies duly qualified to conduct business in the District in amounts and against risks customarily insured against by institutions similarly situated, including but not limited to insurance covering business interruption, property and liability. The University may, at its option, fulfill its insurance obligations, in whole or in part, through self-insurance;

(vii) at all times cause its business to be carried on and conducted in an efficient manner and its properties to be maintained, preserved and kept in reasonably good repair, working order and condition with all needful and proper repairs, renewals and replacements thereof to be made; provided, however, that nothing in the Indenture shall be construed: (a) to prevent the University from ceasing to operate any portion of its properties, if in the judgment of the University it is advisable not to operate the same for the time being; or if the University intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such a sale or other disposition; or (b) to obligate the University to retain, preserve, repair, renew or replace any property, leases, rights, privileges or licenses no longer used or useful in the conduct of its educational and charitable purposes and operations;

(viii) promptly pay all lawful taxes, governmental charges and assessments at any time levied or assessed upon or against it or against its properties; provided, however, that the University shall have the right to contest in good faith by appropriate proceedings any such taxes, governmental charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof if such delay or deferral shall be permitted by applicable law and shall not materially adversely affect the ability of the University to perform its obligations under the Indenture;

(ix) be and remain in compliance in all material respects with all applicable provisions of ERISA; and

(x) make available to Holders certain annual financial information and certain material event notices; provided that failure by the University to satisfy this covenant shall not be an Event of Default on the Bonds under the Indenture.

Certificated Bonds. When Bonds are no longer held by a Bond Depository or Substitute Depository, upon the conditions specified in the Indenture, the University shall direct that

Certificated Bonds be issued in lieu of Global Certificates. In such event, the Global Certificates shall be canceled and disposed of by the Trustee in accordance with its customary procedures. The Trustee shall notify the Paying Agent, the Authenticating Agent and the University of the cancellation and disposition of such Global Certificates specifying such Global Certificates by number, and the University shall thereupon execute and the Authenticating Agent shall authenticate and deliver Certificated Bonds. Upon the issuance of Certificated Bonds, the Trustee and the Authenticating Agent may require payment by the Bondholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to the issuance of such Certificated Bonds. The execution by the University of any Certificated Bonds shall constitute full and due authorization of such Certificated Bonds. Certificated Bonds shall be entitled to the same benefits under the Indenture as Global Certificates.

Books. The University shall cause books for the registration and registration of transfer of the Bonds as provided in the Indenture to be kept by the Registrar. The Registrar shall maintain and keep, at the Principal Office of the Registrar, books for the registration and registration of transfer of Bonds, which at all reasonable times shall be open for inspection by the University, the Trustee and the Paying Agent. Upon presentation of any Bond entitled to registration or registration of transfer at the Principal Office of the Registrar, the Registrar shall register or register the transfer of the Bond in the registration books, under such reasonable regulations, as the Registrar may prescribe. The Registrar shall make all necessary provisions to permit the exchange or registration and transfer of Bonds at the Principal Office of the Registrar.

Transfer and Exchange. The Bonds shall be transferred and exchanged as provided in the Indenture, provided that the Trustee and Registrar shall not register the transfer or exchange of any Bonds subject to redemption during the period beginning at the opening of business 15 days prior to the mailing of a notice of redemption of such Bonds to be redeemed or those Bonds as to which notice of redemption has been given in accordance with the Indenture unless the transferee of the Bond to be transferred or exchanged delivers to the Registrar a written acknowledgement of such call for redemption and agrees in writing to be bound by such call for redemption.

Nonpresentment of Bonds. In the event any Bond is not presented for payment when principal of such Bond becomes due, either at maturity or at the date fixed for redemption of the Bond, or otherwise, or if any interest check is not cashed, if sufficient funds to pay such Bond or interest has been made available by the University to the Trustee or the Paying Agent for the benefit of the Owner of the Bond, all liability of the University to the Owner of the Bond for the payment of such Bond, or interest, as the case may be, will forthwith cease, terminate and be completely discharged, upon which event it will be the duty of the Trustee to segregate such funds and to hold such segregated funds in trust, uninvested and without liability for interest on such funds, for the benefit of the Owner of such Bond or interest, as the case may be, who will thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on, or with respect to, such Bond or interest, as the case may be, provided that any money deposited with the Trustee for the payment of the principal of, and premium, if any, on, or interest on, any Bond and remaining unclaimed for two (2) years (or such shorter period of time as is then specified by the law governing unclaimed or abandoned property) after such principal, premium, if any, or interest has become due and payable shall be paid pursuant to the law governing unclaimed or abandoned property.

Creation of Funds and Accounts; Deposit of and Use of Moneys. The Funds and separate Accounts within the Funds created with respect to the Bonds under the Indenture shall be held and administered by the Trustee in accordance with the terms of the Indenture and as described below concerning certain Funds:

> **Cost of Issuance Fund**. A Cost of Issuance Fund will be established. There will deposited in the Cost of Issuance Fund on the Closing Date a portion of the net proceeds from the sale of the Series 2018 Bonds representing the costs of issuance of the Series 2018 Bonds. The Trustee shall disburse moneys in the Cost of Issuance Fund upon receipt of a written order signed by an authorized officer of the University. Any moneys in the Cost of Issuance Fund that are not disbursed within 90 days following the delivery date of the Bonds, or such earlier date as may be specified by the University, shall be transferred to the Debt Service Fund or to the University in accordance with the instructions provided by the University to the Trustee.
>
> **Debt Service Fund**. A Debt Service Fund will be established comprised of a Principal Account and an Interest Account. There will be deposited in the Debt Service Fund by the Trustee Payments allocated to principal of and premium, if any, and interest on the Bonds. Except as otherwise provided in the Indenture, moneys in the Debt Service Fund shall be used solely for the payment of the principal of, and interest on the Bonds as the same become due and payable. The balance of any moneys remaining in the Interest Account and the Principal Account after payment of the foregoing amounts will be remitted to the University.

Payment of Interest. On each Interest Payment Date, the Paying Agent shall pay the interest due on the Bonds on such date from moneys transferred to it by the Trustee from amounts on deposit in the Interest Account of the Debt Service Fund.

Payment of Principal and Premium. On each date on which the principal of and, premium, if any, on any of the Bonds becomes due and payable, at maturity, upon redemption or otherwise, the Paying Agent shall pay such principal, and premium, if any, from moneys transferred to it from the Trustee from amounts on deposit, as applicable, in the Principal Account of the Debt Service Fund and the Redemption Fund.

Redemption Fund. A Redemption Fund will be established. Moneys in the Redemption Fund shall be used solely for the payment of principal of, and accrued interest and redemption premium, if any, on the Bonds upon the redemption thereof.

Investments. Moneys in any Fund or Account created under the Indenture shall, at the specific written direction of the University, be invested and reinvested by the Trustee in Permitted Investments and such investments applied pursuant to and in accordance with the Indenture.

Performance of Covenants of the University; Representations. The University will at all times faithfully perform any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture, and in all proceedings pertaining to the Bonds.

Removal of Trustee. The Trustee may be removed at any time by the University, with or without cause, by providing notice, in writing, of an appointment of a successor to the Trustee to be removed, the Paying Agent, the Authenticating Agent and the Registrar. Such removal shall take effect upon not less than thirty (30) days following the date of the giving of such notice and the appointment of a successor Trustee and the acceptance of such appointment by such successor. Upon the termination of the Indenture, and upon the removal or resignation of the Trustee, any reasonable costs associated with any accounting or similar process requested of the Trustee which is not duplicative in nature or in excess of the accounting or similar process ordinarily required under the Indenture and previously provided by the Trustee, shall be a proper charge against the Trust Estate pursuant to the Indenture.

Events of Default. Each of the following events shall constitute an Event of Default under the Indenture:

(a) A failure to pay the principal, or purchase price of, or premium, if any, on any Bond or any Series of Bonds when the same becomes due and payable, at maturity or redemption or otherwise;

(b) A failure to pay any installment of interest on any Bond or any Series of Bonds when the same becomes due and payable;

(c) A failure by the University to observe or perform any covenant, condition, agreement or provision, other than as specified in clauses (a) or (b) above and in clause (x) of the section herein entitled "Covenants of the University", contained in the Bonds or in the Indenture which is to be observed or performed by the University, which failure continues for a period of sixty (60) days after written notice, specifying the failure and requesting that it be remedied, has been given to the University by the Trustee, unless the Trustee agrees in writing to an extension of such period prior to its expiration, provided however, that the Trustee will be deemed to have agreed to such extension if corrective action is initiated by the University within such period and is being diligently pursued; and

(d) if the University shall: (i) voluntarily be adjudicated as bankrupt or insolvent, (ii) seek or consent to the appointment of a receiver or trustee for itself or for all or any part of its property, (iii) file a petition seeking relief under the bankruptcy or similar laws of the United States, the District or any state or any other competent jurisdiction, (iv) make a general assignment for the benefit of creditors, (v) admit in writing its inability to pay its debts as they mature, (vi) be involuntarily declared bankrupt if a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of the University, a receiver or trustee for it for all or any part of the University's property or approving a petition filed against the University seeking relief under the bankruptcy or other similar laws of the United States, the District or any state or other competent jurisdiction, and such order, judgment or decree shall be consented to or remain in force undischarged or unstayed for a period of 120 days after the date on which such petition was filed, or (vii) have a creditor file a petition in bankruptcy or for the appointment of a receiver or for similar relief against the University or for reorganization of the University pursuant to any Federal, District or state bankruptcy similar laws, and if such petition shall be consented to by the University or not be discharged or dismissed within 120 days after the date on which such petition was filed.

Acceleration of Maturity. Upon the occurrence of an Event of Default, the Trustee may, and will, at the direction of the owners of Bonds representing 25% of the aggregate principal amount of Outstanding Bonds of the affected Series of Bonds, by written notice to the University, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment will, without further action, become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding.

Priority of Payments following Default. Any moneys received by the Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of the Indenture upon an Event of Default, after payment of the costs and expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to all outstanding fees and expenses of the Trustee and other fiduciaries as provided in the Indenture, shall be deposited into the Debt Service Fund and all moneys so deposited into the Debt Service Fund during the continuance of an Event of Default (other than moneys held pursuant to the Indenture), shall be applied by the Trustee as follows:

(a) Unless the principal of all the Bonds shall be due and payable, all such moneys shall be applied pro rata among all Series of Bonds;

FIRST: to the payment to the persons entitled thereto of the interest then due and unpaid on the Bonds and, if the amount available shall not be sufficient to pay in full all such interest, then to the payment of such interest, ratably, to the persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the persons entitled thereto of the unpaid principal and premium, if any, due on any of the Outstanding Bonds in the order of the due dates for such payments, with interest upon such principal and premium, if any, from the respective dates upon which such amounts shall have become due and payable (whether upon proceedings for redemption or otherwise), and, if the amount available shall not be sufficient to pay in full the principal and premium, if any, due and payable on any particular date, together with such interest, then to the payment first, of such interest, ratably, according to the amount of interest due on such date, and then, to the payment of such principal and premium, if any, ratably, according to the amount due on such date, to the persons entitled thereto, without any discrimination or preference;

THIRD: to the payment of the interest on and the principal of the Bonds as the same become due and payable (whether upon proceedings for redemption or otherwise); and

FOURTH: to the University or as a court of competent jurisdiction shall direct in writing.

(b) If the principal of all the Bonds shall have become due and payable, either by their terms or by a declaration of acceleration, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Outstanding Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of the Indenture such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all Holders of the Outstanding Bonds shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the University, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Actual Notice of Events of Default. The Trustee will provide written notice of the occurrence and continuing of any Event of Default to the University and all Owners of Bonds within thirty (30) days after obtaining knowledge of such Event of Default.

Rescission or Annulment of Acceleration. At any time after the principal of the Bonds shall have been declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee, by written notice to the University, the Registrar and the Paying Agent, may annul such declaration and its consequences if: (i) moneys have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal of all matured Bonds (except the principal of any Bonds due solely as a result of such declaration); (ii) moneys have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Bonds or in the Indenture (other than a default in the payment of the principal of such Bonds then due solely as a result of such declaration) shall have been remedied to the satisfaction of the Trustee; and (iv) notice has been given as described in the Indenture. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Restoration to Former Position. In case any proceedings taken by the Trustee or the Bondholders on account of default in respect of the Bonds have been discontinued or abandoned for any reason, or shall have been determined adversely to the University or the Bondholders, then the University, the Trustee and the Bondholders will be restored to their respective former positions and rights under the Indenture, and all rights, remedies, powers and duties of the Trustee will continue as though no such proceeding had been taken.

Bondholders' Right to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, except with regards to payments under the Indenture following Default and as described in the sections entitled "Trustee Entitled to Indemnity," "Acceleration of Maturity," "Priority of Payments following Default" and "Restrictions Upon Action by Individual Bondholders", the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings available to the Trustee under the Indenture, provided that (i) such direction will not be otherwise than in accordance with law and the provisions of the Indenture, and (ii) the Trustee will have the right to decline to follow such direction.

Limitation on Bondholders' Right to Institute Proceedings. No Bondholder has any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture or for any other remedy under the Indenture unless (i) such Holder previously has given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Outstanding Bonds have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Indenture or to institute such action, suit or proceeding in its or their name, and (iii) there has been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of the Indenture or to any other remedy under the Indenture; provided, however, that the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Outstanding Bonds may institute any such suit, action or proceeding in their own names for the benefit of all Bondholders.

It is understood and intended that, except as otherwise provided above, (i) no one or more Bondholders has any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture or to enforce any right thereunder except in the manner provided in the Indenture, (ii) all proceedings at law or in equity shall be maintained in the manner therein provided and for the benefit of all Holders of the Outstanding Bonds, and (iii) that any individual right of action or other right given by law to one or more of such Holders is restricted by the Indenture to the rights and remedies therein.

No Impairment of Right to Enforce Payment. Notwithstanding any other provision of the Indenture to the contrary, the right of any Bondholder to receive payment of the principal, premium, if any, and interest on a Bond or to institute suit for the enforcement of any such payment on or after the date such payment is due, shall not be impaired or affected without the consent of such Bondholder.

No Remedy Exclusive. No remedy conferred upon or reserved to the Trustee or to the Bondholders under the Indenture is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or now or in the future existing at law or in equity or by statute.

No Waiver of Remedies. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default will impair any such right or power or be construed to be a waiver of any such default, or an acquiescence in the default. Every power and remedy given under the Indenture to the Trustee and to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

Limitations on Modifications of the Indenture. The Indenture shall not be modified, supplemented or amended in any respect subsequent to the first issuance of the Bonds except as provided in and in accordance with and subject to the provisions of the Indenture.

Supplemental Indenture Without Bondholder Consent. The University and the Trustee may, from time to time and at any time, without the consent of or notice to the Bondholders enter into Supplemental Indentures as follows:

(i) To cure any formal defect, omission, inconsistency or ambiguity in, or to clarify any provision contained in, the Indenture.

(ii) To grant or confer or impose upon the Trustee, the Registrar or the Paying Agent, for the benefit of the Bondholders, any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with the Indenture as previously in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee, the Registrar or the Paying Agent without their respective consents.

(iii) To make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different denominations and similar amendments and modifications of a technical nature.

(iv) To make necessary or advisable amendments or additions which do not affect adversely the interests of Holders of Outstanding Bonds.

(v) To comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended.

(vi) To modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondholders and which does not involve certain changes described in the immediately following section and which, in judgment of the

Trustee, the Paying Agent, the Registrar or the Authenticating Agent, as applicable, is not to the prejudice of such entity.

(vii) To provide for the amendment of the provisions concerning registration of the Bonds under or outside a book entry system.

(viii) To provide additional security to the Bondholders, including the provision of any bond insurance policy, guaranty, letter of credit or any type of credit facility.

(ix) To obtain or maintain the rating of any Series of Bonds by Moody' s or S&P.

(x) To provide for the issuance of Additional Bonds in accordance with the Indenture.

Supplemental Indenture with Bondholder Consent. Bondholders of not less than 51% in aggregate principal amount of the affected Bonds then Outstanding have the right from time to time to consent to and approve the execution and delivery by the University and the Trustee of any Supplemental Indenture consistent with the provisions of the Indenture and which is deemed necessary or desirable by the University for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in the Indenture, provided, however, that, unless approved in writing by the Bondholders of all the Bonds then Outstanding, nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal amount or premium, if any, or interest on any Outstanding Bond, a change in the terms of the principal amount or premium, if any, of any Outstanding Bond or the rate of interest on any Outstanding Bond or a reduction in the principal amount, or premium, if any, of any Outstanding Bond, or (ii) the creation of a claim, lien or pledge ranking prior to the claim, lien or pledge created by the Indenture, or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, except as provided in the Indenture, or (iv) a reduction in the aggregate principal amount of Bonds, the consent of the Bondholders of which is required for any such Supplemental Indenture under the Indenture.

Notice. If at any time the University requests the Trustee to enter into any Supplemental Indenture for any of the purposes described in the preceding paragraph, the Trustee shall cause notice of the proposed Supplemental Indenture to be given by mail to all Owners of Outstanding Bonds not less than 15 days in advance of the proposed effective date of such amendment. Such notice shall be prepared by the University and will briefly set forth the nature of the proposed Supplemental Indenture and state that a copy of it is on file at the office of the Trustee for inspection by all Bondholders. Within two (2) years after the date of the first publication of such notice, the University and the Trustee may enter into such Supplemental Indenture in substantially, the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Bondholders and (ii) an opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, complies with its respective terms and, upon its execution and delivery, will be valid and binding upon the University in accordance with its terms.

No Right to Object. If Bondholders of not less than the percentage of Bonds required by the Indenture consent to and approve the execution and delivery of the Supplemental Indenture as provided in the Indenture, no Bondholder will have any right to object to the execution and delivery of such Supplemental Indenture, or to object to any of the terms and provisions contained in it or to its operation, or in any manner to question the propriety of its execution and delivery, or to enjoin or restrain the University or the Trustee from executing and delivering the same or from taking any action pursuant to its provisions.

Discharge of Indenture. If the University pays or causes to be paid to the Owner of any Bond or any Series of Bonds secured by the Indenture, the principal of, as of the redemption date, premium, if any, and interest due and payable, and thereafter to become due and payable, on that Bond or Series of Bonds, or any portion of that Bond or such Series of Bonds (whether such due date is by reason of maturity or upon redemption as provided in the Indenture), then that Bond or portion of that Bond or Series of Bonds will cease to be entitled to the lien, benefit and security of the Indenture. If the University pays or causes to be paid to the Owners of all the Bonds secured by the Indenture, the principal of, premium, if any, and interest due and payable on the Bonds and thereafter to become due and payable on the Bonds, and shall pay or cause to be paid, or make other satisfactory arrangements with respect to, all other sums owing under the Indenture by the University, including all necessary and proper fees, compensation and expenses of the Trustee, the Registrar, the Paying Agent and any co Paying Agent, then, and in that case, the right, title and interest of the Trustee in and to the Trust Estate will terminate. In, that event, the Trustee will assign, transfer and turn over the Trust Estate, including, without limitation, any surplus in the Debt Service Fund and any balance remaining in any other Fund created under the Indenture to the University except as otherwise provided in the Indenture.

Defeasance. Any Bond will be deemed to be paid within the meaning of the preceding paragraph and for all purposes of the Indenture when (i) payment of the principal, as of the redemption date, premium, if any, plus interest on, the Bond to its due date (whether such due date is by reason of maturity or upon redemption as provided in the Indenture) either (A) will have been made or caused to be made in accordance with the terms of the Bond or (B) will have been provided for by irrevocably depositing in trust for the benefit of the Bondholders and irrevocably setting aside exclusively for such payment, Defeasance Securities and (ii) all necessary and proper fees, compensation and expenses of the Trustee, the Authenticating Agent, the Registrar and the Paying Agent pertaining to the Bonds will have been paid or the payment of such amount will have been provided for to the satisfaction of the Trustee. At such times as a Bond is deemed to be paid under the Indenture, as provided above, such Bond will no longer be secured by or entitled to the lien or benefit of the Indenture. Notwithstanding the foregoing, no deposit under clause (i)(B) above will be deemed a payment of such Bonds until (A) proper notice of redemption of such Bonds has been previously given in accordance with the Indenture and (B) in the event such Bonds are not to be redeemed within the next succeeding ninety (90) days, the University has given the Trustee irrevocable instructions to notify, as soon as practicable, the Owners of the Bonds in accordance with the Indenture that the deposit required by clause (i)(B) above has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with the Indenture and further stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of, or premium, if any, on such Bonds, plus interest on such Bonds to their redemption date or the maturity of such Bonds.

The Trustee shall be entitled to receive, at the expense of the University, and may conclusively rely upon a verification report from a firm of nationally recognized, independent certified accountants and an opinion of Counsel stating that all conditions set forth in the Indenture have been satisfied.

Acceptance of Trusts. The Trustee accepts and agrees to execute the trusts created under the Indenture, but only upon the terns set forth therein, to all of which the University agrees and the respective Bondholders agree by their acceptance of delivery of any of the Bonds. The obligations and duties of the Trustee shall be determined solely by reference to the Indenture and, except as expressly set forth in the Indenture, no duties, express or implied shall be imposed on the Trustee, and no permissive rights afforded to the Trustee under the Indenture shall be construed as duties. The Trustee will be permitted in the ordinary course of its business to engage in banking business with the University as if it were not Trustee under the Indenture. The Trustee may execute any of the trusts or powers contained in the Indenture and perform the duties required by it under the Indenture by or through agents, receivers or employees and shall be entitled to rely on the advice of independent counsel concerning all matters relating to the trusts and its duties under the Indenture. The Trustee shall not be responsible for any willful misconduct or negligence of any agent or receiver selected and supervised by it with due care.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondholders pursuant to the Indenture, unless such Bondholders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

University Officials. No covenant, obligation or agreement contained in the Indenture or the Bonds shall be considered to be a covenant, obligation or agreement of any University Representative, member of the Board, officer of employee of the University in his or her individual capacity, nor shall any official executing the Indenture and the Bonds on behalf of the University be liable personally or be subject to any personal liability or accountability by reason of anything stated in or omitted from the Indenture and the Bonds.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com