



\$12,700,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
HAMILTON COLLEGE
REVENUE BONDS, SERIES 2010

Dated: Date of Delivery **Due: July 1, as shown below**

Payment and Security: The Hamilton College Revenue Bonds, Series 2010 (the "Series 2010 Bonds") are special obligations of the Dormitory Authority of the State of New York (the "Authority"), payable solely from, and secured by a pledge of (i) certain payments to be made under the Loan Agreement dated as of December 2, 2009 (the "Loan Agreement") between The Trustees of Hamilton College (the "College" or "Hamilton") and the Authority, and (ii) all funds and accounts (except the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase) established under the Authority's Hamilton College Revenue Bond Resolution, adopted December 2, 2009 (the "Resolution") and the Series Resolution authorizing the Series 2010 Bonds (the "Series 2010 Resolution") adopted December 2, 2009.

The Loan Agreement is a general, unsecured obligation of the College and requires the College to pay, in addition to the fees and expenses of the Authority and the Trustee, amounts sufficient to pay, when due, the principal, Sinking Fund Installments, if any, purchase price and Redemption Price of and interest on all Bonds issued under the Resolution, including the Series 2010 Bonds.

The Series 2010 Bonds will not be a debt of the State of New York (the "State") nor will the State be liable thereon. The Authority has no taxing power.

Description: The Series 2010 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest (due July 1, 2010 and each January 1 and July 1 thereafter) will be payable by check or draft mailed to the registered owners of the Series 2010 Bonds at their addresses as shown on the registration books held by the Trustee or, at the option of a holder of at least \$1,000,000 in principal amount of Series 2010 Bonds, by wire transfer to the holder of such Series 2010 Bonds, each as of the close of business on the fifteenth day of the month next preceding an interest payment date. The principal or Redemption Price of the Series 2010 Bonds will be payable at the principal corporate trust office of U.S. Bank National Association, New York, New York, the Trustee and Paying Agent or, with respect to Redemption Price, at the option of a holder of at least \$1,000,000 in principal amount of Series 2010 Bonds, by wire transfer to the holder of such Series 2010 Bonds as more fully described herein.

The Series 2010 Bonds will be issued initially under a Book-Entry Only System, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Individual purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry form (without certificates). So long as DTC or its nominee is the registered owner of the Series 2010 Bonds, payments of the principal, purchase price and Redemption Price of and interest on the Series 2010 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement to beneficial owners is the responsibility of DTC participants. See "PART 3 - THE SERIES 2010 BONDS - Book-Entry Only System" herein.

Redemption or Purchase: *The Series 2010 Bonds are not subject to optional redemption or purchase in lieu of optional redemption prior to maturity. The Series 2010 Bonds are subject to special redemption prior to maturity as more fully described herein.*

Bank Qualified Bonds: The College has designated the Series 2010 Bonds as "qualified tax exempt obligations." See "PART 18--BANK QUALIFIED BONDS" herein.

Tax Matters: In the opinion of Bond Counsel, under current law and assuming compliance with certain tax covenants described herein, interest on the Series 2010 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2010 Bonds may be included in the calculation of certain taxes, including the alternative minimum tax imposed on corporations by the Code, as described in "PART 10 - TAX MATTERS" herein. Bond Counsel is also of the opinion that under current law, interest on the Series 2010 Bonds is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2010 Bonds.

<u>Due</u>		<u>Interest</u>		<u>CUSIP</u>	<u>Due</u>	<u>Interest</u>		<u>CUSIP</u>
<u>July 1,</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Number</u> ⁽¹⁾	<u>July 1,</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>
2011	\$ 865,000	3.00%	0.54%	649905WT9	2017	\$1,190,000	4.00%	2.70%
2012	990,000	3.00	0.85	649905WU6	2018	1,240,000	4.00	3.00
2013	1,020,000	3.00	1.18	649905WV4	2019	1,295,000	5.00	3.16
2014	1,055,000	4.00	1.53	649905WW2	2020	1,365,000	5.00	3.27
2015	1,100,000	4.00	1.97	649905WX0	2021	1,435,000	5.00	3.37
2016	1,145,000	4.00	2.41	649905WY8				

The Series 2010 Bonds are offered when, as, and if issued and received by the Underwriter. The offer of the Series 2010 Bonds may be subject to prior sale, or withdrawn or modified at any time without notice. The offer is subject to the approval of legality by Sidley Austin, LLP, New York, New York, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the College by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Edwards Angell Palmer & Dodge LLP, New York, New York. The Authority expects to deliver the Series 2010 Bonds in definitive form in New York, New York, on or about February 11, 2010.

Barclays Capital

January 27, 2010

(1) CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the Series 2010 Bonds. Neither the Authority nor the Underwriter are responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Series 2010 Bonds or as indicated above. CUSIP numbers are subject to being changed after the issuance of the Series 2010 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such Series 2010 Bonds 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 the Series 2010 Bonds.

No dealer, broker, salesperson or other person has been authorized by the Authority, the College or the Underwriter to give any information or to make any representations with respect to the Series 2010 Bonds, other than the information and representations contained in this Official Statement. If given or made, any such information or representations must not be relied upon as having been authorized by the Authority, the College or the Underwriter.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the Series 2010 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information in this Official Statement has been supplied by the College and other sources that the Authority believes are reliable. Neither the Authority nor the Underwriter guarantee the accuracy or completeness of such information and such information is not to be construed as a representation of the Authority or the Underwriter.

The College has reviewed the parts of this Official Statement describing the College, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. As a condition to delivery of the Series 2010 Bonds, the College will certify that as of the date of this Official Statement and of delivery of the Series 2010 Bonds, such parts do not contain any untrue statements of a material fact and do not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading. The College makes no representation as to the accuracy or completeness of any other information included in this Official Statement.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriter does not guarantee the accuracy or completeness of such information.

References in this Official Statement to the Act, the Resolution, the Series 2010 Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2010 Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2010 Resolution and the Loan Agreement are on file with the Authority and the Trustee.

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

Under no circumstances will the delivery of this Official Statement or any sale made after its delivery create any implication that the affairs of the Authority or the College have remained unchanged after the date of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2010 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2010 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

<u>Part</u>	<u>Page</u>	<u>Part</u>	<u>Page</u>
1. INTRODUCTION	1	Endowment	17
Purpose of the Official Statement	1	Net Assets	18
Purpose of the Issue	1	Plant Assets	18
Authorization of Issuance	1	Outstanding Indebtedness	18
The Authority	1	Pension Plans	19
The College	2	Insurance	19
The Series 2010 Bonds	2	LITIGATION	19
Payment of the Series 2010 Bonds	2	7. THE AUTHORITY	19
Security for the Series 2010 Bonds	2	Background, Purposes and Powers	19
2. SOURCE OF PAYMENT AND SECURITY FOR THE		Outstanding Indebtedness of the Authority (Other than	
SERIES 2010 BONDS	2	Indebtedness Assumed by the Authority)	20
Payment of the Series 2010 Bonds	2	Outstanding Indebtedness of the Agency	
Security for the Series 2010 Bonds	3	Assumed by the Authority	21
Events of Default and Acceleration	3	Governance	22
Issuance of Additional Bonds	4	Claims and Litigation	26
General	4	Other Matters	26
3. THE SERIES 2010 BONDS	4	8. LEGALITY OF THE SERIES 2010 BONDS FOR	
General	4	INVESTMENT AND DEPOSIT	26
Description of the Series 2010 Bonds	5	9. NEGOTIABLE INSTRUMENTS	26
Redemption Provisions	5	10. TAX MATTERS	27
Book-Entry Only System	6	In General	27
Principal and Interest Requirements	8	Original Issue Premium	27
4. THE REFUNDING PLAN	9	Backup Withholding	28
5. ESTIMATED SOURCES AND USES OF FUNDS	9	Future Developments	28
6. THE COLLEGE	9	11. STATE NOT LIABLE ON THE SERIES 2010 BONDS	28
GENERAL INFORMATION	9	12. COVENANT BY THE STATE	28
General	9	13. LEGAL MATTERS	28
Strategic Plan	11	14. UNDERWRITING	29
Governance	11	15. VERIFICATION OF MATHEMATICAL COMPUTATIONS	29
Administration	12	16. CONTINUING DISCLOSURE	29
OPERATING INFORMATION	13	17. RATING	31
Admissions	13	18. BANK QUALIFIED BONDS	31
Enrollment	13	19. MISCELLANEOUS	31
Tuition and Other Student Charges	14	Appendix A – Certain Definitions	A-1
Student Financial Aid	14	Appendix B – Financial Statements of Hamilton College	
Faculty	15	(With Independent Auditors’ Report Thereon)	B-1
Labor Relations	15	Appendix C – Summary of Certain Provisions of the Loan Agreement	C-1
ANNUAL FINANCIAL STATEMENT INFORMATION	15	Appendix D – Summary of Certain Provisions of the Resolution	D-1
Financial Reporting	15	Appendix E – Form of Approving Opinion of Bond Counsel	E-1
Budget	17		
Private Gifts and Grants	17		



DORMITORY AUTHORITY - STATE OF NEW YORK
PAUL T. WILLIAMS, JR. – EXECUTIVE DIRECTOR

515 BROADWAY, ALBANY, NY 12207
ALFONSO L. CARNEY, JR. – CHAIR

OFFICIAL STATEMENT RELATING TO
\$12,700,000
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
HAMILTON COLLEGE
REVENUE BONDS, SERIES 2010

PART 1 — INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page and appendices, is to provide information about the Authority and the College, in connection with the offering by the Authority of \$12,700,000 principal amount of its Hamilton College Revenue Bonds, Series 2010 (the “Series 2010 Bonds”).

The following is a brief description of certain information concerning the Series 2010 Bonds, the Authority and the College. A more complete description of such information and additional information that may affect decisions to invest in the Series 2010 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Appendix A hereto.

Purpose of the Issue

The Series 2010 Bonds are being issued (i) to refund the Authority’s outstanding Hamilton College Insured Revenue Bonds, Series 1999 (the “Refunded Bonds”) and (ii) to pay certain Costs of Issuance of the Series 2010 Bonds. See “PART 4 - THE REFUNDING PLAN” and “PART 5 - ESTIMATED SOURCES AND USES OF FUNDS.”

Authorization of Issuance

The Series 2010 Bonds will be issued pursuant to the Resolution, the Series 2010 Resolution and the Act. In addition to the Series 2010 Bonds, the Resolution authorizes the issuance of other Series of Bonds to pay other Costs of one or more Projects, to pay the Costs of Issuance of such Series of Bonds and to refund all or a portion of Outstanding Bonds or other notes or bonds issued for the benefit of the College. The Bonds permitted to be issued under the Resolution include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. All Bonds issued under the Resolution rank on a parity with each other and are secured equally and ratably with each other. There is no limit on the amount of additional Bonds that may be issued under the Resolution. See PART 2 - “SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS.”

The Authority

The Authority is a public benefit corporation of the State, created for the purpose of financing and constructing a variety of public-purpose facilities for certain educational, healthcare, governmental and not-for-profit institutions. See “PART 7 - THE AUTHORITY.”

The College

The College is an independent, coeducational, nonsectarian, not-for-profit institution of higher education chartered by the Board of Regents of the State. The College is located in Clinton, New York. See “PART 6 - THE COLLEGE” and “Appendix B - Financial Statements of Hamilton College (With Report of Independent Auditors’ Thereon)”.

The Series 2010 Bonds

The Series 2010 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2010 and on each January 1 and July 1 thereafter) at the rates and will mature at the times set forth on the cover page of this Official Statement. See “PART 3 - THE SERIES 2010 BONDS - Description of the Series 2010 Bonds.”

Payment of the Series 2010 Bonds

The Series 2010 Bonds and all other Bonds which may be issued under the Resolution are special obligations of the Authority payable solely from the Revenues which consist of certain payments to be made by the College under the Loan Agreement, which payments are pledged and assigned to the Trustee. The Loan Agreement is a general, unsecured obligation of the College. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS - Payment of the Series 2010 Bonds.”

Security for the Series 2010 Bonds

The Series 2010 Bonds are secured equally with all other Bonds which may be issued under the Resolution by the pledge of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution and any Series Resolution other than the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase.

The Loan Agreement is a general, unsecured obligation of the College. No security interest in any revenues or assets of the College has been granted by the College to the Authority under the Loan Agreement. In addition, no provision of the Loan Agreement will preclude the College from incurring indebtedness secured by a lien and pledge of revenues of the College without granting to the Authority any security interest in any revenues to secure the College’s obligations under the Loan Agreement. See “PART 2 - SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS - Security for the Series 2010 Bonds” and “- Issuance of Additional Bonds.”

The Series 2010 Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Series 2010 Bonds except for the Authority’s responsibility to make payments from moneys received from the College pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

PART 2 — SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2010 BONDS

Set forth below is a narrative description of certain contractual provisions relating to the source of payment of and security for the Series 2010 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Act, the Loan Agreement, the Resolution and the Series 2010 Resolution. Copies of the Loan Agreement, the Resolution and the Series 2010 Resolution are on file with the Authority and the Trustee. See also “Appendix C — Summary of Certain Provisions of the Loan Agreement” and “Appendix D — Summary of Certain Provisions of the Resolution” for a more complete statement of the rights, duties and obligations of the parties thereto.

Payment of the Series 2010 Bonds

The Series 2010 Bonds and all other Bonds which may be issued under the Resolution will be special obligations of the Authority. The principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2010 Bonds and all other Bonds which may be issued under the Resolution are payable solely from the Revenues, which consist of payments to be made by the College pursuant to the Loan Agreement on account of the

principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds. The Revenues and the right to receive them (other than amounts in the Arbitrage Rebate Fund) have been pledged to the Trustee for the benefit of the Bondholders.

The Loan Agreement is a general, unsecured obligation of the College. The Loan Agreement obligates the College to make payments to satisfy the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on Outstanding Series 2010 Bonds. Payments made by the College in respect of interest on the Series 2010 Bonds are to be made on the 10th day of each June immediately preceding the July 1 and on the 10th day of each December immediately preceding the January 1 on which interest is payable, in each case in an amount equal to the interest coming due on the next succeeding interest payment date. Payments by the College in respect of principal are to be made on the 10th day of each June immediately preceding the July 1 on which such principal becomes due. See "PART 3 - THE SERIES 2010 BONDS."

The Authority has directed, and the College has agreed, to make such payments directly to the Trustee. Such payments are to be applied by the Trustee to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Series 2010 Bonds.

Security for the Series 2010 Bonds

The Series 2010 Bonds are secured equally with all other Bonds which may be issued under the Resolution by the pledge of the Revenues, the proceeds of the Bonds and, except as otherwise provided in the Resolution, all funds and accounts established by the Resolution and any Series Resolution other than the Arbitrage Rebate Fund and any fund established for the payment of the purchase price of Option Bonds tendered for purchase.

The Series 2010 Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power. Neither the State nor the Authority has any responsibility to make payments with respect to the Series 2010 Bonds except for the Authority's responsibility to make payments from moneys received from the College pursuant to the Loan Agreement and from amounts held in the funds and accounts under the Resolution and pledged therefor.

The Loan Agreement and the obligation of the College to make payments under the Loan Agreement are general, unsecured obligations of the College. The obligations of the College to make payments or cause the same to be made under the Loan Agreement are complete and unconditional and the amount, manner and time of making such payments are not to be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the College may otherwise have against the Authority, the Trustee or any Bondholder for any cause whatsoever.

No security interest in any revenues or assets of the College has been granted by the College to the Authority under the Loan Agreement.

Events of Default and Acceleration

The following are events of default under the Resolution: (i) a default in the payment of the principal, Sinking Fund Installment, if any, or Redemption Price of or interest on any Bond; (ii) the Authority defaults in the due and punctual performance of the tax covenants contained in the Resolution, and, as a result thereof, the interest on Bonds of a Series shall no longer be excludable from gross income under the Code; (iii) a default by the Authority in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Resolution or any Series Resolution on the part of the Authority to be performed and the continuance of such default for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds; or (iv) an event of default under the Loan Agreement shall have been declared and is continuing and all sums payable by the College under the Loan Agreement have been declared immediately due and payable (unless such declaration has been annulled). Unless otherwise specified above, an event of default under the Loan Agreement is not an event of default under the Resolution.

The Resolution provides that if an event of default (other than as described in clause (ii) of the preceding paragraph) occurs and continues, the Trustee may, and upon the written request of Holders of not less than 25% in principal amount of the Bonds Outstanding, by notice in writing to the Authority, is to declare the principal of and

interest on all of the Bonds Outstanding to be immediately due and payable at the expiration of 30 days after such notice is given. At the expiration of 30 days from the giving of such notice, such principal and interest will become immediately due and payable. The Trustee, with the written consent of the Holders of not less than 25% in principal amount of Bonds not yet due by their terms and then Outstanding, will annul such declaration and its consequences under the terms and conditions specified in the Resolution with respect to such annulment.

Notwithstanding any other provision of the Resolution to the contrary, upon the Authority's failure to comply with the covenant described in subclause (ii) of the first paragraph under this heading, upon the direction of the Holders of not less than 25% in principal amount of the Outstanding Bonds of the Series affected thereby, the Trustee is to exercise the rights and remedies provided to the Bondholders under the Resolution. However, the Resolution provides that in no event may the Trustee, whether or not it is acting at the direction of the Holders of 25% or more in principal amount of the Outstanding Bonds of the Series affected thereby, declare the principal of such Series of Bonds, and the interest accrued thereon, to be due and payable immediately as a result of the Authority's failure to comply with such covenant.

The Resolution provides that the Trustee is to give notice in accordance with the Resolution of each event of default known to the Trustee to the Holders of the Bonds within 30 days after knowledge of the occurrence thereof unless such default has been remedied or cured before the giving of such notice. However, except in the case of default in the payment of the principal, Sinking Fund Installment, if any, or Redemption Price of, or interest on, any of the Bonds, the Trustee is protected in withholding such notice thereof from the Holders if the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds.

Issuance of Additional Bonds

The Resolution authorizes the issuance of other Series of Bonds to finance one or more projects and for other specified purposes including to refund Outstanding Bonds or other notes or bonds issued on behalf of the College. The Bonds which may be issued include Capital Appreciation Bonds, Deferred Income Bonds, Option Bonds and Variable Interest Rate Bonds. There is no limit on the amount of additional Bonds that may be issued under the Resolution or the amount of indebtedness that may be otherwise incurred by the College.

General

The Series 2010 Bonds will not be a debt of the State nor will the State be liable thereon. The Authority has no taxing power. The Authority has never defaulted in the timely payment of principal or sinking fund installments of or interest on its bonds or notes. See "PART 7 - THE AUTHORITY."

PART 3 — THE SERIES 2010 BONDS

Set forth below is a narrative description of certain provisions relating to the Series 2010 Bonds. These provisions have been summarized and this description does not purport to be complete. Reference should be made to the Resolution and the Loan Agreement, copies of which are on file with the Authority and the Trustee. See also "Appendix C - Summary of Certain Provisions of the Loan Agreement" and "Appendix D - Summary of Certain Provisions of the Resolution" for a more complete description of certain provisions of the Series 2010 Bonds.

General

The Series 2010 Bonds will be issued pursuant to the Resolution. The Series 2010 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to DTC's Book-Entry Only System. Purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry form, without certificates. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2010 Bonds, payments of the principal and Redemption Price of and interest on the Series 2010 Bonds will be made by the Trustee directly to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners of the Series 2010 Bonds is the responsibility of the DTC Participants and the Indirect Participants (as hereinafter defined). If at any time the Book-Entry Only System is discontinued for the Series 2010 Bonds, the Series 2010 Bonds will be exchangeable for fully registered Series 2010 Bonds in any authorized denominations of the same maturity without

charge except the payment of any tax, fee or other governmental charge to be paid with respect to such exchange, subject to the conditions and restrictions set forth in the Resolution. See “ - Book-Entry Only System” below and “Appendix D - Summary of Certain Provisions of the Resolution.”

U.S. Bank National Association will be the Trustee and Paying Agent for the Series 2010 Bonds.

Description of the Series 2010 Bonds

The Series 2010 Bonds are dated their date of delivery and bear interest from such date (payable July 1, 2010 and on each January 1 and July 1 thereafter) at the rates set forth on the cover page of this Official Statement.

The Series 2010 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

Interest on the Series 2010 Bonds will be payable by check mailed to the registered owners or, at the option of the registered owner of at least \$1,000,000 of Series 2010 Bonds, by wire transfer to the wire transfer address within the continental United States to which the registered owner has instructed the Trustee to make such payment at least five days prior to the interest payment date. If the Series 2010 Bonds are not registered in the name of DTC or its nominee, Cede & Co., the principal and Redemption Price of the Series 2010 Bonds will be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee and Paying Agent.

Redemption Provisions

The Series 2010 Bonds are not subject to optional redemption or purchase in lieu of optional redemption, but are subject to special redemption as described below.

Special Redemption

The Series 2010 Bonds are subject to redemption prior to maturity at the option of the Authority, in whole or in part on any interest payment date, at 100% of the principal amount thereof plus accrued interest to the redemption date from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Project to which such Series 2010 Bonds being redeemed relate.

Selection of Bonds to be Redeemed

In the case of redemptions of Series 2010 Bonds, the Authority will select the maturities of the Series 2010 Bonds to be redeemed. If less than all of the Series 2010 Bonds of a maturity are to be redeemed, the Series 2010 Bonds of such maturity to be redeemed will be selected by the Trustee, by lot, using such method of selection as the Trustee shall consider proper in its discretion.

Notice of Redemption

Generally, the Trustee is to give notice of the redemption of the Series 2010 Bonds in the name of the Authority, by first-class mail, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to the registered owners of any Series 2010 Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority not more than ten Business Days prior to the date such notice is given. Each notice of redemption will state, in addition to any other condition, that the redemption is conditioned upon the availability on the redemption date of sufficient moneys to pay the Redemption Price of the Series 2010 Bonds to be redeemed. The failure of any owner of a Series 2010 Bond to be redeemed to receive notice of redemption will not affect the validity of the proceedings for the redemption of such Series 2010 Bond. If directed in writing by an Authorized Officer of the Authority, the Trustee will publish or cause to be published such notice in an Authorized Newspaper not less than 30 days nor more than 45 days prior to the redemption date, but publication is not a condition precedent to such redemption and failure to publish such notice or any defect in such notice or publication will not affect the validity of the proceedings for the redemption of such Series 2010 Bonds.

If on the redemption date moneys for the redemption of the Series 2010 Bonds of like maturity to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the redemption price, and if notice of redemption has been mailed, then interest on the Series 2010 Bonds of such maturity will cease to accrue from and after the redemption date and such Series 2010 Bonds will no longer be considered to be Outstanding.

For a more complete description of the redemption and other provisions relating to the Series 2010 Bonds, see “Appendix D - Summary of Certain Provisions of the Resolution.”

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, will act as the securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond certificate will be issued for each maturity of each Series of the Series 2010 Bonds, totaling in the aggregate the principal amount of the Series 2010 Bonds, and will be deposited with DTC.

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

Purchases of the Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2010 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, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 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 Series 2010 Bonds, except in the event that use of the book-entry system for such Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices will be sent to DTC. If less than all of the Series 2010 Bonds within a maturity of a Series of the Series 2010 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010 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 Authority 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 Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2010 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 Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the Series 2010 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Series 2010 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY, THE COLLEGE NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT, (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2010 BONDS UNDER THE RESOLUTION; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2010 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE SERIES 2010 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE SERIES 2010 BONDS; OR (VI) ANY OTHER MATTER.

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Principal and Interest Requirements

The following table sets forth the amounts required to be paid by the College during each twelve month period ending June 30 of the Bond Years shown for the payment of debt service on the currently outstanding indebtedness of the College, the principal of and interest on the Series 2010 Bonds and the total debt service on all indebtedness of the College, including the Series 2010 Bonds.

12-Month Period Ending June 30	Series 2010 Bonds				
	Principal Payments	Interest Payments	Total Debt Service on the Series 2010 Bonds	Debt Service on Other Indebtedness	Total Debt Service
2010	-	\$202,300	\$ 202,300	\$7,218,694	\$7,420,994
2011	\$ 865,000	520,200	1,385,200	6,891,050	8,276,250
2012	990,000	494,250	1,484,250	7,294,644	8,778,894
2013	1,020,000	464,550	1,484,550	7,280,981	8,765,531
2014	1,055,000	433,950	1,488,950	7,262,388	8,751,338
2015	1,100,000	391,750	1,491,750	7,248,388	8,740,138
2016	1,145,000	347,750	1,492,750	7,239,563	8,732,313
2017	1,190,000	301,950	1,491,950	7,220,313	8,712,263
2018	1,240,000	254,350	1,494,350	7,205,313	8,699,663
2019	1,295,000	204,750	1,499,750	7,189,188	8,688,938
2020	1,365,000	140,000	1,505,000	7,164,688	8,669,688
2021	1,435,000	71,750	1,506,750	7,145,438	8,652,188
2022	-	-	-	8,755,363	8,755,363
2023	-	-	-	8,734,563	8,734,563
2024	-	-	-	8,718,038	8,718,038
2025	-	-	-	8,698,081	8,698,081
2026	-	-	-	8,676,531	8,676,531
2027	-	-	-	8,653,263	8,653,263
2028	-	-	-	8,630,188	8,630,188
2029	-	-	-	8,604,750	8,604,750
2030	-	-	-	8,580,750	8,580,750
2031	-	-	-	8,557,750	8,557,750
2032	-	-	-	8,530,625	8,530,625
2033	-	-	-	8,504,250	8,504,250
2034	-	-	-	8,455,000	8,455,000
2035	-	-	-	8,455,000	8,455,000
2036	-	-	-	8,455,000	8,455,000
2037	-	-	-	8,455,000	8,455,000

PART 4 — THE REFUNDING PLAN

A portion of the proceeds of the Series 2010 Bonds will be deposited, together with other available moneys, with the trustee for the Refunded Bonds upon the issuance and delivery of the Series 2010 Bonds, and will be held in trust solely for the payment of the redemption price of and interest on the Refunded Bonds within 90 days of the delivery of the Series 2010 Bonds. At the time of such deposit, the Authority will give such trustee irrevocable instructions to give notice of the redemption of the Refunded Bonds and to apply the proceeds on deposit to the payment of the redemption price of and interest on the Refunded Bonds on the redemption date. In the opinion of Bond Counsel, upon making such deposits with such trustee and the issuance of certain irrevocable instructions to such trustee, the Refunded Bonds will, under the terms of the resolution under which they were issued, be deemed to have been paid and will no longer be outstanding and the pledge of the revenues or other moneys and securities pledged to the Refunded Bonds and all other rights granted by such resolution to the Refunded Bonds shall be discharged and satisfied. See “PART 15 – VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

PART 5 — ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Sources of Funds

Principal Amount of Series 2010 Bonds.....	\$ 12,700,000
Plus: Aggregate Original Issue Premium.....	1,284,775
Transfers from prior Arbitrage Rebate Fund	139,713
Transfers from prior Debt Service Fund	831,297
Transfers from prior Debt Service Reserve Fund	1,034,155
Equity Contribution	<u>140,921</u>
Total Sources	<u>\$ 16,130,861</u>

Uses of Funds

Deposit to the Refunding Escrow	\$ 15,624,453
Deposit to Debt Service Fund	1,018
Costs of Issuance ⁽¹⁾	326,992
Underwriters' Discount.....	<u>178,398</u>
Total Uses	<u>\$ 16,130,861</u>

¹ Includes legal fees, state bond issuance charge and associated costs relating to the Series 2010 Bonds.

PART 6 — THE COLLEGE

GENERAL INFORMATION

General

Hamilton College is a four-year, non-sectarian, undergraduate, residential, coeducational liberal arts college with an enrollment of more than 1,800 students from 49 states and 40 countries. The College occupies a 1,300-acre hilltop campus overlooking the New England-style Village of Clinton, New York, and in close proximity to the Adirondack Park. Hamilton’s open curriculum gives students the freedom to shape their own liberal arts education within a research-and writing-intensive framework.

Hamilton was founded as the Hamilton-Oneida Academy in the aftermath of the American Revolution. President George Washington granted “approbation” to the *Plan of Education* presented by the Reverend Samuel Kirkland in 1793, Secretary of the Treasury Alexander Hamilton consented to be a trustee and lent his name, and

Inspector General of the Continental Army Baron von Steuben and Oneida Chief Skenandoa were present when the cornerstone for the new Academy was laid.

Throughout its nearly 200-year history Hamilton has produced graduates who are leaders in their fields and active in their communities. Early on, attesting to the College's emphasis on rhetoric and debate, Hamilton alumni were educators, ministers, and public servants, including governors, congressmen, state supreme court justices, and university presidents. The 20th century saw a number of prominent statesmen and public servants, and more educators – fitting for a college founded in a village that earned the sobriquet “schooltown” for the many academic institutions in its environs. Even today, more alumni pursue careers in education than in any other field.

Some of Hamilton's salient characteristics are relatively new: coeducation, the open curriculum, and emphases on interdisciplinarity, the arts, and hands-on learning. Each of these changes may be traced in some measure to the mission and curriculum of Kirkland College, which was founded in 1968 and merged with Hamilton a decade later. In fact, one might argue that the Hamilton of today is a place of two interlocking histories, proud, enduring, and complementary. These two histories are definitional, not merely incidental, to Hamilton. The College is at once the site of continuity and tradition, and discontinuity and innovation. It blends old and new, while adhering to the liberal arts as the best preparation for a life of purpose and engagement. Central to institutional identity is the simultaneous cultivation of tradition and innovation, and the creative energies produced by their interplay.

Hamilton provides a 24-hour learning community, recognizing that education and personal growth transcend the boundaries of classrooms, laboratories, and studios. The College believes that education on its campus happens whenever and wherever people encounter one another: in the dining hall, on the playing field, at a concert, in a residence hall. All members of a residential liberal arts community learn from one another, and all students are enriched as they gain knowledge of backgrounds different from their own and interact within a cohort characterized by a variety of experiences and origins. This being the case, the College ensures that a range of views, experiences, and backgrounds characterize the learning environment.

Hamilton's tradition of self-criticism is fostered by a commitment to academic freedom and an understanding of academic responsibility. In addition, all faculty members have in recent years increasingly attended to assessment and developed measures of accountability.

Professors at Hamilton are involved in the life of the College -- intellectually, of course, but also socially, recreationally, and culturally. Faculty come to Hamilton knowing that the formal part of a student's education is governed by a rigorous liberal arts curriculum with an emphasis on writing and speaking, but that teaching, advising, and mentoring extend beyond the classroom, beyond the subject matter, and beyond the traditional instructional day.

The student body has changed as society has changed. The most dramatic transformation was the admittance of women when Hamilton and Kirkland combined in 1978, while the move to a more racially and ethnically inclusive community has been more incremental, with most of the progress coming in the past half decade. Hamilton is also expanding its reach nationally, enrolling more students from beyond New York and New England.

Hamilton alumni include winners of the Nobel Prize, the Pulitzer Prize, and the Presidential Medal of Freedom; educators, non-profit leaders, community volunteers, and philanthropists; college and university presidents; past and current members of Congress, the Administration, and the National Academy of Sciences; Fortune 500 CEOs, entrepreneurs, and Wall Street executives; and authors, journalists, Emmy Award-winning entertainers, and Tony Award-winning playwrights. Part of that support manifests itself financially, most evidently in a sizable endowment created and managed by alumni. Despite the relatively small number of Hamilton graduates, the College's endowment is often listed among the top 100 of all 3,200 non-profit colleges and universities in the United States; Hamilton's endowment-per-student places the College even higher.

Income generated by the endowment has enabled the College to provide generous financial aid, build facilities that reflect emerging pedagogies, attract prominent lecturers and speakers, provide state-of-the-art technology and, more recently, offer opportunities for students to attend national conferences, accept unpaid internships, and engage in summer research.

Hamilton has long been identified with its emphasis on persuasive speaking and writing, skills that at one time were the purview of specific departments, but which now are embedded in courses throughout the curriculum. The Nesbitt-Johnston Writing Center, founded in 1987, and the Oral Communication Center, established in 2002, support Hamilton's position in these areas. Similarly, the creation of a student-governed honor code in 1912 and the College's founding of study abroad programs in France (1957), Madrid (1974), and Beijing (1996) show the leadership that has helped to distinguish Hamilton. In 1971, Hamilton's charter membership in the New England

Small College Athletic Conference (with Amherst, Bates, Bowdoin, Colby, Connecticut College, Middlebury, Trinity, Tufts, Wesleyan, and Williams) provided further institutional definition.

Strategic Plan

The College’s recently adopted Strategic Plan builds on the accomplishments of the 2002 Strategic Plan, which called on the College to invest in its signature programs in writing, speaking, and public policy, and led to the creation of new centers for all three as part of the expansion and renovation of the Kirner-Johnson Building. Responding to the second core objective of the 2002 Strategic Plan, the College created more opportunities for students to conduct primary research, pursue internships, and work collaboratively with faculty mentors. With all of the progress made thus far, those 2002 priorities remain priorities in 2010.

The 2002 plan also called on the College to address issues of diversity, construct new arts and social science facilities, expand the use of technology in classrooms, maintain its commitment to assessment, and plan for the renovation and expansion of the Burke Library. Here, too, the College has made progress. Since 2000, Hamilton has invested approximately \$155 million in maintaining, expanding and renovating its physical plant. Notable projects during the past nine years include the renovation and expansion of the Science Center (\$56 million, completed in 2005), the renovation and expansion of the Kirner-Johnson Building for social sciences (\$37 million, completed in 2009), the renovation of the Chemistry Building into the Blood Fitness and Dance Center (\$10.3 million, opened in 2006), and the construction of the Little Squash Center (\$6.1 million, opened in 2006).

Enhancements to the physical plant, the institution of a new curriculum in 2001, and the adoption of strategic initiatives focused on Hamilton’s liberal arts mission have helped fuel the College’s increased admission selectivity.

Governance

The College is governed by a Board of Trustees with an authorized maximum number of 36 Trustees, including the President of the College who serves ex-officio. Under the by-laws, 24 Trustees (Charter Trustees) are elected by the Board, and 12 are elected by the alumni (Alumni Trustees). Charter Trustees have six-year terms and may be reelected. Vacancies in the Charter Trustees are filled by election by the Board for the unexpired term. Alumni Trustees have four-year terms and may not serve consecutive terms. Vacancies in the Alumni Trustees are filled in such manner as may be determined from time to time by the Alumni. The Board holds regular meetings four times yearly.

The current Charter and Alumni members and officers of the Board of Trustees and the year of graduation from the College are as follows:

A. G. Laffley ‘69 Chairman of the Board Procter & Gamble Cincinnati, OH	Richard Bernstein ‘80 Richard Bernstein Cap. Mgmt. New York, NY	John Emmons ‘75 Welch & Forbes Boston, MA	Philip E. Lewis Andrew Mellon Foundation New York, NY
George F. Little II ‘71 Vice-Chair of the Board George Little Management, Inc. White Plains, NY	David Blood ‘81 Generation Investment Mgmt. London, England	Amy O. Goodfriend ‘82 Greenwich, CT	Arthur J. Massolo ‘64 Straticon Hollywood, FL
George D. Baker, Jr. ‘74 Williams and Jensen, PLLC Washington, DC	Harold Bogle ‘75 Credit Suisse New York, NY	Jennifer M. Hill ‘87 The Royal Bank of Scotland London, England	Torrence D. Moore ‘92 Illinois Housing Development Authority Chicago, IL
Henry W. Bedford ‘76 Moore Capital Management London, England	Julia Cowles ‘84 Davis, Polk & Wardwell Menlo Park, CA	Ann Hutchins ‘79 Alexius Consulting Santa Barbara, CA	Robert S. Morris ‘76 Olympus Partners Stamford, CT
	Robert V. Delaney, Jr. ‘79 Crestview Partners New York, NY	Joel W. Johnson ‘65 Hormel Foods Corporation Austin, MN	Daniel T. Nye ‘88 San Francisco, CA
		Linda E. Johnson ‘80 National Constitution Center Philadelphia, PA.	Mary B. Partridge Brookside, N. J.

Ronald R. Pressman '80
GE Capital Real Estate
Norwalk, CT

John G. Rice '78
General Electric
Atlanta, GA

Gregory J. Robitaille '85
Water Street Healthcare
Partners
Chicago, IL

Nancy Roob '87
Edna McConnell Clark
Foundation
New York, NY

Alexander C. Sacerdote '94
Whale Rock Capital
Management
Boston, MA

Stephen I. Sadove '73
Saks, Inc.
New York, NY

A. Barrett Seaman '67
Ardsley-on-Hudson, NY

Susan E. Skerritt K '77
Bank of New York Mellon
New York, NY

Patricia T. Smalley
Larchmont, NY

David M. Solomon '84
Goldman, Sachs & Company
New York, NY

Joan H. Stewart
President
Hamilton College
Clinton, NY

Thomas J. Tull '92
Legendary Pictures
Burbank, CA

Jack Withiam '71
dmg world media
White Plains, NY

Jaime E. Yordan '81
Citigroup Global Markets,
Inc.
New York, NY

There is currently one vacancy on the Board of Trustees.

Administration

The principal administrative and academic officers of the College are:

Joan Hinde Stewart, President. Ms. Stewart has been President of Hamilton since July 1, 2003. Prior to coming to Hamilton she was Dean of the College of Liberal Arts at the University of South Carolina. She received a B.A. from St. Joseph's College and a Ph.D. from Yale University.

Meredith Harper Bonham, Chief of Staff and Secretary to the Board of Trustees. Ms. Bonham has been at Hamilton since 1993, and was the Associate Director of the Annual Fund before being named Assistant to the President in 1999. She received a B.A. from Kenyon College and an Ed.M. from Harvard University.

Monica C. Inzer, Dean of Admissions and Financial Aid. Ms. Inzer has been at Hamilton since July 1, 2004. Prior to coming to Hamilton she was Dean of Undergraduate Admission and Student Financial Services at Babson College. She received a B.A. from Skidmore College.

Karen L. Leach, Vice President for Administration & Finance. Prior to her arrival at Hamilton in July, 2001, Ms. Leach was the Chief Information Officer at Colgate University following several years there as the Associate Provost. She received her B.A. from Vassar College and her M.B.A. from Syracuse University.

Nancy R. Thompson, Dean of Students. Nancy was named Dean of Students in February, 2005, after serving as acting Dean since July, 2004. Previous to that, Nancy served as Senior Associate Dean of Students. She received a B.A. from SUNY Geneseo, M.Ed. from Springfield College and her M.S.Ed. from St. Bonaventure University.

Joseph R. Urgo, Vice President for Academic Affairs and Dean of the Faculty. Mr. Urgo came to Hamilton in July, 2006 from the University of Mississippi, where he served as chair of the English Department. He received a B.A. from Haverford College, M.A.L.S. from Wesleyan University, and M.A. and Ph.D. from Brown University.

David L. Smallen, Vice President for Technology. Mr. Smallen came to Hamilton in 1972 as a member of the mathematics department. He has directed the College's technology division since 1974, and became the Vice President for Technology in 2001. He received a B.S. and M.S. from the State University of New York at Albany, and a Ph.D. from the University of Rochester.

Richard C. Tantillo, Vice President, Communications and Development. Mr. Tantillo has been at Hamilton since 1994. Prior to coming to Hamilton, he was Director of Development at Rensselaer Polytechnic Institute. He received a B.A. from St. Bonaventure University and an M.S. from State University of New York at Albany.

OPERATING INFORMATION

Admissions

The number of full-time undergraduate students attending Hamilton College in the current academic year is approximately 1,853. Over 90% of the 2009-2010 freshmen class were in the top 20% of their graduating high school classes and 100% were ranked in the top half. Approximately 4,661 applications were received in the Fall of 2009. The following table indicates the freshmen applications received, students accepted and students enrolled for the fall semester over the past five years.

FRESHMAN ADMISSIONS STATISTICS

Fall	Total Applications	Acceptance	Acceptance Rate	Number Enrolled	Yield
2005	4,189	1,502	36%	498	33%
2006	4,267	1,425	33	501	35
2007	4,962	1,376	28	468	34
2008	5,073	1,424	28	462	32
2009	4,661	1,390	30	466	34

The following table indicates the average SAT scores and rank in class ranges for the freshmen class for the last five years.

Year	Average SAT Score	Top 10% Of Class	Top 20% Of Class	Top 50% Of Class
2005	1,348	70%	87%	99%
2006	1,343	74	88	99
2007	1,357	74	90	99
2008	1,366	76	93	99
2009	1,377	80	95	100

Enrollment

The following table indicates the full-time and part-time enrollment for Hamilton College over the past five years.

ENROLLMENT SUMMARY

Fall	Total Full-Time Enrollment	Total Part-Time Enrollment	Total Headcount Enrollment	Total Full-Time Equivalent Enrollment
2005	1,807	12	1,819	1,811
2006	1,810	17	1,827	1,817
2007	1,815	16	1,831	1,824
2008	1,837	21	1,858	1,847
2009	1,853	15	1,868	1,862

Hamilton has been able to attract an increasingly geographically diverse student body in recent years as demonstrated in the table below.

Freshman Geographic Profile

Academic Year	NY	NJ	PA	CT	MA	Other US	Foreign	Total
2004-2005	171	32	22	52	54	102	24	457
2005-2006	158	32	31	40	72	132	28	498
2006-2007	160	34	27	39	63	151	27	501
2007-2008	137	34	23	45	65	135	29	468
2008-2009	147	49	29	39	63	109	26	462
2009-2010	158	39	25	34	60	121	29	466

The number of degrees awarded by the College during each of the past five years is reflected below.

Degrees Awarded

2004-2005	423
2005-2006	503
2006-2007	455
2007-2008	442
2008-2009	472

Tuition and Other Student Charges

The tuition, room and board for full-time students at Hamilton College for the past five academic years are as follows:

STUDENT CHARGES

Student Charges	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Tuition	\$33,150	\$34,780	\$36,500	\$38,220	\$39,370
Room	4,460	4,860	5,100	5,360	5,520
Board	<u>3,850</u>	<u>4,050</u>	<u>4,250</u>	<u>4,450</u>	<u>4,580</u>
Total	\$41,460	\$43,890	\$46,210	\$48,030	\$49,470

Student Financial Aid

Hamilton College administers a financial aid program under which over half of the full-time students received financial assistance in some form from the College during the 2008-2009 academic year. The financial aid policy of Hamilton College is to meet the financial need of all academically qualified students through a combination of grants, loans and work programs. Financial need is defined as that amount necessary to meet the educational expenses of the student after the student and parental contribution is calculated through the generally accepted procedures as administered by the College Scholarship Service.

Student scholarships are provided up to the amount of the Hamilton College tuition and are awarded on the basis of financial need. A summary of the funds provided for scholarships and their source for the past five fiscal years is as follows:

SOURCES OF UNDERGRADUATE SCHOLARSHIP AND GRANT AID

Academic Year	Hamilton Grants	State Grants	Federal Grants	Outside Awards	Total
2004-2005	\$20,053,800	\$781,500	\$578,900	\$923,700	\$22,337,900
2005-2006	22,603,300	885,100	871,200	867,300	25,226,900
2006-2007	23,426,000	886,100	1,023,200	881,200	26,216,500
2007-2008	20,692,395	832,158	1,044,441	822,709	23,391,703
2008-2009	21,821,852	788,042	1,078,064	723,915	24,411,873

The College's students benefit from numerous scholarship and financial aid programs. In addition, the College participates in various federal and state programs providing aid to individual students. The Federal programs include Federal Student Loan, Supplemental Educational Opportunity Grant, Pell Grant and College Work-Study. State programs include Tuition Assistance Program, grants under the Higher Education Opportunity Program. Some students from outside the State benefit from various loan and grant programs of their states of residence.

The following table shows the total amount of financial aid administered by the College during each of the last five years, the percentage of financial aid provided by the College and the percentage of students at the College receiving financial aid.

Total Student Financial Aid

Fiscal Year	Total Financial Aid	Percent of Financial Aid Funded by Hamilton	Percent of Hamilton Students Receiving Aid
2004-2005	\$22,337,900	89.8%	55%
2005-2006	25,226,900	89.6	52
2006-2007	26,216,500	89.4	51
2007-2008	23,391,703	88.5	56
2008-2009	27,619,250	88.4	57

Faculty

Total current faculty members employed by the College number 242, of whom approximately 214 serve full-time and 57% hold tenure. The majority of the College's full-time faculty is appointed within one of the four principal academic ranks: Professor, Associate Professor, Assistant Professor and Instructor.

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

FACULTY PROFILE

Academic Year	Full-Time Faculty	Part-Time Faculty	Total Faculty	Full-Time Equivalent Faculty	Percent of Total Faculty Tenured
2005-2006	211	31	242	221.23	54%
2006-2007	213	33	246	223.89	53
2007-2008	210	30	240	218.90	56
2008-2009	215	27	242	223.91	55
2009-2010	214	28	242	223.24	57

Labor Relations

The College has had a history of satisfactory labor relations. A three-year agreement between the College and Service Employees' International Union, Local 200-B, AFL-CIO, representing 102 maintenance employees, was renegotiated in July 2009.

ANNUAL FINANCIAL STATEMENT INFORMATION

Financial Reporting

The College's financial statements as of June 30, 2009, and for the year then ended, included in Appendix B to this Official Statement, have been audited by KPMG LLP, independent accountants, as stated in their report appearing herein. Financial information of the type that follows is expected to be provided by the College annually via the filing of the College's annual financial statements. For years previous to 2006-2007, presented below, the College's independent accountants were PricewaterhouseCoopers L.L.P., Certified Public Accountants, Syracuse, New York.

Statements of Activities (Summary)
Years ended June 30
(in thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating revenues:					
Tuition and fees.....	\$75,901	\$70,999	\$67,040	\$64,084	\$59,133
Scholarship aid.....	(22,889)	(21,577)	(21,114)	(20,059)	(18,117)
Net tuition and fees.....	53,012	49,422	45,926	44,025	41,016
Auxiliary enterprises.....	18,840	17,644	16,812	15,663	13,977
Investment return designated for operations.....	27,015	24,961	23,758	23,176	22,538
Private gifts and grants.....	6,986	8,419	7,544	7,486	6,992
Government grants and contracts.....	2,090	2,163	2,232	2,742	2,791
Other income.....	931	1,698	2,334	1,887	1,295
Total Operating Revenues.....	<u>108,874</u>	<u>104,307</u>	<u>98,606</u>	<u>94,979</u>	<u>88,609</u>
Operating Expenses:					
Instruction.....	49,160	43,656	40,840	38,344	34,478
Research.....	1,914	1,424	1,175	1,316	1,306
Public Service.....	185	180	254	321	326
Academic support.....	13,036	13,002	12,209	12,149	11,106
Student services.....	12,107	11,448	10,637	10,327	9,638
Institutional support.....	14,835	15,257	15,089	14,915	14,231
Auxiliary enterprises.....	18,664	18,652	17,113	16,249	15,647
Total operating expenses.....	<u>109,901</u>	<u>103,619</u>	<u>97,317</u>	<u>93,621</u>	<u>86,732</u>
Increase (decrease) in net assets from operating activities.....	<u>(1,027)</u>	<u>688</u>	<u>1,289</u>	<u>1,358</u>	<u>1,877</u>
Non-operating activities:					
Private gifts.....	7,146	11,541	25,823	13,429	11,782
Investment return, net of amounts designated for operations.....	(203,828)	(49,860)	116,688	60,820	47,705
Loss on extinguishment of debt.....	-	-	(1,002)	-	(674)
Change in value of split interest agreements.....	142	(611)	(3,027)	(2,826)	(3,148)
Change in fair value of interest rate swap.....	(1,780)	(2,381)	(1,016)	3,824	(3,439)
Other.....	1,338	(102)	762	513	498
Increase (decrease) in net assets from non-operating activities.....	<u>(196,982)</u>	<u>(41,413)</u>	<u>138,258</u>	<u>75,760</u>	<u>52,724</u>
Increase (decrease) in net assets before cumulative effect of accounting change.....	<u>(198,009)</u>	<u>(40,725)</u>	<u>139,547</u>	<u>77,118</u>	<u>54,601</u>
Cumulative effect of change in accounting principle.....	-	-	602	(1,481)	-
Increase (decrease) in net assets.....	<u>(198,009)</u>	<u>(40,725)</u>	<u>140,149</u>	<u>75,637</u>	<u>54,601</u>
Net assets, beginning of year.....	847,276	888,001	747,852*	654,145	599,544
NET ASSETS, END OF YEAR.....	<u>\$649,267</u>	<u>\$847,276</u>	<u>\$888,001</u>	<u>\$729,782</u>	<u>\$654,145</u>

* Represents correction in the College's beginning net assets due to misapplication of certain generally accepted accounting principles in previously issued financial statements involving contributions receivable, certain beneficial interest trusts held by third parties and the fair value of investments in certain limited partnerships.

Budget

The Board of Trustees of the College adopts its annual budget after considering the recommendations of its Committee on Budget and Finance. Operating budgets are requested by various budget administrators and are subject to approval by the President of the College after recommendation by the Vice President, Administration and Finance in consultation with the Faculty Committee on Budget and Finance. The accounting and reporting system provides online reports comparing actual monthly activity to budgeted monthly activity with monthly and year-to-date totals and percentages. The Committee on Budget and Finance of the Board of Trustees is apprised of the financial status of the College on a quarterly basis at its regular meetings.

Private Gifts and Grants

The following table shows the amounts received by the College as private gifts and grants over the past five years, as reported in the audited financial statements of the College for such periods.

Private Gifts and Grants (in thousands)

<u>Year Ended June 30,</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2005	\$6,630	\$ 4,963	\$7,181	\$18,774
2006	7,165	10,430	3,320	20,915
2007	9,510	18,841	5,016	33,367
2008	7,944	4,102	7,914	19,960
2009	6,812	4,157	3,163	14,132

Endowment

As of June 30, 2009, the allocation of assets of the College Endowment Fund was as follows:

Endowment Fund Asset Allocation (in millions)

<u>Asset Class</u>	<u>Market Value</u>	<u>% of Total Fund</u>	<u>Policy Target</u>
US Marketable Securities & Other	\$176.3	36.1%	45%
Private Equity	96.1	19.7	15
International	71.0	14.5	15
Absolute Return	118.5	24.3	20
Fixed Income	1.7	0.3	0
Real Estate	25.2	5.1	5
Total	<u>\$488.8</u>	<u>100%</u>	<u>100%</u>

In addition, \$52 million in planned giving assets are managed by the College. These consist of gifts accepted by the College on the condition that periodic annuity or life income payments are made to designated beneficiaries. Approximately \$16 million is invested in the endowment and approximately \$36 million is managed by Kaspick & Co. in diversified portfolios. The present value of payment obligations for these funds is estimated at approximately \$20.5 million.

Endowment Fund Assets (in millions)

<u>Calendar Year</u>	<u>Market Value</u>	<u>% Change</u>
2005	\$556.2	7.1%
2006	640.4	15.1
2007	702.5	9.7
2008	495.2	-29.5
2009 (6 months)	488.8	-1.3

Net Assets

Net assets were reflected as follows in the Statement of Financial Position for the years ended June 30:

	Net Assets (in thousands)				
	2009	2008	2007	2006	2005
Unrestricted net assets.....	\$371,896	\$528,361	\$567,284	\$470,733	\$416,267
Temporarily restricted net assets.....	109,720	146,442	151,874	106,118	98,010
Permanently restricted net assets	167,651	172,473	168,843	152,931	139,868
Total.....	<u>\$654,145</u>	<u>\$847,276</u>	<u>\$888,001</u>	<u>\$729,782</u>	<u>\$654,145</u>

Plant Values

The following table presents the book value of property, plant and equipment for the past five fiscal years.

	Plant Assets (in thousands)					
Year Ended June 30,	Land and Improvements	Buildings	Equipment	Projects in Process	Accumulated Depreciation	Total
2005	\$ 8,220	\$131,512	\$35,730	\$57,529	(\$77,772)	\$155,219
2006	8,320	193,088	38,981	16,823	(83,719)	173,493
2007	11,106	221,847	40,615	13,748	(90,887)	196,429
2008	11,106	226,147	44,891	28,280	(98,726)	211,698
2009	17,777	257,033	51,908	4,357	(110,023)	221,052

For insurance purposes the College's buildings and their contents were appraised at \$351,814,545 as of September 1, 2009.

Outstanding Indebtedness

At June 30, 2009, the College had outstanding indebtedness of \$142,845,000. The College's indebtedness consists of the following:

Dormitory Authority Indebtedness

The College is obligated under the terms of a loan agreement, dated as of January 6, 1999, by and between the Authority and the College, with respect to the Authority's Hamilton College Insured Revenue Bonds, Series 1999 (the "Series 1999 Bonds"). The loan agreement is a general obligation of the College. The Series 1999 Bonds were originally issued in the amount of \$52,160,000. Approximately \$23,710,000 of Civic Facility Revenue Bonds were issued in 2007 to extinguish a portion of the Series 1999 Bonds. Proceeds from the Series 2010 Bonds will be used to refund the \$15,315,000 of Series 1999 Bonds that remains outstanding (the "Refunded Bonds") as of the date of delivery of the Series 2010 Bonds. The Series 1999 Bonds were sold by the Authority to provide monies to finance a portion of campus wide renovations on the College's campus and to advance refund the Authority's Hamilton College Insured Revenue Bonds, Series 1991.

Civic Facility Revenue Bonds

The College is obligated under the terms of an installment sale agreement, dated as of September 1, 2002 as amended by a first amendment to installment sale agreement dated as of September 1, 2008, by and between the Oneida County Industrial Development Agency (the "IDA") and the College, with respect to the IDA's Civic Facility Revenue Bonds, Series 2002 (the "Series 2002 Bonds"). The agreement is an unsecured, general obligation of the College. Pursuant to the installment sale agreement, the College will make installment purchase payments sufficient to provide for the payment of the principal of, and interest and premium, if any, on the Series 2002 Bonds when due. The Series 2002 Bonds were originally issued in the amount of \$60,000,000, of which \$54,967,000 was outstanding as of June 30, 2009. The Series 2002 Bonds were sold by the IDA to provide monies to finance a portion of the cost of renovations on the College's

campus. The Series 2002 Bonds were converted from the weekly interest rate mode to the fixed interest rate mode in September 2009 and an interest rate swap agreement that had been maintained in relation to the Series 2002 Bonds was terminated.

The College is also obligated under the terms of an installment sale agreement, dated as of June 1, 2005, by and between the IDA and the College, with respect to the IDA's Civic Facility Revenue Bonds, Series 2005 (the "Series 2005 Bonds"). The agreement is an unsecured, general obligation of the College. Pursuant to the installment sale agreement, the College will make installment purchase payments sufficient to provide for the payment of the principal of, and interest and premium, if any, on the Series 2005 Bonds when due. The Series 2005 Bonds were originally issued in the amount of \$8,775,000, of which \$6,430,000 was outstanding as of June 30, 2009. The Series 2005 Bonds were sold by the IDA to provide monies to finance a portion of campus wide renovations on the College's campus and to advance refund a portion of certain bonds issued on behalf of the College by the Authority. The Series 2005 Bonds are secured by a municipal bond insurance policy issued by Ambac Assurance Corporation.

The College is also obligated under the terms of an installment sale agreement, dated as of March 20, 2007, by and between the IDA and the College, with respect to the Issuer's Civic Facility Revenue Bonds, Series 2007 (the "Series 2007 Bonds"). The agreement is an unsecured, general obligation of the College. Pursuant to the installment sale agreement, the College will make installment purchase payments sufficient to provide for the payment of the principal of, and interest and premium, if any, on the Series 2007 Bonds when due. The Series 2007 Bonds (a portion of which consists of capital appreciation bonds) were originally issued in the amount of \$59,277,000 of which \$62,853,000 was outstanding as of June 30, 2009, including \$3,576,000 of accrued interest. The Series 2007 Bonds are secured by a municipal bond insurance policy issued by MBIA Insurance Corporation. A portion of the proceeds of the Series 2007 Bonds was applied to refund a portion of the Authority's Hamilton College Insured Revenue Bonds, Series 1999.

Madrid Loan

The College maintains a Euro 1,900,000 note with Banco Popular Espanol in Madrid, Spain. The note is collateralized by a standby letter of credit, which in turn is collateralized by a pledge of cash equivalents to the outstanding balance of the note. The balance of the note, which has been converted using the applicable exchange rate as of June 30, 2009, is \$2,030,000.

Pension Plans

All full-time employees of the College after one year of employment can participate in the Retirement Annuity Plan sponsored by the Teachers Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF) and Fidelity Services Corporation. There are no unfunded past service costs under this plan.

The College's expense for this plan for the fiscal years ended June 30, 2008 and 2009, was \$3,470,000 and \$3,625,000 respectively.

Insurance

The College carries a broad range of property and general liability coverage, including Directors' and Officers' liability coverage, in amounts customary for institutions of the size of the College.

LITIGATION

The College is not a party to any claims or pending litigation which would, individually or in the aggregate, materially affect the ability of the College to pay the principal of and interest on the Series 2010 Bonds when due or to fulfill the College's obligations under the Loan Agreement.

PART 7 — THE AUTHORITY

Background, Purposes and Powers

The Authority is a body corporate and politic constituting a public benefit corporation. The Authority was created by the Act for the purpose of financing and constructing a variety of facilities for certain independent colleges and universities and private hospitals, certain not-for-profit institutions, public educational institutions including The State University of

New York, The City University of New York and Boards of Cooperative Educational Services (“BOCES”), certain school districts in the State, facilities for the Departments of Health and Education of the State, the Office of General Services, the Office of General Services of the State on behalf of the Department of Audit and Control, facilities for the aged and certain judicial facilities for cities and counties. The Authority is also authorized to make and purchase certain loans in connection with its student loan program. To carry out this purpose, the Authority was given the authority, among other things, to issue and sell negotiable bonds and notes to finance the construction of facilities of such institutions, to issue bonds or notes to refund outstanding bonds or notes and to lend funds to such institutions.

On September 1, 1995, the Authority through State legislation (the “Consolidation Act”) succeeded to the powers, duties and functions of the New York State Medical Care Facilities Finance Agency (the “Agency”) and the Facilities Development Corporation (the “Corporation”), each of which will continue its corporate existence in and through the Authority. Under the Consolidation Act, the Authority has also acquired by operation of law all assets and property, and has assumed all the liabilities and obligations, of the Agency and the Corporation, including, without limitation, the obligation of the Agency to make payments on its outstanding bonds, and notes or other obligations. Under the Consolidation Act, as successor to the powers, duties and functions of the Agency, the Authority is authorized to issue and sell negotiable bonds and notes to finance and refinance mental health services facilities for use directly by the New York State Department of Mental Hygiene and by certain voluntary agencies. As such successor to the Agency, the Authority has acquired additional authorization to issue bonds and notes to provide certain types of financing for certain facilities for the Department of Health, not-for-profit corporations providing hospital, medical and residential health care facilities and services, county and municipal hospitals and nursing homes, not-for-profit and limited profit nursing home companies, qualified health maintenance organizations and health facilities for municipalities constituting social services districts. As successor to the Corporation, the Authority is authorized, among other things, to assume exclusive possession, jurisdiction, control and supervision over all State mental hygiene facilities and to make them available to the Department of Mental Hygiene, to provide for construction and modernization of municipal hospitals, to provide health facilities for municipalities, to provide health facilities for voluntary non-profit corporations, to make its services available to the State Department of Correctional Services, to make its services available to municipalities to provide for the design and construction of local correctional facilities, to provide services for the design and construction of municipal buildings, and to make loans to certain voluntary agencies with respect to mental hygiene facilities owned or leased by such agencies.

The Authority has the general power to acquire real and personal property, give mortgages, make contracts, operate dormitories and other facilities and fix and collect rentals or other charges for their use, contract with the holders of its bonds and notes as to such rentals and charges, make reasonable rules and regulations to assure the maximum use of facilities, borrow money, issue negotiable bonds or notes and provide for the rights of their holders and adopt a program of self-insurance.

In addition to providing financing, the Authority offers a variety of services to certain educational, governmental and not-for-profit institutions, including advising in the areas of project planning, design and construction, monitoring project construction, purchasing of furnishings and equipment for projects, designing interiors of projects and designing and managing projects to rehabilitate older facilities. In succeeding to the powers, duties and functions of the Corporation as described above, the scope of design and construction services afforded by the Authority has been expanded.

Outstanding Indebtedness of the Authority (Other than Indebtedness Assumed by the Authority)

At December 31, 2009, the Authority had approximately \$41.8 billion aggregate principal amount of bonds and notes outstanding, excluding indebtedness of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act. The debt service on each such issue of the Authority’s bonds and notes is paid from moneys received by the Authority or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue or from borrowers in connection with its student loan program.

The Authority’s bonds and notes include both special obligations and general obligations of the Authority. The Authority’s special obligations are payable solely from payments required to be made by or for the account of the institution for which the particular special obligations were issued or from borrowers in connection with its student loan program. Such payments are pledged or assigned to the trustees for the holders of respective special obligations. The Authority has no obligation to pay its special obligations other than from such payments. The Authority’s general obligations are payable from any moneys of the Authority legally available for the payment of such obligations. However, the payments required to be made by or for the account of the institution for which general obligations were issued generally have been pledged or assigned by the Authority to trustees for the holders of such general obligations. The Authority has always paid the principal of and interest on its special and general obligations on time and in full.

The total amounts of the Authority bonds and notes (excluding debt of the Agency assumed by the Authority on September 1, 1995 pursuant to the Consolidation Act) outstanding at December 31, 2009 were as follows:

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
State University of New York				
Dormitory Facilities.....	\$ 2,350,316,000	\$ 1,043,710,000	\$ 0	\$ 1,043,710,000
State University of New York Educational and Athletic Facilities.....	13,243,272,999	5,694,262,245	0	5,694,262,245
Upstate Community Colleges of the State University of New York.....	1,590,645,000	666,520,000	0	666,520,000
Senior Colleges of the City University of New York	10,262,671,762	3,367,664,213	0	3,367,664,213
Community Colleges of the City University of New York	2,444,968,350	545,130,787	0	545,130,787
BOCES and School Districts	2,436,626,208	1,845,580,000	0	1,845,580,000
Judicial Facilities	2,161,277,717	724,132,717	0	724,132,717
New York State Departments of Health and Education and Other.....	5,867,360,000	4,082,490,000	0	4,082,490,000
Mental Health Services Facilities	7,460,120,000	4,063,400,000	0	4,063,400,000
New York State Taxable Pension Bonds	773,475,000	0	0	0
Municipal Health Facilities Improvement Program	<u>985,555,000</u>	<u>781,415,000</u>	<u>0</u>	<u>781,415,000</u>
Totals Public Programs.....	<u>\$ 49,576,288,036</u>	<u>\$ 22,814,304,962</u>	<u>\$ 0</u>	<u>\$ 22,814,304,962</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Bonds and Notes Outstanding</u>
Independent Colleges, Universities and Other Institutions	\$ 18,860,875,260	\$ 9,845,582,488	\$ 35,975,000	\$ 9,881,557,488
Voluntary Non-Profit Hospitals.....	14,092,059,309	8,161,945,000	0	8,161,945,000
Facilities for the Aged	1,996,020,000	907,000,000	0	907,000,000
Supplemental Higher Education Loan Financing Program.....	<u>95,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals Non-Public Programs.....	<u>\$ 35,043,954,569</u>	<u>\$ 18,914,527,488</u>	<u>\$ 35,975,000</u>	<u>\$ 18,950,502,488</u>
Grand Totals Bonds and Notes	<u>\$ 84,620,242,605</u>	<u>\$ 41,728,832,450</u>	<u>\$ 35,975,000</u>	<u>\$ 41,764,807,450</u>

Outstanding Indebtedness of the Agency Assumed by the Authority

At December 31, 2009, the Agency had approximately \$343.0 million aggregate principal amount of bonds outstanding, the obligations as to all of which have been assumed by the Authority. The debt service on each such issue of bonds is paid from moneys received by the Authority (as successor to the Agency) or the trustee from or on behalf of the entity having facilities financed with the proceeds from such issue.

The total amounts of the Agency's bonds (which indebtedness was assumed by the Authority on September 1, 1995) outstanding at December 31, 2009 were as follows:

<u>Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Mental Health Services Improvement Facilities	<u>\$ 3,817,230,725</u>	<u>\$ 0</u>
<u>Non-Public Programs</u>	<u>Bonds Issued</u>	<u>Bonds Outstanding</u>
Hospital and Nursing Home Project Bond Program	\$ 226,230,000	\$ 2,880,000
Insured Mortgage Programs.....	6,625,079,927	333,035,000
Revenue Bonds, Secured Loan and Other Programs	<u>2,414,240,000</u>	<u>7,045,000</u>
Total Non-Public Programs	<u>\$ 9,265,549,927</u>	<u>\$ 342,960,000</u>
Total MCFFA Outstanding Debt	<u>\$ 13,082,780,652</u>	<u>\$ 342,960,000</u>

Governance

The Authority carries out its programs through an eleven-member board, a full-time staff of approximately 660 persons, independent bond counsel and other outside advisors. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at Authority meetings. The members of the Authority serve without compensation, but are entitled to reimbursement of expenses incurred in the performance of their duties.

The Governor of the State appoints a Chair from the members appointed by him or her and the members of the Authority annually choose the following officers, of which the first two must be members of the Authority: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

The current members of the Authority are as follows:

ALFONSO L. CARNEY, Jr., *Chair*, New York.

Alfonso L. Carney, Jr. was appointed as a Member of the Authority by the Governor on May 20, 2009. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical and legal consulting services in New York City. Consulting for the firm in 2005, he served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he directed overall staff management of the foundation, and provided strategic oversight of the administration, communications and legal affairs teams, and developed selected foundation program initiatives. Prior to this, Mr. Carney held several positions with Altria Corporate Services, Inc., most recently as Vice President and Associate General Counsel for Corporate and Government Affairs. Prior to that, Mr. Carney served as Assistant Secretary of Philip Morris Companies Inc. and Corporate Secretary of Philip Morris Management Corp. For eight years, Mr. Carney was Senior International Counsel first for General Foods Corporation and later for Kraft Foods, Inc. and previously served as Trade Regulation Counsel, Assistant Litigation Counsel and Federal Government Relations Counsel for General Foods, where he began his legal career in 1975 as a Division Attorney. Mr. Carney is a trustee of Trinity College, the University of Virginia Law School Foundation, the Riverdale Country School and the Virginia Museum of Fine Arts in Richmond. In addition, he is a trustee of the Burke Rehabilitation Hospital in White Plains. Mr. Carney holds a Bachelors degree in Philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His current term expires on March 31, 2010.

JOHN B. JOHNSON, JR., *Vice-Chair*, Watertown.

John B. Johnson, Jr. was appointed as a Member of the Authority by the Governor on June 20, 2007. Mr. Johnson is Chairman of the Board and Chief Executive Officer of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He is director of the New York Newspapers Foundation, a member of the Development Authority of the North Country and the Fort Drum Regional Liaison Committee, a trustee of Clarkson University and president of the Bugbee Housing Development Corporation. Mr. Johnson has been a member of the American Society of Newspaper Editors since 1978, and was a Pulitzer Prize juror in 1978, 1979, 2001 and 2002. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expires on March 31, 2010.

JACQUES JIHA, Ph.D., *Secretary*, Woodbury.

Jacques Jiha was appointed as a Member of the Authority by the Governor on December 15, 2008. Mr. Jiha is an Executive Vice President and the Chief Financial Officer of Earl G. Graves, Ltd., a multi-media company that includes *Black Enterprise* magazine. He is also a member of the Investment Advisory Committee of the New York Common Retirement Fund. Mr. Jiha has previously served as Deputy Comptroller for Pension Investment and Public Finance in the Office of the New York State Comptroller and as Co-Executive Director of the New York Local Government Assistance Corporation (LGAC). Prior thereto, Mr. Jiha was Nassau County Deputy Comptroller for Audits and Finances. He also worked for the New York City Office of the Comptroller in increasingly responsible positions: first as Chief Economist

and later as Deputy Comptroller for Budget. Mr. Jiha has served as Executive Director of the New York State Legislative Tax Study Commission and as Principal Economist for the New York State Assembly Committee on Ways and Means. He holds a Ph.D. and a Master's degree in Economics from the New School University and a Bachelor's degree in Economics from Fordham University. His current term expires on March 31, 2010.

BRIAN RUDER, Scarsdale.

Mr. Ruder was appointed as a Member of the Authority by the Governor on June 23, 2006. He is Chief Executive Officer of Skylight Partners, a strategic marketing and business development consulting group that he founded in 2001. Prior to Skylight Partners, Mr. Ruder served for four years as Executive Vice President of Global Marketing for Citigroup. He spent 16 years at the H.J. Heinz Co. in progressively responsible positions, including President of Heinz USA, President of Weight Watchers Food Company and corporate Vice President of Worldwide Infant Feeding. He also served as Director of Marketing, New Products and Sales for Pepsi USA in the mid-1980s. Mr. Ruder is a member of the board of the New York State Foundation for Science, Technology and Academic Research (NYSTAR), and also serves as chair of the board of the Adirondack Council, board member and secretary of the New York Metro Chapter of the World Presidents' Organization, and an advisory board member of PNC Private Client Advisors. Mr. Ruder earned a Bachelor of Arts degree in American History in 1976 from Washington University in St. Louis, Mo., and a Master of Business Administration degree in Marketing in 1978 from the Tuck School at Dartmouth College. His current term expired on March 31, 2009 and by law he continues to serve until a successor shall be chosen and qualified.

ANTHONY B. MARTINO, CPA, Buffalo.

Mr. Martino was appointed as a Member of the Authority by the Governor on December 15, 2008. A certified public accountant with more than 37 years of experience, Mr. Martino is a retired partner of the Buffalo CPA firm Lumsden & McCormick, LLP. He began his career at Price Waterhouse where he worked in the firm's Buffalo and Washington, DC, offices. Mr. Martino is a member of the American Institute of CPAs and the New York State Society of CPAs. Long involved in community organizations, he serves on the boards of the Buffalo Niagara Medical Campus as Vice Chairman, Mount Calvary Cemetery as Chair of the Investment Committee, Cradle Beach Camp of which he is a former Chair, the Kelly for Kids Foundation and Key Bank. Mr. Martino received a Bachelor of Science degree in accounting from the University at Buffalo. Mr. Martino's current term expires on August 31, 2010.

SANDRA M. SHAPARD, Delmar.

Ms. Shapard was appointed as a Member of the Authority by the State Comptroller on January 21, 2003. Ms. Shapard served as Deputy Comptroller for the Office of the State Comptroller from January, 1995 until her retirement in 2001, during which time she headed the Office of Fiscal Research and Policy Analysis and twice served as Acting First Deputy Comptroller. Previously, Ms. Shapard held the positions of Deputy Director and First Deputy Director for the New York State Division of Budget, from 1991 to 1994, and Deputy Assistant Commissioner for Transit for the State Department of Transportation, from 1988 to 1991. She began her career in New York State government with the Assembly in 1975 where, over a thirteen year period, she held the positions of Staff Director of the Office of Counsel to the Majority, Special Assistant to the Speaker, and Deputy Director of Budget Studies for the Committee on Ways and Means. Ms. Shapard also served as Assistant to the County Executive in Dutchess County. A graduate of Mississippi University for Women, Ms. Shapard received a Masters of Public Administration from Harvard University, John F. Kennedy School of Government, where she has served as visiting lecturer, and has completed graduate work at Vanderbilt University.

GERARD ROMSKI, Esq., Mount Kisco.

Mr. Romski was appointed as a Member of the Authority by the Temporary President of the State Senate on June 8, 2009. He is Counsel and Project Executive for "Arverne By The Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, NY. Mr. Romski is also of counsel to the New York City law firm of Bauman, Katz and Grill LLP. He formerly was a partner in the law firm of Ross & Cohen, LLP (now merged with Duane Morris, LLP) for twelve years, handling all aspects of real estate and construction law for various clients. He previously served as Assistant Division Chief for the New York City Law Department's Real Estate Litigation Division where he managed all aspects of litigation arising from real property owned by The City of New York. Mr. Romski is a member of the Urban Land Institute, Council of Development Finance Agencies, the New York State Bar Association, American Bar Association and New York City Bar Association. He previously served as a member of the New York City Congestion Mitigation Commission and the Board of Directors for the Bronx Red Cross. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

ROMAN B. HEDGES, Ph.D., Delmar.

Dr. Hedges was appointed as a Member of the Authority by the Speaker of the State Assembly on February 24, 2003. Dr. Hedges serves on the Legislative Advisory Task Force on Demographic Research and Reapportionment. He is the former Deputy Secretary of the New York State Assembly Committee on Ways and Means. Dr. Hedges previously served as the Director of Fiscal Studies of the Assembly Committee on Ways and Means. He was an Associate Professor of Political Science and Public Policy at the State University of New York at Albany where he taught graduate and undergraduate courses in American politics, research methodology, and public policy. Dr. Hedges holds a Doctor of Philosophy and a Master of Arts degree from the University of Rochester and a Bachelor of Arts degree from Knox College.

DAVID M. STEINER, Ph.D., *Commissioner of Education of the State of New York, Albany; ex-officio.*

David M. Steiner was appointed by the Board of Regents as President of the University of the State of New York and Commissioner of Education on October 1, 2009. Prior to his appointment, Dr. Steiner served as the Klara and Larry Silverstein Dean of the School of Education at Hunter College CUNY. Prior to his time with Hunter College, Dr. Steiner served as Director of Arts Education at the National Endowment for the Arts and Chairman of the Department of Education Policy at Boston University. As Commissioner of Education, Dr. Steiner serves as chief executive officer of the Board of Regents, which has jurisdiction over the State's entire educational system, which includes public and non-public elementary, middle and secondary education; public and independent colleges and universities; museums, libraries and historical societies and archives; the vocational rehabilitation system; and responsibility for licensing, practice and oversight of numerous professions. He holds a Doctor of Philosophy in political science from Harvard University and a Bachelor of Arts and Master of Arts degree in philosophy, politics and economics from Balliol College at Oxford University.

RICHARD F. DAINES, M.D., *Commissioner of Health, Albany; ex-officio.*

Richard F. Daines, M.D., became Commissioner of Health on March 21, 2007. Prior to his appointment he served as President and CEO at St. Luke's-Roosevelt Hospital Center since 2002. Before joining St. Luke's-Roosevelt Hospital Center as Medical Director in 2000, Dr. Daines served as Senior Vice President for Professional Affairs of St. Barnabas Hospital in the Bronx, New York since 1994 and as Medical Director from 1987 to 1999. Dr. Daines received a Bachelor of History degree from Utah State University in 1974 and served as a missionary for the Church of Jesus Christ of Latter-day Saints in Bolivia, 1970-1972. He received his medical degree from Cornell University Medical College in 1978. He served a residency in internal medicine at New York Hospital and is Board Certified in Internal Medicine and Critical Care Medicine.

ROBERT L. MEGNA, *Budget Director of the State of New York, Albany; ex-officio.*

Mr. Megna was appointed Budget Director on June 15, 2009. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio, as well as pensions and employee benefits. Mr. Megna previously served as Commissioner of the New York State Department of Taxation and Finance, responsible for overseeing the collection and accounting of more than \$90 billion in State and local taxes, the administration of State and local taxes, including New York City and the City of Yonkers income taxes and the processing of tax returns, registrations and associated documents. Prior to this he served as head of the Economic and Revenue Unit of the New York State Division of the Budget where he was responsible for State Budget revenue projections and the development and monitoring of the State Financial Plan. Mr. Megna was Assistant Commissioner for Tax Policy for the Commonwealth of Virginia. He also served as Director of Tax Studies for the New York State Department of Taxation and Finance and as Deputy Director of Fiscal Studies for the Ways and Means Committee of the New York State Assembly. Mr. Megna was also an economist for AT&T. He holds Masters degrees in Public Policy from Fordham University and Economics from the London School of Economics.

The principal staff of the Authority is as follows:

PAUL T. WILLIAMS, JR. is the Executive Director and chief administrative and operating officer of the Authority. Mr. Williams is responsible for the overall management of the Authority's administration and operations. He most recently served as Senior Counsel in the law firm of Nixon Peabody LLP. Prior to working at Nixon Peabody, Mr. Williams helped to establish a boutique Wall Street investment banking company. Prior thereto, Mr. Williams was a partner in, and then of counsel to, the law firm of Bryan Cave LLP. He was a founding partner in the law firm of Wood, Williams, Rafalsky & Harris, which included a practice in public finance and served there from 1984-1998. Mr. Williams began his career as an

associate at the law firm of Walker & Bailey in 1977 and thereafter served as a counsel to the New York State Assembly. Mr. Williams is licensed to practice law in the State of New York and holds professional licenses in the securities industry. He holds a Bachelor's degree from Yale University and a Juris Doctor degree from Columbia University School of Law.

MICHAEL T. CORRIGAN is the Deputy Executive Director of the Authority, and assists the Executive Director in the administration and operation of the Authority. Mr. Corrigan came to the Authority in 1995 as Budget Director, and served as Deputy Chief Financial Officer from 2000 until 2003. He began his government service career in 1983 as a budget analyst for Rensselaer County, and served as the County's Budget Director from 1986 to 1995. Immediately before coming to the Authority, he served as the appointed Rensselaer County Executive for a short period. Mr. Corrigan holds a Bachelor's degree in Economics from the State University of New York at Plattsburgh and a Master's degree in Business Administration from the University of Massachusetts.

PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing Authority bond issuance in the capital markets, through financial feasibility analysis and financing structure determination for Authority clients; as well as implementing and overseeing financing programs, including interest rate exchange and similar agreements; overseeing the Authority's compliance with continuing disclosure requirements and monitoring the financial condition of existing Authority clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. In addition, Ms. Lee has extensive public service experience working for over 10 years in various positions in the Governor's Office, NYS Department of Social Services, as well as the New York State Assembly. She holds a Bachelor's degree from the State University of New York at Albany.

PAUL W. KUTEY is the Chief Financial Officer of the Authority. Mr. Kutey oversees and directs the activities of the Office of Finance and Information Services. He is responsible for supervising the Authority's investment program, accounting functions, operation, maintenance and development of computer hardware, software and communications infrastructure; as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Previously, Mr. Kutey was Senior Vice President of Finance and Operations for AYCO Company, L.P., a Goldman Sachs Company, where his responsibilities included finance, operations and facilities management. Prior to joining AYCO Company, he served as Corporate Controller and Acting Chief Financial Officer for First Albany Companies, Inc. From 1982 until 2001, Mr. Kutey held increasingly responsible positions with PricewaterhouseCoopers, LLP, becoming Partner in 1993. He is a Certified Public Accountant and holds a Bachelor of Business Administration degree from Siena College.

JEFFREY M. POHL is General Counsel to the Authority. Mr. Pohl is responsible for all legal services including legislation, litigation, contract matters and the legal aspects of all Authority financings. He is a member of the New York State Bar, and most recently served as a counsel in the public finance group of a large New York law firm. Mr. Pohl had previously served in various capacities in State government with the Office of the State Comptroller and the New York State Senate. He holds a Bachelor's degree from Franklin and Marshall College and a Juris Doctor degree from Albany Law School of Union University.

STEPHEN D. CURRO, P.E. is the Managing Director of Construction. In that capacity, he is responsible for the Authority's construction groups, including design, project management, purchasing, contract administration, interior design, and engineering and other technology services. Mr. Curro joined the Authority in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and Rhode Island and has worked in the construction industry for over 20 years as a consulting structural engineer and a technology solutions provider. Mr. Curro is also an Adjunct Professor at Hudson Valley Community College and Bryant & Stratton College. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.

CARRA WALLACE is the Managing Director of the Office of Executive Initiatives (OEI). In that capacity, she oversees the Authority's Communications and Marketing, Opportunity Programs, Environmental Initiatives, Client Outreach, Training, Executive Projects, and Legislative Affairs units. Ms. Wallace is responsible for strategic efforts in developing programs, maximizing the utilization of Minority and Women Owned Businesses, and communicating with Authority clients, the public and governmental officials. She possesses more than twenty years of senior leadership

experience in diverse private sector businesses and civic organizations. Ms. Wallace most recently served as Executive Vice President at Telwares, a major telecommunications service firm. Prior to her service at Telwares, Ms. Wallace served as Executive Vice President of External Affairs at the NYC Leadership Academy. She holds a Bachelor of Science degree in management from the Pepperdine University Graziadio School of Business and Management.

Claims and Litigation

Although certain claims and litigation have been asserted or commenced against the Authority, the Authority believes that these claims and litigation are covered by the Authority's insurance or by bonds filed with the Authority should the Authority be held liable in any of such matters, or that the Authority has sufficient funds available or the legal power and ability to seek sufficient funds to meet any such claims or judgments resulting from such litigation.

Other Matters

New York State Public Authorities Control Board

The New York State Public Authorities Control Board (the "PACB") has authority to approve the financing and construction of any new or reactivated projects proposed by the Authority and certain other public authorities of the State. The PACB approves the proposed new projects only upon its determination that there are commitments of funds sufficient to finance the acquisition and construction of the projects. The Authority has obtained the approval of the PACB for the issuance of the Series 2010 Bonds.

Legislation

From time to time, bills are introduced into the State Legislature which, if enacted into law, would affect the Authority and its operations. The Authority is not able to represent whether such bills will be introduced or become law in the future. In addition, the State undertakes periodic studies of public authorities in the State (including the Authority) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, would affect the Authority and its operations.

Environmental Quality Review

The Authority complies with the New York State Environmental Quality Review Act and with the New York State Historic Preservation Act of 1980, and the respective regulations promulgated thereunder respecting the Project to the extent such acts and regulations are applicable.

Independent Auditors

The accounting firm of KPMG LLP audited the financial statements of the Authority for the fiscal year ended March 31, 2009. Copies of the most recent audited financial statements are available upon request at the offices of the Authority.

PART 8 — LEGALITY OF THE SERIES 2010 BONDS FOR INVESTMENT AND DEPOSIT

Under New York State law, the Series 2010 Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, committees, conservators and other fiduciaries in the State may properly and legally invest funds in their control.

The Series 2010 Bonds may be deposited with the State Comptroller to secure deposits of State moneys in banks, trust companies and industrial banks.

PART 9 — NEGOTIABLE INSTRUMENTS

The Series 2010 Bonds are negotiable instruments as provided in the Act, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2010 Bonds.

PART 10 — TAX MATTERS

In General

In the opinion of Sidley Austin LLP, New York, New York, Bond Counsel, based on current law and except as provided in the next sentence, interest on the Series 2010 Bonds is not includable in the gross income of the owners of the Series 2010 Bonds for purposes of federal income taxation. Interest on the Series 2010 Bonds will be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Series 2010 Bonds (a) in the event of a failure by the College or the Authority to comply, subsequent to the issuance of the Series 2010 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and covenants regarding the use, expenditure and investment of the Series 2010 Bond proceeds and the timely payment of certain investment earnings to the U.S. Treasury, or (b) in the event that the \$150 million limitation imposed by Section 145(b) of the Code on certain outstanding tax-exempt non-hospital bonds is exceeded within three years of the date of issue of the Series 2010 Bonds.

The above opinion with respect to the exclusion from gross income of the interest on the Series 2010 Bonds for federal income tax purposes may not be relied upon to the extent that such exclusion is adversely affected as a result of any action taken or not taken in reliance upon the opinion of counsel other than Sidley Austin LLP.

In rendering this opinion, Bond Counsel has relied upon the representations made by the College with respect to certain material facts within the knowledge of the College and upon the accompanying opinion of its counsel and has made no independent investigation thereof.

Interest on the Series 2010 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum tax. Such interest will, however, be included in the calculation of the alternative minimum tax liabilities of corporations. The Code contains provisions (some of which are noted below) that could result in tax consequences upon which no opinion will be rendered by Bond Counsel as a result of (i) ownership of the Series 2010 Bonds or (ii) the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S-corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Prospective purchasers of the Series 2010 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

Under existing law, the interest on Series 2007 Bonds is exempt from personal income taxation of the State of New York and its political subdivisions.

Original Issue Premium

The excess, if any, between the tax basis of a maturity of substantially identical Series 2010 Bonds to a purchaser (other than a purchaser who holds such Series 2010 Bonds as inventory, stock in trade, or for sale to customers in the ordinary course of business) who purchases such Series 2010 Bonds at the initial offering price and the amount payable at maturity is “bond premium”. Bond premium is amortized over the respective terms of the Series 2010 Bonds with bond premium (the “Premium Bonds”) for federal income tax purposes (or, in the case of a Series 2010 Bond with bond premium callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Series 2010 Bond). Owners of the Premium Bonds are required to decrease their adjusted basis in the Premium Bonds by the amount of amortizable bond premium attributable to each taxable year such Premium Bonds are held. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of the bond premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Legislation affecting municipal securities is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Series 2010 Bonds will not have an adverse impact on

the tax exempt status of the Series 2010 Bonds. Legislative or regulatory actions and proposals may also affect the economic value of the tax exemption or market price of the Series 2010 Bonds. See also “—Future Developments.”

Backup Withholding

Interest paid on the Series 2010 Bonds will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the Series 2010 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the IRS.

Future Developments

Future legislative proposals, if enacted into law, regulations, rulings or court decisions may cause interest on the Series 2010 Bonds to be subject, directly or indirectly, to U.S. federal income taxation or to be subject, directly or indirectly, to State or local income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Series 2010 Bonds should consult their own tax advisors regarding any pending or proposed federal or State tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

PART 11 — STATE NOT LIABLE ON THE SERIES 2010 BONDS

The Act provides that notes and bonds of the Authority are not a debt of the State, that the State is not liable on them and that such notes and bonds are not payable out of any funds other than those of the Authority. The Resolution specifically provides that the Series 2010 Bonds are not a debt of the State and that the State is not liable on them.

PART 12 — COVENANT BY THE STATE

The Act states that the State pledges and agrees with the holders of the Authority’s notes and bonds that the State will not limit or alter the rights vested in the Authority to provide projects, to establish and collect rentals therefrom and to fulfill agreements with the holders of the Authority’s notes and bonds or in any way impair the rights and remedies of the holders of such notes or bonds until such notes or bonds and interest thereon and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of such notes or bonds are fully met and discharged. Notwithstanding the State’s pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with the Authority and with the holders of the Authority’s notes or bonds.

PART 13 — LEGAL MATTERS

Certain legal matters incidental to the authorization and issuance of the Series 2010 Bonds by the Authority are subject to the approval of Sidley Austin, LLP, New York, New York, Bond Counsel, whose approving opinion will be delivered with the Series 2010 Bonds. The proposed form of Bond Counsel’s opinion is set forth in Appendix E hereto.

Certain legal matters will be passed upon for the College by its counsel, Bond Schoeneck & King, PLLC, Syracuse, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Edwards Angell Palmer & Dodge LLP, New York, New York.

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2010 Bonds or questioning or affecting the validity of the Series 2010 Bonds or the proceedings and authority under which they are to be issued.

PART 14 — UNDERWRITING

Barclays Capital Inc. has agreed, subject to certain conditions, to purchase the Series 2010 Bonds from the Authority at an aggregate purchase price of \$13,806,376.94 and to make a public offering of Series 2010 Bonds at prices that are not in excess of the public offering prices stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Series 2010 Bonds if any are purchased.

The Series 2010 Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

PART 15 — VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey Demgen & Moore, Inc., a firm of independent public accountants, will deliver to the Authority its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Authority and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash, the maturing principal amounts and the interest on the Defeasance Securities deposited with the Trustee to pay the redemption price of and interest on the Refunded Bonds on the redemption date as described in “PART 4 - THE REFUNDING PLAN.” Causey Demgen & Moore, Inc. will express no opinion on the reasonableness of the assumptions provided to it, the likelihood that the principal of and interest on the Series 2010 Bonds will be paid as described in the schedules provided to it, or the exclusion of the interest on the Series 2010 Bonds from gross income for federal income tax purposes.

PART 16 — CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended (“Rule 15c2-12”), the College has undertaken in a written agreement (the “Continuing Disclosure Agreement”) for the benefit of the Bondholders to provide to Digital Assurance Certification LLC (“DAC”), on behalf of the Authority as the Authority’s disclosure dissemination agent, on or before 120 days after the end of each fiscal year, commencing with the fiscal year of the College ending June 30, 2010, for filing by DAC with the Municipal Securities Rulemaking Board (“MSRB”) and its Electronic Municipal Market Access system for municipal securities disclosures, on an annual basis, operating data and financial information of the type hereinafter described which is included in “PART 6 - THE COLLEGE” of this Official Statement (the “Annual Information”), together with the College’s annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States of America; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be delivered to DAC for delivery to the MSRB.

If, and only if, and to the extent that it receives the Annual Information and annual financial statements described above from the College, DAC has undertaken in the Continuing Disclosure Agreement, on behalf of and as agent for the College and the Authority, to file such information and financial statements, as promptly as practicable, but no later than three business days after receipt of the information by DAC from the College, with the MSRB.

The College also will undertake in the Continuing Disclosure Agreement to provide to the Authority, the Trustee and DAC, in a timely manner, the notices required to be provided by Rule 15c2-12 and described below (the “Notices”). In addition, the Authority and the Trustee have undertaken, for the benefit of the Bondholders, to provide such Notices to DAC, should the Authority have actual knowledge of the occurrence of a Notice Event (as hereinafter defined). Upon receipt of Notices from the College, the Trustee or the Authority, DAC will file the Notices with the MSRB in a timely manner. With respect to the Series 2010 Bonds, DAC has only the duties specifically set forth in the Continuing Disclosure Agreement. DAC’s obligation to deliver the information at the times and with the contents described in the Continuing Disclosure Agreement is limited to the extent the College has provided such information to DAC as required by the Continuing Disclosure Agreement. DAC has no duty with respect to the content of any disclosure or Notices made pursuant to the terms of the Continuing Disclosure Agreement and DAC has no duty or obligation to review or verify any information contained in the Annual Information, Audited Financial Statements, Notices or any other information, disclosures or notices provided to it by the College, the Trustee or the Authority and shall not be deemed to be acting in

any fiduciary capacity for the Authority, the College, the Holders of the Series 2010 Bonds or any other party. DAC has no responsibility for the failure of the Authority to provide to DAC a Notice required by the Continuing Disclosure Agreement or duty to determine the materiality thereof. DAC shall have no duty to determine or liability for failing to determine whether the College, the Trustee or the Authority has complied with the Continuing Disclosure Agreement and DAC may conclusively rely upon certifications of the College, the Trustee and the Authority with respect to their respective obligations under the Continuing Disclosure Agreement. In the event the obligations of DAC as the Authority's disclosure dissemination agent terminate, the Authority will either appoint a successor disclosure dissemination agent or, alternatively, assume all responsibilities of the disclosure dissemination agent for the benefit of the Bondholders.

The Annual Information will consist of the following: (a) operating data and financial information of the type included in this Official Statement in "PART 6 - THE COLLEGE" under the headings "OPERATING INFORMATION" and "ANNUAL FINANCIAL STATEMENT INFORMATION" relating to: (1) *student admissions*, similar to that set forth under the heading "FRESHMAN ADMISSIONS STATISTICS;" (2) *student enrollment*, similar to that set forth under the heading "ENROLLMENT SUMMARY;" (3) *tuition and other student charges*, similar to that set forth under the heading "STUDENT CHARGES;" (4) *financial aid*, similar to that set forth under the heading "SOURCES OF UNDERGRADUATE SCHOLARSHIP AND GRANT AID;" (5) *faculty*, similar to that set forth under the heading "FACULTY PROFILE;" (6) *employee relations*, including material information about union contracts and, unless such information is included in the audited financial statements of the College, post retirement benefits and pension plans; (7) *restricted and designated net assets and investments and cash equivalents*, unless such information is included in the audited financial statements of the College; (8) *investment in plant*, unless such information is included in the audited financial statements of the College; and (9) *outstanding long-term indebtedness*, unless such information is included in the audited financial statements of the College; together with (b) a narrative explanation, if necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the College and in judging the financial and operating condition of the College.

The Notices include notices of any of the following events (the "Notice Events") with respect to the Series 2010 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2010 Bonds; (7) modifications to the rights of holders of the Series 2010 Bonds; (8) bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Series 2010 Bonds; and (11) rating changes. In addition, DAC will undertake, for the benefit of the Holders of the Series 2010 Bonds, to provide to the MSRB, in a timely manner, notice of any failure by the College to provide the Annual Information and annual financial statements by the date required in the College's undertaking described above.

The sole and exclusive remedy for breach or default under the Continuing Disclosure Agreement described above is an action to compel specific performance of the undertaking of DAC, the College, the Trustee and/or the Authority, and no person, including any Holder of the Series 2010 Bonds, may recover monetary damages thereunder under any circumstances. The Authority or the College may be compelled to comply with their respective obligations under the Continuing Disclosure Agreement (i) in the case of enforcement of their obligations to provide information required thereunder, by any Holder of Outstanding Series 2010 Bonds or by the Trustee on behalf of the Holders of Outstanding Series 2010 Bonds, or (ii) in the case of challenges to the adequacy of the information provided, by the Trustee on behalf of the Holders of the Series 2010 Bonds; provided, however, that the Trustee is not required to take any enforcement action except at the direction of the Holders of not less than 25% in aggregate principal amount of Series 2010 Bonds at the time Outstanding. A breach or default under the Continuing Disclosure Agreement shall not constitute an Event of Default under the Resolution, the Series 2010 Resolution or the Loan Agreement. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Continuing Disclosure Agreement, insofar as the provision of Rule 15c2-12 no longer in effect required the providing of such information, shall no longer be required to be provided.

The foregoing undertaking is intended to set forth a general description of the type of financial information and operating data that will be provided; the description is not intended to state more than general categories of financial information and operating data; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. The Continuing Disclosure Agreement, however, may be amended or modified without consent of the Holders of the Series 2010 Bonds under certain circumstances set forth therein. Copies of the Continuing Disclosure

Agreement when executed by the parties thereto upon the delivery of the Series 2010 Bonds will be on file at the principal office of the Authority.

In the past five years, the College has not failed to comply, in any material respects, with any previous continuing disclosure undertaking entered into in connection with any tax-exempt offerings.

PART 17 — RATING

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to the long-term obligations of the College. Such rating reflects only the views of Moody's and any desired explanation of the significance of such rating should be obtained from the rating agency at the following addresses: Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. There is no assurance that such rating will prevail for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2010 Bonds.

PART 18—BANK QUALIFIED BONDS

Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code") disallows the deduction by a financial institution for that portion of its interest expense that is allocable to tax-exempt interest. Section 265(b) of the Code provides an exception from such treatment with respect to "qualified tax exempt-obligations." Thus, financial institutions that are holders of "qualified tax-exempt obligations" may deduct the portion of such financial institutions' interest expense allocable to such "qualified tax-exempt obligations" to the extent not subject to other limitations of the Code.

The College has represented that, as of the date of issue of the Series 2010 Bonds, no tax-exempt obligations have been issued by or on behalf of the College or any of its subordinate entities in calendar year 2010, and that the amount of tax-exempt obligations that will be issued by or on behalf of the College and all of its subordinate entities is reasonably anticipated to be not more than \$30 million in calendar year 2010. Accordingly, the College has designated the Series 2010 Bonds as "qualified tax-exempt obligations" for purposes of Section 265 of the Code. If the amount of tax-exempt obligations actually issued by or on behalf of the College and its subordinate entities were to exceed \$30 million in calendar year 2010, at any time during calendar year 2010, the Series 2010 Bonds might not be treated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code. Prospective purchasers of the Series 2010 Bonds that are financial institutions should consult their tax advisors as to the impact of ownership of the Series 2010 Bonds.

PART 19 — MISCELLANEOUS

References in this Official Statement to the Act, the Resolution, the Series 2010 Resolution and the Loan Agreement do not purport to be complete. Refer to the Act, the Resolution, the Series 2010 Resolution and the Loan Agreement for full and complete details of their provisions. Copies of the Resolution, the Series 2010 Resolution and the Loan Agreement are on file with the Authority and the Trustee.

The agreements of the Authority with Holders of the Series 2010 Bonds are fully set forth in the Resolution. Neither any advertisement of the Series 2010 Bonds nor this Official Statement is to be construed as a contract with purchasers of the Series 2010 Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended merely as expressions of opinion and not as representations of fact.

The information regarding the College was supplied by the College. The Authority believes that this information is reliable, but the Authority makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

The information regarding DTC and DTC's book-entry only system has been furnished by DTC. The Authority believes that this information is reliable, but makes no representations or warranties whatsoever as to the accuracy or completeness of this information.

“Appendix A — Certain Definitions,” “Appendix C — Summary of Certain Provisions of the Loan Agreement,” “Appendix D — Summary of Certain Provisions of the Resolution” and “Appendix E — Form of Approving Opinion of Bond Counsel” have been prepared by Sidley Austin, LLP, New York, New York, Bond Counsel.

“Appendix B — Financial Statements of Hamilton College (With Independent Auditors’ Report Thereon)” contains the financial statements of the College as of and for the years ended June 30, 2009 and 2008 which have been audited by KPMG LLP, independent accountants, as stated in their report thereon.

The College has reviewed the parts of this Official Statement describing the College, the Principal and Interest Requirements, the Refunding Plan, the Estimated Sources and Uses of Funds and Appendix B. The College, as a condition to issuance of the Series 2010 Bonds, is required to certify that as of the date of this Official Statement and as of the date of issuance of the Series 2010 Bonds, such parts do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which the statements are made, not misleading.

The College has agreed to indemnify the Authority, the Underwriter and certain others against losses, claims, damages and liabilities arising out of any untrue statements or omissions of statements of any material fact as described in the preceding paragraph.

The execution and delivery of this Official Statement by an Authorized Officer have been duly authorized by the Authority.

**DORMITORY AUTHORITY OF
THE STATE OF NEW YORK**

By: /s/ Paul T. Williams, Jr.
Authorized Officer

CERTAIN DEFINITIONS

Appendix A

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CERTAIN DEFINITIONS

The following are definitions of certain of the terms defined in the Resolution or the Loan Agreement and used in this Official Statement:

Accreted Value means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

Act means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including without limitation by the Health Care Financing Construction Act, being Title 4-B of Article 8 of the Public Authorities Law of the State.

Annual Administrative Fee means the fee payable during each Bond Year for the general administrative and supervisory expenses of the Authority in an amount more particularly described in Schedule A to the Loan Agreement, which is made a part of the Loan Agreement.

Appreciated Value means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Deferred Income Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

Arbitrage Rebate Fund means the fund so designated, created and established pursuant to the Resolution.

Authority means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

Authority Fee means the fee payable to the Authority consisting of all of the Authority's internal costs and overhead expenses attributable to the issuance of the Bonds and the construction of the Projects, as more particularly described in Schedule B to the Loan Agreement, which is made a part of the Loan Agreement.

Authorized Newspaper means The Bond Buyer or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five (5) days

Appendix A

(other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Authority.

Authorized Officer means (i) in the case of the Authority, the Chair, the Vice Chair, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the Managing Director of Public Finance and Portfolio Monitoring, the Managing Director of Construction, the General Counsel, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the College, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the College to perform such act or execute such document; and (iii) in the case of the Trustee, the President, a Vice President, an Assistant Vice President, a Corporate Trust Officer, an Authorized Signatory, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

Bond or Bonds means any of the bonds of the Authority authorized and issued pursuant to the Resolution and to a Series Resolution.

Bond Counsel means Sidley Austin LLP, or an attorney or other law firm appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

Bond Series Certificate means the certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under the Resolution or under a Series Resolution.

Bond Year means a period of twelve (12) consecutive months beginning July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

Bondholder, Holder of Bonds or Holder or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond.

Book Entry Bond means a Bond authorized to be issued, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

Business Day means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

Capital Appreciation Bond means any Bond as to which interest is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

Code means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

College means Hamilton College, a corporation duly organized and existing under the laws of the State, which is an institution for higher education located in the State and authorized to confer degrees by law or by the Board of Regents of the State, or any successor thereto.

Contract Documents means any general contract or agreement for the construction of a Project, notice to bidders, information for bidders, form of bid, general conditions, supplemental general conditions, general requirements, supplemental general requirements, bonds, plans and specifications, addenda, change orders, and any other documents entered into or prepared by or on behalf of the College relating to the construction of a Project, and any amendments to the foregoing.

Construction Fund means the fund so designated, created and established for a Project pursuant to the Resolution.

Cost or Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of the Bonds, which items of expenses shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for insurance on Bonds, commitment fees or similar charges relating to a Credit Facility, a Liquidity Facility, an Interest Rate Exchange Agreement or a Remarketing Agent, costs and expenses in connection with the refunding of Bonds or other bonds or notes of the Authority, costs and expenses incurred pursuant to a remarketing agreement and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

Cost or Costs of the Project means when used in relation to a Project the costs and expenses or the refinancing of costs and expenses determined by the Authority to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of the Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of the Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design, environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of the Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the College shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of the Project, (vii) any sums required to reimburse the College or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with the Project (including interest on money borrowed from parties other than the College), (viii) interest on the Bonds, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with the Project or pursuant to the Resolution or to the Loan Agreement, a Credit Facility, a Liquidity Facility or a Remarketing Agreement in connection with Option Bonds or Variable Interest Rate Bonds.

Credit Facility means an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments of and interest on particular Bonds whether or not the Authority is in default under the Resolution, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank

Appendix A

Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a saving and loan association;

- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority.

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Appendix A.

Debt Service Fund means the fund so designated, created and established pursuant to the Resolution.

Defeasance Security means:

- (i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations;
- (ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligations; and (iii) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two Rating Services in the highest rating category for such Exempt Obligation;

provided, however, that (1) such term shall not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof.

Deferred Income Bond means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred

Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually on July 1 and January 1 of each Bond Year.

Depository means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

Exempt Obligation means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Federal Agency Obligation means:

(i) an obligation issued, or fully insured or guaranteed as to payment by any agency or instrumentality of the United States of America, which, at the time an investment therein is made or such obligation is deposited in any fund or account under the Resolution, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than in the second highest rating category for such obligation by at least two Rating Services;

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing obligations; and

(iii) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Governing Body means the College’s board of trustees, or other board or group of individuals by, or under the authority of which, corporate powers of the College are exercised.

Government Obligation means:

- (i) a direct obligation of the United States of America;
- (ii) an obligation fully insured or guaranteed as to payment by the United States of America;
- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on, any of the foregoing; and
- (v) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations and whose objective is to maintain a constant share value of one dollar (\$1.00).

Governmental Requirements means any present and future laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders applicable to a Project, of the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them, now existing or hereafter created, and having or asserting jurisdiction over a Project or any part of either.

Insurance Consultant means a person or firm which is qualified to survey risks and to recommend insurance coverage for College facilities and services and organizations engaged in like operations and which is selected by the College.

Interest Commencement Date means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter on July 1 and January 1 of each Bond Year.

Interest Rate Exchange Agreement means (i) an agreement entered into by the Authority or the College in connection with the issuance of or which relates to Bonds of one or more Series which provides that during the term of such agreement the Authority or the College is to pay to the counterparty thereto interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that such counterparty is to pay to the Authority or the College an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (ii) interest rate cap agreements, interest rate floor agreements, interest rate collar agreements and any other interest rate related hedge agreements or arrangements.

Investment Agreement means a repurchase agreement or other agreement for the investment of money with a Qualified Financial Institution.

Liquidity Facility means an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which

money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;
- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority.

Loan Agreement means the Loan Agreement, dated as of December 2, 2009, by and between the Authority and the College in connection with the issuance of Bonds, as the same from time to time shall have been amended, supplemented or otherwise modified as permitted by the Resolution and by the Loan Agreement.

Management Consultant means a nationally recognized accounting or management consulting firm or other similar firm, experienced in reviewing and assessing College operations, acceptable to the Authority.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond as the maximum rate at which such Bond may bear interest at any time;

Minimum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bonds as the minimum rate at which such Bond may bear interest at any time.

Moody's means Moody's Investor Service, Inc. or its successors or assigns.

Official Statement means an official statement, offering memorandum, offering or reoffering circular, or other offering document relating to and in connection with the offering, reoffering, sale and issuance of Bonds.

Option Bond means any Bond which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate related to such Bonds.

Appendix A

Outstanding, when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered under the Resolution and under any applicable Series Resolution except:

- (i) any Bond canceled by the Trustee at or before such date;
- (ii) any Bond deemed to have been paid in accordance with the Resolution;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the Resolution; and
- (iv) any Option Bond tendered or deemed tendered in accordance with the provisions of the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided in the Resolution and in the Series Resolution authorizing such Bond or the Bond Series Certificate relating to such Bond.

Paying Agent means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions of the Resolution or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

Permitted Collateral means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligation;
- (ii) Federal Agency Obligations described in clause (i) of the definition of Federal Agency Obligation;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category; or
- (iv) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

Permitted Investments means any of the following:

- (i) Government Obligations;
- (ii) Federal Agency Obligations;
- (iii) Exempt Obligations;
- (iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account under the Resolution, rated by at least one Rating Services in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and

(vi) Investment Agreements that are fully collateralized by Permitted Collateral.

Project means a “dormitory” as defined in the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of Bonds, as more particularly described in the Resolution, in or pursuant to a Series Resolution or in or pursuant to a Bond Series Certificate.

Provider means the issuer or provider of a Credit Facility or a Liquidity Facility.

Provider Payments means the amount, certified by a Provider to the Trustee, payable to such Provider by the College on account of amounts advanced by it under a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

Qualified Financial Institution means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating

Appendix A

Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one Rating Service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one Rating Service no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(v) a corporation whose obligations, including any investments of any money held under the Resolution purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

Rating Service means each of Moody's Investors Service, Inc., Standard & Poor's Rating Services, and Fitch, Inc., which in each case has assigned a rating to Outstanding Bonds at the request of the Authority or the College, or their respective successors and assigns.

Record Date means, unless the Series Resolution authorizing Variable Interest Rate Bonds or Option Bonds or the Bond Series Certificate relating thereto provides otherwise with respect to such Variable Rate Bonds or Option Bonds, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

Redemption Price, when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant to the Resolution or to the applicable Series Resolution or Bond Series Certificate.

Refunding Bonds means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to the Resolution, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution.

Related Agreements means each Remarketing Agreement, Interest Rate Exchange Agreement and agreement entered into in connection with a Credit Facility or Liquidity Facility, to which the College is a party.

Remarketing Agent means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

Remarketing Agreement means, with respect to Option Bonds of a Series, an agreement either between the Authority and the Remarketing Agent, or among the Authority, the College and the Remarketing Agent, relating to the remarketing of such Bonds.

Resolution means this Hamilton College Revenue Bond Resolution, adopted by the Authority December 2, 2009, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions of the Resolution.

Revenues means all payments received or receivable by the Authority that pursuant to the Loan Agreement are required to be paid to the Trustee (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund).

Serial Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

Series means all of the Bonds authenticated and delivered on original issuance and pursuant to the Resolution and to the Series Resolution authorizing such Bonds as a separate Series of Bonds or a Bond Series Certificate, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Resolution, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series Resolution means a resolution of the Authority authorizing the issuance of a Series of Bonds adopted by the Authority pursuant to the Resolution.

Sinking Fund Installment means, as of any date of calculation:

(i) when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Resolution or by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future July 1 for the retirement of any Outstanding Bonds of said Series which mature after said future July 1, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future July 1 is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and

(ii) when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Resolution pursuant to which such Bonds were issued or by the Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

Standby Purchase Agreement means an agreement by and between the Authority and another person or by and among the Authority, the College and another person, pursuant to which such person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

State means the State of New York.

Supplemental Resolution means any resolution of the Authority amending or supplementing the Resolution, any Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of the Resolution.

Appendix A

Tax Certificate means a certificate executed by an Authorized Officer of the Authority and an Authorized Officer of the College, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Bonds in which the Authority and the College make representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

Term Bonds means the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

Trustee means the bank or trust company appointed as Trustee for the Bonds pursuant to the Resolution and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

Valuation Date means (i) with respect to any Capital Appreciation Bond, each date set forth in the Series Resolution authorizing such Capital Appreciation Bond or in the Bond Series Certificate relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

Variable Interest Rate means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds and which shall be based on:

(i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or

(ii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

provided, however, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

Variable Interest Rate Bond means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Winning Bid Rate shall have the meaning given to such term in the Resolution.

**FINANCIAL STATEMENTS OF HAMILTON COLLEGE
(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

Appendix B

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HAMILTON COLLEGE

Financial Statements

June 30, 2009 and 2008

(With Independent Auditors' Report Thereon)

HAMILTON COLLEGE

June 30, 2009 and 2008

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 – 4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 25



KPMG LLP
515 Broadway
Albany, NY 12207

Independent Auditors' Report

Board of Trustees
Hamilton College:

We have audited the accompanying statements of financial position of Hamilton College (College) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hamilton College as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

October 2, 2009

HAMILTON COLLEGE
 Statements of Financial Position
 June 30, 2009 and 2008
 (Dollars in thousands)

Assets	2009	2008
Cash and cash equivalents	\$ 44,453	34,551
Student and other accounts receivable, net	967	779
Loans to students, net	3,133	3,356
Contributions receivable, net	9,474	14,065
Beneficial interest trusts	4,081	5,080
Deposits with trustees of debt obligations	2,878	20,053
Collateral received for securities lending	90,484	148,983
Investments	540,154	742,541
Deferred financing costs	3,124	2,879
Other assets	2,019	2,055
Property, plant and equipment, net	221,052	211,698
Total assets	\$ 921,819	1,186,040
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 5,438	8,459
Deposits and advances	4,445	5,108
Long-term debt	142,845	139,995
Liability under securities lending transactions	90,484	148,983
Annuity and life income obligations	20,462	26,403
Funds held in trust for others	1,328	2,830
Asset retirement obligation	1,457	1,597
Accumulated postretirement benefit obligation	4,517	3,824
Refundable government student loan funds	1,576	1,565
Total liabilities	272,552	338,764
Net assets:		
Unrestricted net assets:		
Net investment in plant	71,106	73,679
Board designated for endowment	75,135	102,748
Appreciation on endowment funds	224,758	349,184
Other	897	2,750
Total unrestricted net assets	371,896	528,361
Temporarily restricted net assets:		
Appreciation on endowment funds	51,102	84,349
Planned giving arrangements	12,169	18,190
Other	46,449	43,903
Total temporarily restricted net assets	109,720	146,442
Permanently restricted net assets:		
Endowment principal	137,822	134,041
Planned giving arrangements	21,459	29,876
Other	8,370	8,556
Total permanently restricted net assets	167,651	172,473
Total net assets	649,267	847,276
Total liabilities and net assets	\$ 921,819	1,186,040

See accompanying notes to financial statements.

HAMILTON COLLEGE
Statement of Activities
Year ended June 30, 2009
(with summarized information for the year ended June 30, 2008)
(Dollars in thousands)

	2009			Total	2008 Total
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenues:					
Tuition and fees	\$ 75,901	—	—	75,901	70,999
Scholarship aid	(22,889)	—	—	(22,889)	(21,577)
Net tuition and fees	53,012	—	—	53,012	49,422
Auxiliary enterprises	18,840	—	—	18,840	17,644
Investment return designated for operations	4,443	22,572	—	27,015	24,961
Private gifts and grants	6,015	971	—	6,986	8,419
Government grants and contracts	436	1,654	—	2,090	2,163
Other income	931	—	—	931	1,698
Net assets released from restrictions	23,136	(23,136)	—	—	—
Total operating revenues	106,813	2,061	—	108,874	104,307
Operating expenses:					
Instruction	49,160	—	—	49,160	43,656
Research	1,914	—	—	1,914	1,424
Public service	185	—	—	185	180
Academic support	13,036	—	—	13,036	13,002
Student services	12,107	—	—	12,107	11,448
Institutional support	14,835	—	—	14,835	15,257
Auxiliary enterprises	18,664	—	—	18,664	18,652
Total operating expenses	109,901	—	—	109,901	103,619
Increase (decrease) in net assets from operating activities	(3,088)	2,061	—	(1,027)	688
Nonoperating activities:					
Private gifts	797	3,186	3,163	7,146	11,541
Investment return, net of amounts designated for operations	(154,608)	(40,068)	(9,152)	(203,828)	(49,860)
Change in value of split interest agreements	—	(744)	886	142	(611)
Net assets released from restriction and changed restrictions	1,045	(1,274)	229	—	—
Change in fair value of interest rate swap	(1,780)	—	—	(1,780)	(2,381)
Other	1,169	117	52	1,338	(102)
Decrease in net assets from nonoperating activities	(153,377)	(38,783)	(4,822)	(196,982)	(41,413)
Decrease in net assets	(156,465)	(36,722)	(4,822)	(198,009)	(40,725)
Net assets, beginning of year	528,361	146,442	172,473	847,276	888,001
Net assets, end of year	\$ 371,896	109,720	167,651	649,267	847,276

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statement of Activities

Year ended June 30, 2008

(Dollars in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Operating revenues:				
Tuition and fees	\$ 70,999	—	—	70,999
Scholarship aid	(21,577)	—	—	(21,577)
Net tuition and fees	49,422	—	—	49,422
Auxiliary enterprises	17,644	—	—	17,644
Investment return designated for operations	5,350	19,611	—	24,961
Private gifts and grants	5,794	2,625	—	8,419
Government grants and contracts	464	1,699	—	2,163
Other income	1,698	—	—	1,698
Net assets released from restrictions	20,589	(20,589)	—	—
Total operating revenues	<u>100,961</u>	<u>3,346</u>	<u>—</u>	<u>104,307</u>
Operating expenses:				
Instruction	43,656	—	—	43,656
Research	1,424	—	—	1,424
Public service	180	—	—	180
Academic support	13,002	—	—	13,002
Student services	11,448	—	—	11,448
Institutional support	15,257	—	—	15,257
Auxiliary enterprises	18,652	—	—	18,652
Total operating expenses	<u>103,619</u>	<u>—</u>	<u>—</u>	<u>103,619</u>
Increase (decrease) in net assets from operating activities	<u>(2,658)</u>	<u>3,346</u>	<u>—</u>	<u>688</u>
Nonoperating activities:				
Private gifts	2,150	1,477	7,914	11,541
Investment return, net of amounts designated for operations	(35,815)	(10,010)	(4,035)	(49,860)
Change in value of split interest agreements	—	(198)	(413)	(611)
Net assets released from restriction and changed restrictions	128	(255)	127	—
Change in fair value of interest rate swap	(2,381)	—	—	(2,381)
Other	(347)	208	37	(102)
Increase (decrease) in net assets from nonoperating activities	<u>(36,265)</u>	<u>(8,778)</u>	<u>3,630</u>	<u>(41,413)</u>
Increase (decrease) in net assets	<u>(38,923)</u>	<u>(5,432)</u>	<u>3,630</u>	<u>(40,725)</u>
Net assets, beginning of year	<u>567,284</u>	<u>151,874</u>	<u>168,843</u>	<u>888,001</u>
Net assets, end of year	<u>\$ 528,361</u>	<u>146,442</u>	<u>172,473</u>	<u>847,276</u>

See accompanying notes to financial statements.

HAMILTON COLLEGE
Statements of Cash Flows
Years ended June 30, 2009 and 2008
(Dollars in thousands)

	2009	2008
Net cash flows from operating activities:		
Change in net assets	\$ (198,009)	(40,725)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributions to endowment and facilities	(6,906)	(11,281)
Depreciation and amortization	12,614	11,234
Realized and unrealized losses on investments	184,708	31,788
Interest on capital appreciation bonds	3,576	—
Asset retirement obligation	(140)	25
Loss on disposal of plant and equipment	743	2,165
Changes in assets and liabilities that provide (use) cash:		
Student and other accounts receivable, net	(188)	97
Contributions receivable	4,591	4,372
Beneficial interest trusts	999	—
Other assets	36	58
Accounts payable and accrued liabilities	(4,029)	(559)
Deposits and advances	(663)	18
Accumulated postretirement benefit obligation	693	1,442
Annuity and life income obligations	(2,215)	1,168
Cash flows used in operating activities	(4,190)	(198)
Net cash from investing activities:		
Purchase of property, plant and equipment, net of change in construction costs payable	(21,562)	(27,793)
Purchases of investments	(229,005)	(383,724)
Proceeds from sales and maturities of investments	246,684	393,320
Decrease in deposits held by trustees of debt obligations	17,175	15,713
Student loans, net	223	31
Cash flows provided by (used in) investing activities	13,515	(2,453)
Net cash from financing activities:		
Contributions to endowment and facilities	6,906	11,281
Proceeds from issuance of bonds payable	54,967	—
Extinguishment of bonds payable	(51,795)	—
Payments on long-term debt	(3,898)	(3,153)
Payments to beneficiaries of split interest agreements	(3,726)	(4,051)
Payments for debt financing costs	(386)	—
Other financing activities	(1,491)	(510)
Cash flows provided by financing activities	577	3,567
Net increase in cash and cash equivalents	9,902	916
Cash and cash equivalents:		
Beginning of year	34,551	33,635
End of year	\$ 44,453	34,551
Supplemental disclosure of noncash investing and financing activities:		
Change in construction related payables	\$ (1,008)	(739)
Increase in capital appreciation bonds	3,576	—
Supplemental disclosure:		
Cash paid for interest, including capitalized interest	\$ 4,148	4,319
Gifts in kind	102	10

See accompanying notes to financial statements.

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

(1) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of Hamilton College (the College), which is a coeducational, independent, liberal arts college located in Clinton, New York, are prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the College and changes therein are classified and reported as follows:

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

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the College and/or the passage of time. Generally, such net assets are available for program purposes such as financial aid, specified operating activities, facilities and equipment.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors permit the College to use all or part of the income earned on these assets for general or specific purposes.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contributions restricted for the acquisition of land, buildings and equipment and specific programs are reported as temporarily restricted revenues. These contributions are reclassified to unrestricted net assets upon acquisition of the assets.

Nonoperating activities include primarily transactions of a capital nature, that is, contributions to be used for facilities and equipment or to be invested by the College to generate a return that will support operations.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of investments classified as Level 3 investments, the carrying amount of property, plant and equipment, valuation allowances for receivables, and the accrual for postretirement benefits. Actual results could differ from those estimates.

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

(c) *Cash and Cash Equivalents*

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents at June 30, 2009 and 2008, are \$43,173 and \$33,260, respectively, of cash equivalents primarily representing interest bearing money market and other short-term investment accounts.

(d) *Investments*

Investments are stated at fair value. Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized in the statement of activities. Realized gains and losses on the sale of investments are generally determined on the specific identification method on the trade date.

The fair value of all debt and equity securities with a readily determinable fair value are generally based on quoted market prices obtained from active markets. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year. Limited partnership interests, including private equity, real estate and energy, as well as other nonmarketable investments, including hedge funds, for which a readily determinable fair value does not exist, are carried at fair values provided by the investment managers. Such alternative investment funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, such funds may hold assets which require the estimation of fair values in the absence of readily determinable market values. Such valuations are determined by fund managers and consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flows analysis, recent sales prices of investments, and other pertinent information and may reflect discounts for the illiquid nature of certain investments held. Because of the inherent uncertainty of valuation of these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed. The College reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments.

The College utilized the net asset value (NAV) or the rolled forward capital balance reported by each of the alternative investment funds as a practical expedient for determining the fair value of the investment. In cases where NAV is used as a practical expedient, these investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. For those alternative investment funds valued at the rolled forward capital balance, distributions to the College are dependent on the realization of cash from the underlying investments held by the funds. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the College's interests in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the College's interest in the funds. Additionally, although certain investments may be sold in a secondary market transaction, subject to meeting certain

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

requirements of the governing documents of the funds, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the College were to sell a fund in the secondary market, the sale could occur at an amount different than the reported value, and the difference could be material.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Major U.S. and foreign equity and fixed income indices have experienced volatility and, in some cases, significant declines. Management is monitoring investment market conditions and the impact such declines are having on College's investment portfolio. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

(e) *Gifts and Private Grants*

The College reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When stipulated time restriction ends or donor purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Net assets released from restrictions in the same year the underlying gift is received, or endowment income is appropriated under the spending policy, are reported as operating revenues within the statement of activities.

(f) *Endowment Income*

The board of trustees designates only a portion of the College's cumulative investment return for support of current operations; the remainder, classified as nonoperating, is retained to support operations of future years and to offset potential market declines. The amount computed under the endowment spending policy of the investment pool and all investment income earned by investing cash in excess of daily requirements are used to support current operations. Further discussion of the College's endowment spending policy is provided within footnote 10.

(g) *Inventories*

Inventories are stated at the lower of cost or market, based upon the first-in, first-out method and are included in other assets.

(h) *Property, Plant and Equipment*

Property, plant and equipment are recorded at cost, including interest on funds borrowed to finance construction, at the date of acquisition or fair value at the date of donation.

Depreciation is recorded on a straight-line basis over the estimated useful lives under the following guidelines: artwork (50 years), buildings (40 years), land improvements, HVAC, roofing and electrical (15 years), landscaping, carpeting and sprinkler systems (10 years), office furniture (7 years) vehicles, computer hardware and related equipment (5 years), and computer software (3 years).

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

(i) *Deferred Financing Costs*

Deferred financing costs represent bond issuance costs whose amortization is recorded on a straight-line basis over the period to bond maturity.

(j) *Annuity and Life Income Gifts*

The College accepts certain gifts on the condition periodic annuity or life income distributions are made to designated beneficiaries. Assets associated with these gifts are recorded at their fair value. The College recognizes contribution revenue in an amount equal to the difference between the fair value of the contributed asset and the net present value of the payment obligations, and classifies contribution revenue as an increase in temporarily restricted or permanently restricted net assets, based on the donor stipulations. Liabilities associated with these gifts (the annuity or life income obligation) represent the present value of payments expected to be made to beneficiaries. Changes in annuity and life income obligations resulting from changes in actuarial assumptions and the accretion of the discount are recorded as increases or decreases in temporarily or permanently restricted net assets based on the donor stipulations. During 2009 and 2008, the College received \$170 and \$1,617, respectively, for annuity and life income gifts.

(k) *Beneficial Interest Trusts*

The College is the beneficiary of certain perpetual trusts held and administered by others. The trusts are recorded at their respective fair market values.

(l) *Revenue Recognition*

Tuition and fees and certain auxiliary enterprise revenues are earned over the academic year as services are provided. Funds received in advance of services provided are included in deposits and advances.

(m) *Taxation*

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income tax on related income.

The College recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

(n) *Commitments and Contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, and other sources are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated. Legal costs associated with loss contingencies are expensed as incurred.

The College recognizes a liability for the fair value of conditional asset retirement obligations if their fair values can be reasonably estimated. This liability is initially recorded as an increase to the associated asset and depreciated over the remaining useful life of the asset.

The College has identified asbestos abatement as a conditional asset retirement obligation. Asbestos abatement costs are estimated using a per square foot estimate for each impacted location. As of June 30, 2009 and 2008, the College has recorded a liability of \$1,457 and \$1,597, respectively, representing the fair value of these conditional asset retirement obligations. Also, at June 30, 2009 and 2008, \$10 and \$15, respectively, of these costs, net of accumulated depreciation, is included in property, plant and equipment.

(o) *Reclassifications*

Reclassifications are made to prior year amounts to conform to current year presentation.

(p) *Recently Issued Accounting Standards*

Effective July 1, 2008 the College adopted FASB Statement No. 157, *Fair Value Measurements* (Statement 157). Statement 157 requires expanded disclosures about fair value measurements and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that the College would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Effective June 30, 2009, the College adopted Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This provision allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent provided that it has been calculated in a manner consistent with U.S. GAAP for investment companies. The College elected to apply the concept of this provision to its hedge fund, private equity, real estate, and energy investments.

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

Effective July 1, 2008, the College adopted FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (Statement 159). Statement 159 permits entities to choose to measure eligible items at fair value at specified election dates. It does not affect any existing accounting literature requiring certain assets and liabilities to be carried at fair value, and does not eliminate disclosure requirements included in other accounting standards. The fair value option may be applied instrument by instrument, is irrevocable, and is applied only to entire instruments and not to portions of instruments. The College elected not to change the valuation methodology of financial assets and liabilities, and thus the adoption of Statement 159 had no impact on the College's financial statements.

Effective July 1, 2008, the College adopted FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds* (FSP 117-1). FSP 117-1 provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), and requires disclosures about endowment funds, both donor restricted endowment funds and board-designated (quasi) endowment funds. As of June 30, 2009, the state of New York had not enacted the provisions of UPMIFA and, accordingly, the impact of FSP 117-1 has been limited to additional disclosures regarding the College's endowment funds.

(2) Investments

Investments consist of the following at June 30, 2009 and 2008:

	2009		2008	
	Fair value	Cost	Fair value	Cost
Cash and cash equivalents	\$ 6,659	6,659	14,238	14,238
Fixed income securities	13,215	13,255	15,480	15,416
Equity securities	216,039	248,693	327,692	304,217
Hedge funds	157,250	156,206	220,664	176,058
Private equity	69,145	86,069	82,301	73,427
Real estate	25,577	33,554	24,387	23,259
Energy	50,453	34,968	56,563	32,233
Other	1,816	1,745	1,216	1,132
	<u>533,495</u>	<u>574,490</u>	<u>728,303</u>	<u>625,742</u>
	<u>\$ 540,154</u>	<u>581,149</u>	<u>742,541</u>	<u>639,980</u>

Certain investments are pooled on a fair value basis, with individual funds subscribing to or disposing of units based on the approximate fair value. As of June 30, 2009 and 2008, the total pool had a cost basis of \$530,314 and \$584,794, a fair value of \$497,044 and \$683,934 and a fair value per unit of \$20.58 and \$28.61, respectively.

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

The following schedule summarizes total investment return and its classification in the statements of activities for the years ended June 30, 2009 and 2008:

	2009	2008
Endowment income	\$ 7,895	6,889
Net realized and unrealized losses	(184,708)	(31,788)
Total return on investments	(176,813)	(24,899)
Investment return designated for current operations (spending policy distributions)	(27,015)	(24,961)
Investment return net of amounts designated for current operations	\$ (203,828)	(49,860)

Endowment income is presented net of investment management and custodial fees of \$2,688 and \$4,418 for the years ended June 30, 2009 and 2008, respectively.

The College participates in certain limited partnership arrangements as part of its endowment portfolio, the terms of which require the College to periodically advance additional funding. Outstanding unfunded capital commitments as of June 30, 2009 and 2008, on these investments approximated \$86,119 and \$106,831, respectively. Such commitments generally have fixed expiration dates or other termination clauses. The College maintains sufficient liquidity in its investment portfolio to cover such calls.

The College participates in a securities lending program that is designed to enhance return on certain asset holdings. Collateral required under the program is a minimum of 102% of the fair value of securities lent and is adjusted on a daily basis to reflect changes in the market value of the securities lent. The College's collateral is generally invested in short-term, high-grade investments to minimize the College's overall exposure to market conditions. All rights to this collateral, of a secured party under applicable law, are available to the College in the case of a borrower's failure to deliver securities for any reason within the time specified by the applicable securities loan agreement. The security lending agent indemnifies the College against losses arising from the failure of a borrower to return securities. As of June 30, 2009 and 2008, the College had loaned certain securities, which are included in the endowment investments, with a fair value of \$86,943 and \$142,309 to several financial institutions that have provided collateral of \$90,484 and \$148,983, respectively, for the loaned securities. The College receives lending fees and continues to earn interest and dividends from the securities on loan.

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

(3) Financial Instruments

(a) Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, student and other accounts receivable, contributions receivable, collateral received for securities lending, deposits with trustees of debt obligations, accounts payable and accrued liabilities, liability under securities lending transactions, funds held in trust for others – The carrying amounts approximate fair value because of the short maturity of these instruments or they have been otherwise recorded at their estimated fair value.

Loans to students – Determination of the fair value cannot be made as these notes are comprised of federally sponsored student loans that bear interest rates and repayment terms, and are subject to significant restrictions on their transfer and disposition.

Long-term debt – Based on rates currently available to the College for debt with similar terms and remaining maturities, the estimated fair value of long-term debt at June 30, 2009 and 2008 is approximately \$143,841 and \$137,603, respectively.

(b) Fair Value Hierarchy

The College adopted Statement 157 on July 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- *Level 1 inputs* are quoted prices (unadjusted) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.
- *Level 2 inputs* are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3 inputs* are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

A summary of investments, measured at fair value on a recurring basis as of June 30, 2009 is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash and Cash Equivalents	\$ 6,659	—	—	6,659
Fixed Income Securities	13,215	—	—	13,215
Equity Securities	216,039	—	—	216,039
Hedge Funds	—	109,659	47,591	157,250
Private Equity	—	150	68,995	69,145
Real Estate	—	—	25,577	25,577
Energy	—	—	50,453	50,453
Other	1,745	71	—	1,816
	<u>237,658</u>	<u>109,880</u>	<u>192,616</u>	<u>540,154</u>
Deposits with trustees of debt obligations	<u>2,878</u>	<u>—</u>	<u>—</u>	<u>2,878</u>
	<u>\$ 240,536</u>	<u>109,880</u>	<u>192,616</u>	<u>543,032</u>

The investments fair values as of June 30, 2009 are broken out below by redemption period:

Investments redemption period:	
Daily	\$ 237,658
Quarter end	58,420
Semi-annual	33,296
Annual	—
Lock up until liquidated	163,189
Suspended	<u>47,591</u>
Total	<u>\$ 540,154</u>

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

Changes to reported investments measured at fair value using unobservable (Level 3) inputs as of June 30, 2009 are as follows:

	<u>Hedge Funds</u>	<u>Private Equity</u>	<u>Real Estate</u>	<u>Energy</u>	<u>Total</u>
Fair value, June 30, 2008	\$ 62,601	82,071	24,386	56,563	225,621
Net purchases, sales, settlements	—	11,137	11,150	(1,762)	20,525
Realized gains/losses	—	—	—	—	—
Unrealized gains/losses	(15,010)	(24,213)	(9,959)	(4,348)	(53,530)
Net interest, dividends and fees	—	—	—	—	—
Transfers	—	—	—	—	—
Fair value, June 30, 2009	<u>\$ 47,591</u>	<u>68,995</u>	<u>25,577</u>	<u>50,453</u>	<u>192,616</u>

The limitations and restrictions on the College's ability to redeem or sell these investments vary by investment and range from required notice periods (generally 30 to 180 days after initial lock-up periods) for certain limited partnership and hedge funds, to specified terms at inception (generally 10 years) associated with private equity and venture capital interests. Based upon the terms and conditions in effect at June 30, 2009, the College's level 3 alternative investment funds can be redeemed or sold as follows:

Fiscal year:	
Terminated	\$ 2,296
2010	55,818
2011	32,356
2012	10,162
2013	7,749
2014	16,660
Thereafter	<u>67,575</u>
	<u>\$ 192,616</u>

(4) Receivables

The College extends credit, primarily to students, in the form of notes and accounts receivable for educational expenses. Notes receivable for student loans are expected to be collected over an average of 10 years with interest rates averaging 4.3%. Notes receivable are recorded at their current unpaid principal balance and associated interest income is accrued based on the principal amount outstanding and applicable interest rates.

Allowances for doubtful accounts are recorded and represent the amounts that, in the opinion of management of the College, are necessary to account for probable losses related to current receivables. Allowances are determined based upon numerous considerations, including economic conditions, the specific composition of the receivable balances, as well as trends of delinquencies and write-offs. On a periodic basis, these factors are considered and the allowances for doubtful accounts are adjusted

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

accordingly with a corresponding adjustment to the provision for allowance for doubtful notes and accounts receivable.

Student and other accounts receivable are net of an allowance of \$200 at June 30, 2009 and 2008. Loans to students are net of an allowance of \$550 at June 30, 2009 and 2008.

(5) Contributions Receivable

Contributions receivable are recorded at their estimated net present value assuming a discount rate in effect at the time the pledge was received, ranging from 3% to 6% at June 30, 2009 and 2008. Contributions estimated to be collected at June 30, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Less than one year	\$ 4,921	5,436
One to five years	<u>5,709</u>	<u>10,727</u>
	10,630	16,163
Less:		
Present value discount	(656)	(1,358)
Reserve for uncollectible receivables	<u>(500)</u>	<u>(740)</u>
	<u>\$ 9,474</u>	<u>14,065</u>

At June 30, 2009 and 2008, the College also had received conditional promises to give of \$850, which are not recognized as assets until the removal or lapse of the condition.

(6) Deposits with Trustees of Debt Obligations

The following is a summary of deposits with trustees of debt obligations at June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Debt service fund	\$ 2,878	3,241
Construction fund	<u>—</u>	<u>16,812</u>
	<u>\$ 2,878</u>	<u>20,053</u>

The deposits with trustees of debt obligations, which are recorded at fair value, are invested in cash, money market and short-term government securities according to the requirements established by the associated bond agreements. The construction fund represents unexpended bond proceeds and yield-restricted income on those proceeds. Deposits with trustees of debt obligations were utilized during 2009 for construction costs related to completion of the Kirner-Johnson building project.

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

(7) Property, Plant, and Equipment

Property, plant, and equipment consists of the following at June 30, 2009 and 2008:

	2009	2008
Land and improvements	\$ 17,777	11,106
Buildings	257,033	226,147
Equipment	51,908	44,891
	326,718	282,144
Less accumulated depreciation	(110,023)	(98,726)
	216,695	183,418
Projects in process	4,357	28,280
	\$ 221,052	211,698

Depreciation expense of \$12,473 and \$11,098 in 2009 and 2008, respectively, has been allocated to the functional operating expense categories within the accompanying statements of activities based primarily on specific identification of buildings utilized within each function. The College has estimated it will incur \$9,000 of additional costs to complete the construction projects in process, which will be primarily financed with donations. Capitalized interest for the year ended June 30, 2009 is \$2,085.

(8) Long-Term Debt

Long-term debt consists of the following at June 30, 2009 and 2008:

	2009			Outstanding at June 30, 2009
	Maturity date	Interest rate	Original issue	
Oneida County Industrial Development Agency Civic Facility (a):				
Revenue Bonds Series 2002 (b)	09/15/32	5.2%	\$ 60,000	54,967
Revenue Bonds Series 2005	07/01/15	3.0% – 4.0%	8,775	6,430
Revenue Bonds Series 2007A (c)	07/01/37	3.8% – 4.65%	36,107	39,683
Revenue Bonds Series 2007B	07/01/21	4.0% – 5.0%	23,170	23,170
Dormitory Authority of the State of New York Revenue Bonds, Series 1999 (d)	07/01/28	3.0% – 5.1%	52,160	16,565
Banco Popular Espanol (e)	02/01/22	Variable	1,883	2,030
				\$ 142,845

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

	2008			Outstanding at June 30, 2008
	Maturity date	Interest rate	Original issue	
Oneida County Industrial Development Agency Civic Facility (a):				
Revenue Bonds Series 2002 (b)	09/15/32	4.1%	\$ 60,000	53,305
Revenue Bonds Series 2005	07/01/15	3.0% – 4.0%	8,775	7,240
Revenue Bonds Series 2007A (c)	07/01/37	3.8% – 4.65%	36,107	36,107
Revenue Bonds Series 2007B	07/01/21	4.0% – 5.0%	23,170	23,170
Dormitory Authority of the State of New York Revenue Bonds, Series 1999 (d)	07/01/28	3.0% – 5.1%	52,160	17,770
Banco Popular Espanol (e)	02/01/22	Variable	1,883	2,391
Other note payable	12/01/08	5.0%	150	12
				\$ 139,995

- (a) Civic Facility Revenue Bonds are collateralized by the financed property and equipment.
- (b) The College refinanced the Series 2002 bonds in September 2008. The bonds were issued at a premium of \$3,172, at a fixed rate of 5.2%. In addition, the College maintained an interest rate swap agreement related to the Series 2002 bonds until the bonds were refinanced in September 2008. The original agreement had a notional amount of \$60,000, which decreased consistent with scheduled principal payments on the Series 2002 bonds. At June 30, 2008, the fair value of the interest rate swap of \$2,102 was recorded as a liability within accounts payable and accrued liabilities on the accompanying statements of financial position. The amount due on the interest rate swap at the time of refinancing was \$3,882, of which \$2,748 was paid with proceeds from the refinancing of the Series 2002 bonds.
- (c) The Series 2007A bonds are capital appreciation bonds issued at a discount of \$58,268. Interest accretes to the full par value at maturity. Interest accreted at June 30, 2009 was \$3,576.
- (d) Dormitory Authority Revenue Bonds are general obligations of the College and are supported by pledges of tuition or net revenues from operation of the financed properties.
- (e) The College maintains a Euro 1,900 note with Banco Popular Espanol. The note is collateralized by a standby letter of credit, which in turn is collateralized by a pledge of cash equivalents to the outstanding balance of the note. The balance of the note has been converted using the applicable exchange rate as of June 30, 2009.

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

The scheduled principal payments for the next five years on long-term debt is reflected in the following table.

2010	\$	3,667
2011		4,533
2012		4,663
2013		4,767
2014		4,898

Interest expense was \$3,554 and \$4,171, net of capitalized interest of \$2,085 and \$148, for the years ended June 30, 2009 and 2008, respectively.

(9) Employee and Pension Benefits

(a) Postretirement Health Care Benefits

The College provides health insurance benefits for eligible employees upon retirement and applies the provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, which requires an employer to recognize the overfunded or underfunded status of a defined benefit post retirement plan (the Plan) as an asset or liability and to recognize changes in that funded status in the year they occur. The College uses a June 30 measurement date for the Plan. The Plan's funded status, amounts recognized, significant assumptions used, contributions made, and benefits paid included in the College's financial statements as of June 30, 2009 and 2008 are as follows:

		2009	2008
Change in benefit obligation:			
Benefit obligation at beginning of year	\$	3,824	2,382
Service cost		167	158
Interest cost		257	220
Actuarial loss		298	1,092
Participant contributions		276	288
Benefits paid		(305)	(316)
Benefit obligation at end of year	\$	4,517	3,824

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

	2009	2008
Change in plan assets:		
Fair value of assets, beginning of year	\$ —	—
Employer contribution	29	28
Participant contribution	276	288
Benefits paid	(305)	(316)
Fair value of assets, end of year	\$ —	—
Amount recognized in the <i>Statement of Financial Position</i> :		
Funded status	\$ (4,517)	(3,824)

Amounts recorded in unrestricted net assets as of June 30, 2009 and 2008, not yet amortized as components of net periodic benefit costs are as follows:

	2009	2008
Unamortized prior service costs	\$ 119	154
Unamortized actuarial loss	(931)	(651)
Amount recognized as a decrease in unrestricted net assets	\$ (812)	(497)

The amortization of the above items expected to be recognized in net periodic costs for the year ended June 30, 2010 is \$2.

A summary of the components of net periodic postretirement benefit cost for the years ended June 30, 2009 and 2008, is as follows:

	2009	2008
Components of net periodic benefit cost:		
Service cost	\$ 167	158
Interest cost	257	220
Amortization of unrecognized actuarial loss	18	29
Amortization of unrecognized prior service cost	(35)	(35)
Net periodic postretirement benefit cost	\$ 407	372

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

Assumptions

A summary of the weighted average assumptions used to determine the benefit obligation at June 30, 2009 and 2008 is presented below:

	<u>2009</u>	<u>2008</u>
Discount rate	6.18%	6.83%
Mortality	RP-2000	RP-2000

A summary of the weighted average assumptions used to determine the net periodic postretirement benefit cost for the years ended June 30, 2009 and 2008 is presented below:

	<u>2009</u>	<u>2008</u>
Discount rate	6.83%	6.29%

A summary of the assumed healthcare cost trend rates at June 30, 2009 is presented below:

	<u>Pre-65 Medical trend rates</u>	<u>Post-65 Medical trend rates</u>	<u>Prescription drugs trend rates</u>
Healthcare cost trend rate for next year	8.75%	7.00%	12.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2017	2017	2017

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. From a sensitivity perspective, a one percentage point change in the assumed health care cost trend rates would have the following effects:

	<u>2009</u>		<u>2008</u>	
	<u>One percentage point Increase</u>	<u>Decrease</u>	<u>One percentage point Increase</u>	<u>Decrease</u>
Effect on total of service and interest cost components	\$ 77	(66)	69	(59)
Effect on postretirement benefit obligation	694	(604)	588	(512)

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

The following benefit payments, which reflect expected future service for each fiscal year, are expected to be paid:

2010	\$	149
2011		176
2012		209
2013		236
2014		264
2015 – 2019		1,540

(b) Pension Benefits

The College participates in contributory retirement plans administered by the Teachers Insurance Annuity Association (TIAA), College Retirement Equities Fund (CREF) and Fidelity Services Corporation for eligible employees. Total pension expense charged to operations relating to these plans for the years ended June 30, 2009 and 2008 amounted to \$3,625 and \$3,470, respectively.

(10) Net Assets

Temporarily restricted net assets at June 30, 2009 and 2008 are available for the following purposes:

		<u>2009</u>	<u>2008</u>
Program and student support	\$	63,975	95,805
Acquisition of buildings and equipment		26,422	21,230
Planned giving arrangements		12,169	18,190
Contributions receivable, net		7,154	11,217
	\$	<u>109,720</u>	<u>146,442</u>

Permanently restricted net assets consist entirely of endowment corpus with donor stipulations that they be invested permanently in perpetuity for the following purposes:

		<u>2009</u>	<u>2008</u>
Restricted for scholarship support	\$	78,007	75,373
Restricted for faculty support		38,146	37,835
Restricted for library support		2,919	2,916
Restricted for program support		18,750	17,917
	\$	<u>137,822</u>	<u>134,041</u>

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

Endowment Composition

The College's endowment and similar funds consist of gifts restricted by donors, unrestricted net assets designated by management and the Board of Trustees for long-term support of the College's activities, and the accumulated investment return on these gifts and designated assets. Accumulated investment return consists of total endowment net investment return that has not been appropriated by the Board of Trustees for expenditures to support the operating and nonoperating activities of the College. Generally, only a portion of accumulated net investment return is made available for spending each year in accordance with an endowment utilization policy approved by the Board of Trustees and state of New York Law.

Certain donor restricted endowment funds allow for the expenditure of principal. College designated endowment funds are unrestricted net assets that may be re-designated for authorized expenditures.

Unrestricted net assets (endowment only) were available for the following purposes:

	<u>2009</u>	<u>2008</u>
Restricted for scholarship support	\$ 123,095	193,770
Restricted for faculty support	86,664	131,434
Restricted for library support	16,404	23,866
Restricted for program support	40,050	56,547
Board designated unrestricted	<u>33,680</u>	<u>46,315</u>
	<u>\$ 299,893</u>	<u>451,932</u>

Temporarily restricted net assets (endowment only) were available for the following purposes:

	<u>2009</u>	<u>2008</u>
Restricted for scholarship support	\$ 9,421	17,778
Restricted for faculty support	13,704	22,881
Restricted for program support	24,507	39,457
Term endowment	<u>3,470</u>	<u>4,233</u>
	<u>\$ 51,102</u>	<u>84,349</u>

Funds with Deficiencies

From time to time, the fair values of assets associated with individual donor restricted endowment funds may fall below the level that the donor or applicable law requires to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets and were \$3,074 and \$87 as of June 30, 2009 and 2008, respectively. These deficits generally resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments. Endowment earnings shortfalls are covered by investments held in unrestricted net assets.

HAMILTON COLLEGE

Notes to Financial Statements

June 30, 2009 and 2008

(Dollars in thousands)

For the year ended June 30, 2009, the College adopted a new spending policy with respect to endowment income. Known as the “mixed rule”, this policy uses 70% of the prior year’s spending adjusted for inflation, plus 5% of the average of the prior four quarters endowment value weighted at 30%. For the year ended June 30, 2008, the College operated under the former spending policy with respect to endowment income equal to 5% of a twelve quarter moving average of the fair value of endowment assets. The spending policy was subject to a ceiling and floor of 108% and 104%, respectively, of the prior year spending amount. For fiscal year 2009 and 2008, the Board approved special appropriations of endowment investment return amounting to \$565 and \$1,994, respectively, to fund the capital campaign.

Changes in endowment net assets for the years ended June 30, 2009 and 2008 are as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, June 30, 2008	\$ 451,932	84,349	134,041	670,322
Investment return	(132,988)	(28,573)	268	(161,293)
Private gifts	524	345	3,513	4,382
Released from restriction and changed restrictions	2,045	376	—	2,421
Appropriation of endowment assets for spending	(21,620)	(5,395)	—	(27,015)
Net assets, June 30, 2009	<u>\$ 299,893</u>	<u>51,102</u>	<u>137,822</u>	<u>488,817</u>
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, June 30, 2007	\$ 485,607	88,671	129,204	703,482
Investment return	(15,809)	(1,894)	—	(17,703)
Private gifts	2,140	2,309	6,112	10,561
Released from restriction and changed restrictions	—	218	(1,275)	(1,057)
Appropriation of endowment assets for spending	(20,006)	(4,955)	—	(24,961)
Net assets, June 30, 2008	<u>\$ 451,932</u>	<u>84,349</u>	<u>134,041</u>	<u>670,322</u>

HAMILTON COLLEGE
Notes to Financial Statements
June 30, 2009 and 2008
(Dollars in thousands)

Return Objectives and Risk Parameters

The overall financial objective for the endowment is to achieve a total return that preserves the real value of the principal of the endowment and to augment as much as possible, the real purchasing power of the endowment while exercising due care and fiduciary responsibility, and avoiding excessive risk. It is expected the endowment will need to earn a 6% real annualized return over the long term to meet this goal and provide adequate support for operations while protecting against inflation. The Investment Committee of the Board of Trustees has determined that a well diversified mix of assets offers the best opportunity to achieve this level of return with an appropriate level of risk. To that end, the securities of any one issuer, except for those of the U.S. government, shall not exceed 7% of the total market value of the endowment and no external investment manager shall manage more than 20% of the market value of the endowment.

(11) Expenses

Included in institutional support are \$5,927 and \$5,907 of fundraising expenses for the years ended June 30, 2009 and 2008, respectively.

Operating expenses for the years ended June 30, 2009 and 2008, were incurred as follows:

	<u>2009</u>	<u>2008</u>
Salaries and wages	\$ 45,051	41,913
Benefits	13,700	12,803
Total compensation	58,751	54,716
Services and contracting	4,737	4,470
Supplies and minor equipment	9,323	8,942
Auxiliaries, costs of sales	4,925	4,878
Utilities	4,739	4,888
Travel and entertainment	4,374	4,320
Insurance and taxes	1,403	1,254
Depreciation and amortization	12,614	11,234
Interest	5,639	4,171
Other	3,396	4,746
Total expenses	\$ <u>109,901</u>	<u>103,619</u>

(12) Subsequent Events

The College has evaluated subsequent events through October 2, 2009, which is the date the financial statements were issued.

Appendix B

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**SUMMARY OF CERTAIN PROVISIONS
OF THE LOAN AGREEMENT**

Appendix C

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SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a brief summary of certain provisions of the Loan Agreement pertaining to the Bonds and the Project. Such summary does not purport to be complete and reference is made to the Loan Agreement for full and complete statements of such and all provisions. Defined terms used herein shall have the meanings ascribed to them in Appendix A.

Construction of Projects

The College agrees that, whether or not there is sufficient money available to it under the provisions of the Resolution and under the Loan Agreement, the College shall complete the acquisition, design, construction, reconstruction, rehabilitation and improving or otherwise providing and furnishing and equipping of each Project, substantially in accordance with the Contract Documents relating thereto. Subject to the conditions of the Loan Agreement, the Authority will, to the extent of money available in the applicable Construction Fund, cause the College to be reimbursed for, or pay, any costs and expenses incurred by the College which constitute Costs of the Project, provided such costs and expenses are approved by an Authorized Officer of the Authority.

(Section 5)

Amendment of a Project; Cost Increases; Additional Bonds

A Project may be amended by the College with the prior written consent of an Authorized Officer of the Authority, which consent will not be unreasonably withheld, to decrease, increase or otherwise modify the scope thereof. Any such increase may provide for the addition of any further acquisition, design, construction, reconstruction, rehabilitation, renovation, improving, or otherwise providing furnishing and equipping of a Project which the Authority is authorized to undertake.

(Section 6)

Financial Obligations of the College; General and Unconditional Obligation; Voluntary Payments

Except to the extent that money is available therefor under the Resolution or the Loan Agreement, including money in the Debt Service Fund (other than money required to pay the Redemption Price or purchase price of Outstanding Bonds theretofore called for redemption or contracted to be purchased, plus interest accrued to the date of redemption or purchase), and excluding interest accrued but unpaid on investments held in the Debt Service Fund, the College pursuant to the Loan Agreement unconditionally agrees to pay, so long as Bonds are Outstanding, to or upon the order of the Authority, from its general funds or any other moneys legally available to it:

(a) On or before the date of delivery of the Bonds of a Series, the Authority Fee agreed to by the Authority and the College in connection with issuance of the Bonds of such Series;

(b) On or before the date of delivery of Bonds of a Series, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the Costs of Issuance of such Bonds, and other costs in connection with the issuance of such Bonds;

(c) On or before the tenth day of the month prior to an interest payment date on Outstanding Variable Interest Rate Bonds, the interest coming due on such Variable Interest Rate Bonds on such interest payment date, assuming that such Bonds will, from and after the next succeeding date on which the rates at which such Bonds bear interest are to be determined, bear interest at a rate per annum equal to the rate per annum for such Bonds on the immediately preceding Business Day, plus one percent (1%) per annum;

(d) On each June 10 immediately preceding the July 1 and on each December 10 immediately preceding the January 1, on which interest becomes due on Outstanding Bonds, other than Variable Interest Rate Bonds, the interest becoming due on such July 1 or January 1 interest payment date for such Bonds;

(e) On each June 10 immediately preceding the July 1 on which the principal or Sinking Fund Installments on any Outstanding Bonds becomes due, the principal and Sinking Fund Installments on the Bonds coming due on such July 1;

Appendix C

(f) At least forty five (45) days with respect to Bonds other than Option Bonds and Variable Interest Rate Bonds and fifteen (15) days with respect to Option Bonds and Variable Interest Rate Bonds prior to any date on which the Redemption Price or purchase price of Bonds previously called for redemption or contracted to be purchased, is to be paid, the amount required to pay the Redemption Price or purchase price of such Bonds;

(g) On December 10 of each Bond Year one-half (1/2) of the Annual Administrative Fee payable during such Bond Year in connection with each Series of Bonds, and on June 10 of each Bond Year the balance of the Annual Administrative Fee payable during such Bond Year; provided, however, that the Annual Administrative Fee with respect to a Series of Bonds payable during the Bond Year during which such Annual Administrative Fee became effective shall be equal to the Annual Administrative Fee with respect to such Series of Bonds multiplied by a fraction the numerator of which is the number of calendar months or parts thereof remaining in such Bond Year and the denominator of which is twelve (12));

(h) Promptly after notice from the Authority, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Authority (i) for the Authority Fee then unpaid, (ii) to reimburse the Authority for payments made by it pursuant to the Loan Agreement and any expenses or liabilities incurred by the Authority pursuant to the Loan Agreement, (iii) to reimburse the Authority for any external costs or expenses incurred by it attributable to the issuance of a Series of Bonds or the financing or construction of a Project, including but not limited to any fees or other amounts payable under a remarketing agreement, a Credit Facility or a Liquidity Facility; (iv) for the costs and expenses incurred to compel full and punctual performance by the College of all the provisions of the Loan Agreement or the Resolution in accordance with the terms thereof, and (v) for the fees and expenses of the Trustee and any Paying Agent in connection with performance of their duties under the Resolution;

(i) Promptly upon demand by an Authorized Officer of the Authority (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the College as a result of an acceleration pursuant to the Loan Agreement;

(j) Promptly upon demand by an Authorized Officer of the Authority, the difference between the amount on deposit in the Arbitrage Rebate Fund available to be rebated in connection with the Bonds of a Series or otherwise available therefor under the Resolution and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Bonds of such Series;

(k) By 5:00 P.M., New York City time, on the date Option Bonds are tendered for purchase by the Holders thereof or on the date Variable Rate Bonds are subject to mandatory tender for purchase, as the case may be, the amount, in immediately available funds, required to pay the purchase price of Option Bonds or Variable Rate Bonds tendered for purchase and not remarketed or remarketed at less than the principal amount thereof and which is not to be paid from money to be made available pursuant to a Liquidity Facility; provided, however, that if such notice is given to the College by 10:00 A.M., New York City time, then such amount shall be paid, in immediately available funds, by 12:30 P.M., New York City time, on such day; provided, further, that, if such notice is given to the College after 3:00 P.M., New York City time, then such amount shall be paid, in immediately available funds, by 10:00 A.M., New York City time, on the next succeeding day; and

(l) Promptly upon demand by an Authorized Officer of the Authority, all amounts required to be paid by the Authority to a Counterparty in accordance with an Interest Rate Exchange Agreement or to reimburse the Authority for any amounts paid to a Counterparty in accordance with an Interest Rate Exchange Agreement.

Subject to the provisions of the Resolution and the Loan Agreement, the College shall receive a credit against the amount required to be paid by the College during a Bond Year pursuant to paragraph (e) above on account of any Sinking Fund Installments if, prior to the date notice of redemption is given pursuant to the Resolution with respect to Bonds to be redeemed through Sinking Fund Installments during the next succeeding Bond Year, either (i) the College delivers to the Trustee for cancellation one or more Bonds of the Series and maturity to be so redeemed or (ii) the Trustee, at the direction of the Authority, has purchased one or more Bonds of the maturity to be so redeemed from amounts on deposit in the Debt Service Fund in accordance with the Resolution during such Bond Year. The amount of the credit shall be equal to the principal amount of the Bonds so delivered.

The Authority directs the College, and the College agrees, to make the payments required by paragraphs (c), (d), (e), (f), (i) and (j) above directly to the Trustee for deposit and application in accordance with the Resolution, the payments required by paragraph (b) above directly to the Trustee for deposit in a Construction Fund or other fund established under the Resolution, as directed by an Authorized Officer of the Authority, the payments

required by paragraphs (a), (g) and (h) above directly to the Authority and the payments required by paragraphs (k) and (l) above to or upon the order of the Authority.

Notwithstanding any provision in the Loan Agreement or in the Resolution to the contrary (except as otherwise specifically provided for in this section), all money paid by the College to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee shall be applied in reduction of the College's indebtedness to the Authority thereunder first with respect to interest and then, with respect to the principal amount of such indebtedness, but only to the extent that, with respect to interest on such indebtedness, such money is applied by the Trustee for the payment of interest on Outstanding Bonds, and, with respect to the principal of such indebtedness, such money has been applied to, or are held for, payments in reduction of the principal amount of Outstanding Bonds and as a result thereof Bonds have been paid or deemed to have been paid in accordance with the Resolution. Except as otherwise provided in the Resolution, the Trustee shall hold such money in trust in accordance with the applicable provisions of the Resolution for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

The obligations of the College to make payments or cause the same to be made under the Loan Agreement shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non happening of any event, irrespective of any defense or any right of set off, recoupment or counterclaim which the College may otherwise have against the Authority, the Trustee or any Bondholder for any cause whatsoever including, without limiting the generality of the foregoing, failure of the College to complete a Project or the completion thereof with defects, failure of the College to occupy or use a Project, any declaration or finding that the Bonds or any Series of Bonds or the Resolution is invalid or unenforceable or any other failure or default by the Authority or the Trustee; provided, however, that nothing in the Loan Agreement shall be construed to release the Authority from the performance of any agreements on its part contained in the Loan Agreement or any of its other duties or obligations, and in the event the Authority shall fail to perform any such agreement, duty or obligation, the College may institute such action as it may deem necessary to compel performance or recover damages for non performance. Notwithstanding the foregoing, the Authority shall have no obligation to perform its obligations under the Loan Agreement to cause advances to be made to reimburse the College for, or to pay, the Costs of a Project beyond the extent of money in the account within the Construction Fund established for such Project.

The Loan Agreement and the obligations of the College to make payments under the Loan Agreement are general obligations of the College.

An Authorized Officer of the Authority, for the convenience of the College, shall furnish to the College statements of the due date, purpose and amount of payments to be made pursuant to the Loan Agreement. The failure to furnish such statements shall not excuse non payment of the amounts payable under the Loan Agreement at the time and in the manner provided thereby. The College shall notify the Authority as to the amount and date of each payment made to the Trustee by the College.

The Authority shall have the right in its sole discretion to make on behalf of the College any payment required pursuant to the Loan Agreement which has not been made by the College when due. No such payment by the Authority shall limit, impair or otherwise affect the rights of the Authority under the provisions of the Loan Agreement summarized below under the caption "Defaults and Remedies" arising out of the College's failure to make such payment and no payment by the Authority shall be construed to be a waiver of any such right or of the obligation of the College to make such payment.

The College, if it is not then in default under the Loan Agreement, shall have the right to make voluntary payments in any amount to the Trustee. In the event of a voluntary payment, the amount so paid shall be deposited in the Debt Service Fund and applied in accordance with the Resolution or held by the Trustee for the payment of Bonds in accordance with the Resolution. Upon any voluntary payment by the College, the Authority agrees to direct the Trustee to purchase or redeem Bonds in accordance with the Resolution or to give the Trustee irrevocable instructions in accordance with the Resolution with respect to such Series of Bonds; provided, however, that in the event such voluntary payment is in the sole judgment of the Authority sufficient to pay all amounts then due under the Loan Agreement and under the Resolution, including the purchase or redemption of all Bonds Outstanding, or to pay or provide for the payment of all Bonds Outstanding in accordance with the Resolution, the Authority agrees, in accordance with the instructions of the College, to direct the Trustee to purchase or redeem all Bonds Outstanding, or to cause all Bonds outstanding to be paid or to be deemed paid in accordance with the Resolution.

Appendix C

As soon as practicable after the later of the date a Project is deemed complete pursuant to the Loan Agreement or the issuance of the Bonds of a Series, the Authority shall determine, and notify the College of, the actual Authority Fee incurred by the College in connection with such Project to the date of such notice. The balance, if any, of such Authority Fee then unpaid, to the extent not paid from the applicable Construction Fund, shall be paid by the College pursuant to the Loan Agreement. If upon such determination the actual amount of the Authority Fee incurred by the College in connection with such Project to the date of such notice is less than the amount paid theretofore, the Authority shall promptly refund to the College the amount paid in excess of such actual amount.

(Section 9)

Consent to Pledge and Assignment

The College consents to and authorizes the assignment, transfer or pledge by the Authority to the Trustee of (i) the Authority's rights to receive the payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption "Financial Obligations of the College; General and Unconditional Obligation; Voluntary Payments", (ii) any or all security interests that may be granted by the College under the second paragraph of the provisions of the Loan Agreement summarized below under the caption "Management Consultant" and (iii) all funds and accounts established by the Resolution and pledged thereby in each case to secure any payment or the performance of any obligation of the College under the Loan Agreement or arising out of the transactions contemplated in the Loan Agreement whether or not the right to enforce such payment or performance shall be specifically assigned by the Authority to the Trustee. The College further agrees that the Authority may pledge and assign to the Trustee any and all of the Authority's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Authority to the Trustee authorized by this section, the Trustee shall be fully vested with all of the rights of the Authority so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to the Authority's rights (x) to receive payments required to be made pursuant to paragraphs (c), (d), (e), (f) and (i) of the provisions of the Loan Agreement summarized above under the caption "Financial Obligations of the College; General and Unconditional Obligation; Voluntary Payments", (y) in any security interest that may be granted by the College pursuant to the second paragraph of the provisions of the Loan Agreement summarized below under the caption "Management Consultant" and (z) to enforce all other obligations required to be performed by the College pursuant to the Loan Agreement. Any realization upon any pledge made or security interest that may be granted in accordance with the second paragraph of the provisions of the Loan Agreement summarized below under the caption "Management Consultant" shall not, by operation of law or otherwise, result in cancellation or termination of the Loan Agreement or the obligations of the College pursuant thereto.

(Section 10)

Management Consultant

If at any time the rating on any Outstanding Bonds or on any of the College's long term unsecured, unenhanced debt obligations is reduced by Moody's Investor Service, Inc. ("Moody's") below "A1" or by Standard & Poor's Rating Services ("S&P") below "A+" or if any rating is suspended or withdrawn by Moody's or S&P, the College, at the College's expense, will agree to engage a Management Consultant within sixty (60) days after such reduction, suspension or withdrawal, unless the Authority has waived such obligation which it may do in its sole discretion. The Management Consultant shall review the fees and tuition, operations and management of the College and any other matter deemed appropriate by the Authority and make such recommendations with respect to such fees and tuition, operations, management and other matters. Copies of the report and recommendations of the Management Consultant shall be filed with the Authority, the Trustee, the board of trustees of the College and an Authorized Officer of the College no later than one hundred twenty (120) days following the date of engagement of such Management Consultant. The Board of Trustees of the College and such Authorized Officer of the College will each deliver to the Authority no later than sixty (60) days following the date of filing with the Authority of the report and recommendations of the Management Consultant a written report setting forth their respective comment and reaction to the report and recommendations of the Management Consultant. The College will, to the extent feasible, promptly upon its receipt of such recommendations, and subject to applicable requirements or restrictions imposed by law or regulation, revise its tuition, fees and charges, its methods of operation or collections or its debt

and investment management and shall take such other action as shall be in conformity with such recommendations. The College shall deliver to the Authority and the Trustee:

(i) within forty-five (45) days of receipt of such Management Consultant's report (x) a report setting forth in reasonable detail the steps the College proposes to take to implement the recommendations of such Management Consultant, and (y) a certified copy of a resolution adopted by the board of trustees of the College accepting both the Management Consultant's report and the report prepared by the College as required in the Loan Agreement;

(iii) within thirty (30) days after the end of each calendar quarter a report demonstrating the progress made by the College in implementing the recommendations of the Management Consultant.

Notwithstanding the foregoing provisions of this section, the College in lieu of engaging a Management Consultant may elect to provide security in form and substance acceptable to the Authority in its sole discretion for the College's obligations under the Loan Agreement or any Liquidity Facility and/or Credit Facility.

(Section 12)

Tax-Exempt Status of the College

The College represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for the payment of unrelated business income tax.

(Section 13)

Use and Control of Projects; Restrictions on Religious Use

Subject to the rights, duties and remedies of the Authority under the Loan Agreement, the College shall have sole and exclusive control and possession of and responsibility for (i) the Projects; (ii) the operation of the Projects and supervision of the activities conducted therein or in connection with any part thereof; and (iii) the maintenance, repair and replacement of the Projects; provided, however, that except as otherwise limited by the Loan Agreement, the foregoing shall not prohibit use of a Project by persons other than the College or its students, staff and employees in furtherance of the College's corporate purposes if such use will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes..

The College agrees that with respect to any Project or portion thereof, so long as such Project or portion thereof exists and unless and until such Project or portion thereof is sold for the fair market value thereof, such Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; provided, however, that the foregoing restriction shall not prohibit the free exercise of any religion; and provided, further, that if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit a Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to such Project and each portion thereof. The Authority and its agents may conduct such inspections as an Authorized Officer of the Authority deems necessary to determine whether any Project or any portion or real property thereof financed by Bonds is being used for any purpose proscribed by the Loan Agreement. The College further agrees that prior to any disposition of any portion of a Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Authority, the use of such portion of such Project to the restriction that (i) so long as such portion of such Project (and, if included in the Project, the real property on or in which such portion of such Project is situated) shall exist and (ii) until such portion of such Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of such Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further

Appendix C

provide that such restriction may be enforced at the instance of the Authority or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of a Project, or the real property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of this section an involuntary transfer or disposition of a Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

(Sections 17 and 18)

Maintenance, Repair and Replacement.

The College agrees that, throughout the term of the Loan Agreement, it shall, at its own expense, hold, operate and maintain the Projects in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Projects may be properly and advantageously conducted. The College shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Projects which may have been financed by the proceeds of the sale of Bonds provided the College substitutes for any removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced.

The College further agrees that it shall pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Projects except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards.

(Section 19)

Covenant as to Insurance.

(a) The College agrees to maintain or cause to be maintained insurance with insurance companies or by means of self-insurance, insurance of such type, against such risks and in such amounts as are customarily carried by private colleges and universities located in the State of a nature similar to that of the College, which insurance shall include property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability, subject to reasonable deductible provisions. The College shall at all times also maintain worker's compensation coverage as required by the laws of the State.

(b) The College shall furnish to the Authority annually a report of an Insurance Consultant that the insurance coverage maintained by the College is adequate and in accordance with the standards above and any certificates of workers' compensation insurance and disability benefits insurance coverage required by the New York State Workers' Compensation Board.

(c) If the Authority shall so request in writing, the College shall provide to the Authority summaries or other evidence of its insurance coverage and shall obtain endorsements reasonably requested by the Authority.

(Section 20)

Reports and Financial Information

The College shall, if and when requested by an Authorized Officer of the Authority, render to the Authority and the Trustee reports with respect to all repairs, replacements and maintenance made to each Project. In addition, the College shall, if and when requested by an Authorized Officer of the Authority, render such other reports concerning the condition of each Project as an Authorized Officer of the Authority may request. The College shall also furnish annually, not later than one hundred twenty (120) days after the end of the College's fiscal year, to the Trustee, the Authority and to such other parties as an Authorized Officer of the Authority may reasonably designate, including Rating Services, (i) a certificate stating whether the College is in compliance with the provisions of the Loan Agreement, (ii) copies of its financial statements audited by a nationally recognized independent public

accountant selected by the College and acceptable to an Authorized Officer of the Authority and prepared in conformity with generally accepted accounting principles applied on a consistent basis, except that such audited financial statements may contain such changes as are concurred in by such accountants, and (iii) such other statements, reports and schedules describing the finances, operation and management of the College and such other information reasonably required by an Authorized Officer of the Authority.

(Section 23)

Defaults and Remedies

As used in the Loan Agreement the term “Event of Default” shall mean:

(a) the College shall (A) default in the timely payment of any amount payable pursuant to the Loan Agreement (except as described in paragraphs (B) and (C) of this paragraph (a)) or the payment of any other amounts required to be delivered or paid by or on behalf of the College in accordance with the Loan Agreement or the Resolution, and such default continues for a period in excess of seven (7) days or (B) default in the timely payment of any amount payable pursuant to paragraph (c), (d), (e) or (f) of the provision of the Loan Agreement summarized above under the caption “Financial Obligations of the College; General and Unconditional Obligation; Voluntary Payments” and such default continues for a period in excess of (1) day or (C) default in the timely payment of any payment pursuant to paragraph (k) of the provision of the Loan Agreement summarized above under the caption “Financial Obligations of the College; General and Unconditional Obligation; Voluntary Payments”; or

(b) the College defaults in the due and punctual performance of any other covenant herein contained and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given to the College by the Authority or the Trustee, or, if such default is not capable of being cured within thirty (30) days, the College fails to commence within said thirty (30) days to cure the same and to diligently prosecute the cure thereof;

(c) as a result of any default in payment or performance required of the College under the Loan Agreement or any Event of Default under the Loan Agreement, whether or not declared, continuing or cured, the Authority shall be in default in the payment or performance of any of its obligations under the Resolution or an “event of default” (as defined in the Resolution) shall have been declared under the Resolution so long as such default or event of default shall remain uncured or the Trustee, a Facility Provider or Holders of the Bonds shall be seeking the enforcement of any remedy under the Resolution as a result thereof;

(d) the College shall be in default under any agreement entered into with the issuer of or in connection with a Liquidity Facility or a Credit Facility (which default has not been waived or cured) and, upon such default, (A) the principal of any indebtedness thereunder may be declared to be due and payable or (B) the lien security interest or pledge may be foreclosed or realized upon;

(e) the College shall (i) be generally not paying its debts as they become due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition under the United States Bankruptcy Code or under any other bankruptcy or insolvency law of any jurisdiction, (iii) make a general assignment for the benefit of its general creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property, (v) be adjudicated insolvent or be liquidated, or (vi) take corporate action for the purpose of any of the foregoing;

(f) a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by the College, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the College, or any petition for any such relief shall be filed against the College and such petition shall not have been stayed or dismissed within ninety (90) days;

(g) the charter of the College shall be suspended or revoked;

(h) a petition shall be filed by the College with the Board of Regents of the College of the State, the legislature of the State or other governmental authority having jurisdiction over the College to dissolve the College;

Appendix C

(i) an order of dissolution of the College shall be made by the Board of Regents of the University of the State, the legislature of the State or other governmental authority having jurisdiction over the College which order shall remain undismissed or unstayed for an aggregate of thirty (30) days;

(j) a petition shall be filed with a court having jurisdiction for an order directing the sale, disposition or distribution of all or substantially all of the property belonging to the College which petition shall remain undismissed or unstayed for an aggregate of ninety (90) days;

(k) an order of a court having jurisdiction shall be made directing the sale, disposition or distribution of all or substantially all of the property belonging to the College, which order shall remain undismissed or unstayed for the earlier of (x) three (3) Business Days prior to the date provided for in such order for such sale, disposition or distribution or (y) an aggregate of thirty (30) days from the date such order shall have been entered; or

(l) a final judgment for the payment of money which in the reasonable judgment of the Authority will materially adversely affect the rights of the Holders of the Bonds shall be rendered against the College and at any time after thirty (30) days from the entry thereof, (i) such judgment shall not have been discharged, paid or otherwise discharged, or (ii) the College shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within thirty (30) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal.

Upon the occurrence of an Event of Default the Authority may take any one or more of the following actions:

- (a) declare all sums payable by the College under the Loan Agreement immediately due and payable;
- (b) direct the Trustee to withhold any and all payments, advances and reimbursements from the proceeds of Bonds or any Construction Fund or otherwise to which the College may otherwise be entitled under the Loan Agreement and in the Authority's sole discretion apply any such proceeds or money for such purposes as are authorized by the Resolution;
- (c) withhold any or all further performance under the Loan Agreement;
- (d) maintain an action against the College under the Loan Agreement to recover any sums payable by the College or to require its compliance with the terms of the Loan Agreement;
- (e) to the extent permitted by law, (A) enter upon a Project and complete the construction of any Project in accordance with the plans and specifications with such changes therein as the Authority may deem appropriate and employ watchmen to protect the Projects, all at the risk, cost and expense of the College, (B) at any time discontinue any work commenced in respect of the construction of any Project or change any course of action undertaken by the College and not be bound by any limitations or requirements of time whether set forth in the Loan Agreement or otherwise, (C) assume any construction contract made by the College in any way relating to the construction of any Project and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the College, whether or not previously incorporated into the construction of such Project, and (D) in connection with the construction of any Project undertaken by the Authority pursuant to the provisions of this subparagraph (e), (1) engage builders, contractors, architects, engineers and others for the purpose of furnishing labor, materials and equipment in connection with the construction of such Project, (2) pay, settle or compromise all bills or claims which may become Liens against a Project or against any moneys of the Authority applicable to the construction of a Project, or which have been or may be incurred in any manner in connection with completing the construction of a Project or for the discharge of Liens, encumbrances or defects in the title to a Project or against any moneys of the Authority applicable to the construction of a Project, and (3) take or refrain from taking such action hereunder as the Authority may from time to time determine. The College shall be liable to the Authority for all sums paid or incurred for construction of any Project whether the same shall be paid or incurred pursuant to the provisions of this subparagraph (e) or otherwise, and all payments made or liabilities incurred by the Authority hereunder of any kind whatsoever shall be paid by the College to the Authority upon demand. For the purpose of exercising the rights granted by this subparagraph (e), the College irrevocably constitutes and appoints the Authority its true and lawful attorney in fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the College; and
- (f) take any other action or proceeding permitted by the terms hereof or by law.

All rights and remedies given or granted to the Authority in the Loan Agreement are cumulative, non exclusive and in addition to any and all rights and remedies that the Authority may have or may be given by reason of any law, statute, ordinance or otherwise, and no failure to exercise or delay in exercising any remedy shall effect a waiver of the Authority's right to exercise such remedy thereafter.

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Authority may annul any declaration made or action taken pursuant to the Loan Agreement and its consequences if such Events of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

(Section 26)

Termination

The Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the College shall have been made or provision made for the payment thereof; provided, however, that the liabilities and the obligations of the College to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to the Loan Agreement and the obligations of the College under the Loan Agreement shall nevertheless survive any such termination. Upon such termination, an Authorized Officer of the Authority shall deliver such documents as may be reasonably requested by the College to evidence such termination and the discharge of its duties under the Loan Agreement, and the release or surrender of any security interests granted by the College to the Authority pursuant the Loan Agreement.

(Section 39)

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

Appendix D

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a brief summary of certain provisions of the Resolution pertaining to the Bonds and the Project. Such summary does not purport to be complete and reference is made to the Resolution for full and complete statements of such and all provisions. Defined terms used but not defined herein shall have the meanings ascribed to them in Appendix A.

Contract with Bondholders

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Resolution by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of such Bonds, and the pledge and assignment to the Trustee made in the Resolution and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Bonds, over any other Bonds except as expressly provided in or permitted by the Resolution.

(Section 1.02)

Refunding Bonds and Additional Obligations

All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. The Authority may issue Refunding Bonds in an aggregate principal amount sufficient, together with other money available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Resolution and of the Series Resolution authorizing such Series of Refunding Bonds.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or as determined in accordance with the Series Resolution authorizing such Refunding Bonds or the Bond Series Certificate relating to such Series of Refunding Bonds.

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided in the Resolution, entitled to a charge, lien or right prior or equal to the charge or lien created by the Resolution, or prior or equal to the rights of the Authority and Holders of Bonds as provided by the Resolution.

(Sections 2.04 and 2.05)

Pledge of Revenues

The proceeds from the sale of the Bonds, the Revenues, and all funds and accounts established by the Resolution and any Series Resolution, excluding the Arbitrage Rebate Fund, are pledged and assigned to the Trustee as security for the payment of the principal and Redemption Price of and interest on the Bonds and as security for the performance of any other obligation of the Authority under the Resolution and any Series Resolution, all in accordance with the provisions of the Resolution and any Series Resolution. The pledge made by the Resolution is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and any Series Resolution which are pledged thereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of the Bonds, the Revenues and the funds and accounts established by the Resolution and are pledged thereby, which pledge shall constitute a first lien thereon.

(Section 5.01)

Appendix D

Tax Exemption; Rebates

In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the authorized bonds the interest on which is intended to be excluded from gross income for federal income tax purposes (the “Tax-Exempt Authorized Bonds”), the Authority shall comply with the provisions of the Code applicable to such Tax-Exempt Authorized Bonds, including without limitation the provisions of the Code relating to the computation of the yield on investments of the “gross proceeds” of the Tax-Exempt Authorized Bonds, as such term is defined in the Code, reporting of the earnings on such gross proceeds and rebates of earnings on such gross proceeds to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the provisions of the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

The Authority shall not take any action or fail to take any action which would cause the Tax-Exempt Authorized Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; nor shall any part of the proceeds of the Authorized Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Tax-Exempt Authorized Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Tax-Exempt Authorized Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Arbitrage Rebate Fund and available therefor.

(Section 5.01, Series Resolution)

Establishment of Funds and Accounts

The following funds are established by the Resolution and shall be held and maintained by the Trustee:

Construction Fund;
Debt Service Fund; and
Arbitrage Rebate Fund.

In addition to the accounts and subaccounts, if any, required to be established by the Resolution or by any Series Resolution or any Bond Series Certificate, the Authority may for purposes of internal accounting establish such other accounts or subaccounts as the Authority or the Trustee deems proper, necessary or desirable. All money at any time deposited in any fund, account or subaccount created and pledged by the Resolution or by any Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Resolution; *provided, however*, that the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of the Bonds other than such Option Bonds and are pledged by the Resolution for the payment of the purchase price of such Option Bonds.

(Section 5.02)

Application of Bond Proceeds and Allocation Thereof

Upon the receipt of the proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified in the Resolution and in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall deposit in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

(Section 5.03)

Application of Money in the Construction Fund

As soon as practicable after the delivery of each Series of Bonds, the Trustee shall be deposited in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing the issuance of such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any money paid to the Authority pursuant to Section 7.08 of the Resolution and all amounts paid by the College which by the terms of the Loan Agreement are required to be deposited therein

Except as otherwise provided in the Resolution and in any applicable Series Resolution or Bond Series Certificate, money deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Projects.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the money, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

First: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund, the amount set forth in such direction; and

Second: To the Debt Service Fund, to be applied in accordance with the Resolution, any balance remaining.

(Section 5.04)

Deposit and Allocation of Revenues

The Revenues and any other money, which by any of the provisions of the Loan Agreement are required to be paid to the Trustee, shall upon receipt be deposited or paid by the Trustee as follows in the following order of priority:

First: To the Debt Service Fund (i) in the case of Revenues received during the period from the beginning of each Bond Year until December 31 thereof, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on Outstanding Bonds payable on or prior to the next succeeding January 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding January 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, (b) the Sinking Fund Installments of Outstanding Option Bonds and Variable Interest Rate Bonds payable on or prior to the next succeeding January 1 and (c) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding January 1, plus accrued interest thereon to the date of purchase or redemption; and (ii) in the case of Revenues received thereafter and until the end of such Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (a) the interest on and the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, including the interest estimated by the Authority to be payable on any Variable Interest Rate Bond on and prior to the next succeeding July 1, assuming that such Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum and (b) the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption pursuant to the Resolution on or prior to the next succeeding July 1, plus accrued interest thereon to the date of purchase or redemption;

Second: To reimburse, pro rata, each Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Provider; and

Third: Upon the direction of an Authorized Officer of the Authority, to the Arbitrage Rebate Fund the amount set forth in such direction;

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required by the Resolution, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Projects, including expenses incurred by the Authority to compel

Appendix D

full and punctual performance of all the provisions of the Loan Agreement in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

The Trustee shall, promptly after making the above required payments, notify the Authority and the College of any balance of Revenues then remaining on the immediately succeeding July 1. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the College, in the respective amounts set forth in such direction. Any amounts paid to the College shall be free and clear of any pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

(Section 5.05)

Debt Service Fund

The Trustee shall on or before the Business Day preceding each interest payment date pay to itself and any other Paying Agents out of the Debt Service Fund:

- (a) the interest due and payable on all Outstanding Bonds on such interest payment date;
- (b) the principal amount due and payable on such interest payment date on all Outstanding Bonds; and
- (c) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds on such interest payment date.

The amounts paid out pursuant to this subdivision shall be irrevocably pledged to and applied to such payments.

Notwithstanding the first paragraph of this subdivision, the Authority may, at any time subsequent to July 1 of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds to be redeemed from such Sinking Fund Installment. In addition, the College pursuant to the Loan Agreement may deliver, at any time subsequent to July 1 of any Bond Year, but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of the Series and maturity to be so redeemed on such date from such Sinking Fund Installment. Any Term Bond so purchased and any Term Bond so delivered to the Trustee in accordance with the Resolution shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date; *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given. Any Term Bond so delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date, *provided, however*, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

Money in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds payable on and prior to the next succeeding July 1, the interest on Outstanding Bonds payable on and prior to the earlier of the next succeeding interest payment date, January 1 or July 1, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of any Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund, such money shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority given pursuant to the Resolution to the redemption of Bonds as provided in the Resolution, at the Redemption Prices specified in the applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

(Section 5.06)

Arbitrage Rebate Fund

The Trustee shall deposit to the Arbitrage Rebate Fund any money delivered to it by the College for deposit therein and, notwithstanding any other provisions of the Resolution, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, money on deposit in any other funds held by the Trustee under the Resolution at such times and in such amounts as set forth in such directions.

Money on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Money which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall, first, be applied to reimburse pro rata, each Provider for money advanced under a Credit Facility or a Liquidity Facility, including interest thereon, which is then unpaid in proportion to the respective amounts advanced by each Provider, and, then be deposited to any fund or account established under the Resolution in accordance with the directions of such Authorized Officer.

(Section 5.07)

Application of Money in Certain Funds for Retirement of Bonds

Notwithstanding any other provisions of the Resolution, if at any time the amounts held in the Debt Service Fund are sufficient to pay the principal or Redemption Price of all Outstanding Bonds and the interest accrued and unpaid and to accrue on such Bonds to the next date on which all such Bonds are redeemable, or to make provision pursuant to the Resolution for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the College. Upon receipt of such notice, the Authority may (i) direct the Trustee to redeem all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds by the Resolution and by each Series Resolution as provided in the Resolution, or (ii) give the Trustee irrevocable instructions in accordance with the Resolution and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

(Section 5.08)

Investment of Funds and Accounts

Money held under the Resolution by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations Exempt Obligations; *provided, however*, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes of the Resolution.

In lieu of the investments of money in obligations authorized in first paragraph of this subdivision, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment; *provided, however*, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes set forth in the Resolution, *provided, further*, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions of the Resolution shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

In computing the amount in any fund or account held by the Trustee under the provisions of this section, Permitted Investments shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

Appendix D

Notwithstanding anything to the contrary in the Resolution, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant to the Resolution and the proceeds thereof may be reinvested as provided in this section. Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant to the Resolution whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the College on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account under the Resolution and of the details of all investments held for the credit of each fund and account in its custody under the provisions of the Resolution as of the end of the preceding month and as to whether such investments comply with the provisions of the Resolution. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

No part of the proceeds of any Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(Section 6.02)

Creation of Liens

Except as permitted by the Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds on the proceeds from the sale of the Bonds, the Revenues, the rights of the Authority to receive payments to be made under the Loan Agreement that are to be deposited with the Trustee or the funds and accounts established by the Resolution or by any Series Resolution which are pledged thereby; *provided, however*, that nothing contained in the Resolution shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurred indebtedness under another and separate resolution so long as the charge or lien created thereby is not prior to the charge or lien created by the Resolution, and (ii) incurring obligations with respect to a Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Revenues of equal priority with the lien created and the pledge made by the Resolution.

(Section 7.06)

Amendment of Loan Agreement

Except as expressly otherwise provided in Section 7.11 of the Resolution, the Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely affect the interest of the Holders of Outstanding Bonds in any material respect unless consented to in writing by (a) the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than a majority in aggregate principal amount of the Bonds of each Series so affected then Outstanding; *provided, however*, that if such amendment, change, modification, alteration, termination or waiver will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; *provided, further*, that no such amendment, change, modification, alteration, termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the College under the Loan Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by the Resolution.

The Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions

contained in the Resolution or in the Loan Agreement. Except as otherwise provided in this Section, the Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of this Section, the purchasers of Bonds, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this Section in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; **provided, however,** that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series. In addition, the Holder of an Outstanding Auction Rate Bond shall be deemed to have consented to an amendment, change, modification, alteration or termination permitted by this Section if (i) the Trustee has mailed notice of such proposed amendment to the Holder of such Bonds in the same manner required by Article X of the Resolution for an amendment to the Resolution, (ii) on the first Auction Date for such Bond occurring at least twenty (20) days after the date on which the aforementioned notice is given by the Trustee the interest rate determined on such date is the Winning Bid Rate and (iii) there is delivered to the Authority and the Trustee an opinion of Bond Counsel to the effect that such amendment shall not adversely affect the validity of such Auction Rate Bond or any exemption from federal income tax to which the interest on such Auction Rate Bond would otherwise be entitled. As used in this paragraph the following terms shall have the respective meanings: **“Auction Rate Bond”** means a Variable Interest Rate Bond that is not an Option Bond, and that bears interest at rates determined by periodic auctions in accordance with procedures therefore established by the Series Resolution authorizing such Bond or the Bond Series Certificate related thereto; **“Auction Date”** means, with respect to particular any Auction Rate Bond, the date on which an auction is held or required to be held for such Bond in accordance with the procedures established therefore; and **“Winning Bid Rate”** when used with respect to an auction held for any particular Auction Rate Bond, shall have the meaning given to such term in the Series Resolution authorizing such Auction Rate Bond or the Bond Series Certificate related thereto, or, if not otherwise defined, means the lowest rate specified in any purchase bid submitted in such auction, which, if selected, would cause the aggregate principal amount of Auction Bonds offered to be sold in such auction to be subject to purchase bids at rates no greater than the rate specified in such purchase bid.

For the purposes of this Section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the College, the Authority and all Holders of Bonds.

For all purposes of this Section, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds then Outstanding in any material respect.

Bonds owned or held by or for the account of the Authority or the College shall not be deemed Outstanding for the purpose of the consent provided for in this Section, and neither the Authority nor the College shall be entitled with respect to such Bonds to give any such consent. At the time of any consent, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

(Section 7.11)

Modification and Amendment Without Consent

The Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

Appendix D

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions of the Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of the Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Resolution;

(e) To confirm, as further assurance, any pledge under the Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions of the Resolution, of the Revenues or of any other money, securities or funds;

(f) To modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions; or

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision in the Resolution or to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent with the Resolution as theretofore in effect, or to modify any of the provisions of the Resolution or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Holders in any material respect.

(Section 9.01)

Supplemental Resolutions Effective With Consent of Bondholders

The provisions of the Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of Bondholders in accordance with and subject to the provisions of the Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority.

(Section 9.02)

Powers of Amendment

Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution, in any particular, may be made by a Supplemental Resolution, with the written consent given as set forth in the provision of the Resolution summarized below under the caption "*Consent of Bondholders*", (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of Holders of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, or (iii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof, or in the rate of interest

thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this section, a Series shall be deemed to be affected by a modification or amendment if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Resolution.

(Section 10.01)

Consent of Bondholders

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of the Resolution to take effect when and as provided in the Resolution. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Holders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption to be mailed by the Authority to the Holders (but failure to mail such copy and request will not affect the validity of the Supplemental Resolution when consented to as provided below). Such Supplemental Resolution shall not be effective unless and until (i) there shall be filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in the provision of the Resolution summarized above under the caption “*Powers of Amendment*” and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted thereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as provided in this section. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Resolution. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with the Resolution shall be conclusive that the consents have been given by the Holders described in such certificate or certificates of the Trustee. Any consent shall be binding upon the Holder of the Bonds giving such consent and, anything in the Resolution to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee provided for below is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this section, shall be given to the Bondholders by the Authority by mailing such notice to the Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee in the Resolution provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this paragraph provided). Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; *provided, however*, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Appendix D

For the purposes of the Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, upon such purchase, may consent to a modification or amendment permitted under the headings above titled, “Powers of Amendment” or “Consent of Bondholders” in the manner provided in the Resolution, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; ***provided, however***, that, if such consent is given by a purchaser who is purchasing as an underwriter, Remarketing Agent or otherwise for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Authority.

(Section 10.02)

Modifications by Unanimous Consent

The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Bonds under the Resolution may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in the Resolution, except that no notice to Bondholders either by mailing or publication shall be required.

(Section 10.03)

Events of Default

Each of the following constitutes an “event of default” under the Resolution and each Series Resolution if:

(a) Payment of the principal, Sinking Fund Installments or Redemption Price of any Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) Payment of an installment of interest on any Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Bonds of any Series, the Authority shall default in the due and punctual performance of any covenants contained in the Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Resolution or in the Bonds or in any Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds, or, if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence to cure such default within said thirty (30) days and diligently prosecutes the cure thereof; or

(e) The Authority shall have notified the Trustee that an “Event of Default”, as defined in the Loan Agreement shall have occurred and is continuing and all sums payable by the College under the Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled and the Authority shall have notified the Trustee of such “Event of Default.”

(Section 11.02)

Acceleration of Maturity

Upon the happening and continuance of any event of default (other than under paragraph (c) of the provision of the Resolution summarized above under the caption “*Event of Default*”), then and in every such case the Trustee may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall, by a notice in writing to the Authority, declare the principal of and interest on all of the

Outstanding Bonds to be immediately due and payable. At the expiration of thirty (30) days from the giving of notice of such declaration, such principal and interest shall become and be immediately due and payable, anything in the Resolution or in the Bonds or any Series Resolution to the contrary notwithstanding. At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Resolution, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) money shall 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); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority under the Resolution and under each Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this section) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Resolution, the Series Resolution or in the Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this section) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(Section 11.03)

Enforcement of Remedies

Upon the happening and continuance of any event of default, then and in every such case, the Trustee may proceed, and, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds or, in the case of the happening and continuance of an Event of Default described in paragraph (c) of the provision of the Resolution summarized above under the caption "*Event of Default*", upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall proceed (subject to the provisions of the Resolution regarding indemnification of the Trustee), to protect and enforce its rights and the rights of the Holders of the Bonds under the laws of the State or under the Resolution or under any Series Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained under the Resolution or any Series Resolution or in aid or execution of any power therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Resolution and under each Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of any Series Resolution or of the Bonds, with interest on overdue payments of the principal or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Resolution and under any Series Resolution and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided in the Resolution and in any Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the money adjudged or decreed to be payable.

(Section 11.04)

Priority of Payments After Default

If at any time the money held by the Trustee under the Resolution and under each Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Resolution), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Resolution or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee under the Resolution) as follows:

Appendix D

(a) Unless the principal of all the Bonds has become or been declared due and payable, all such money shall be applied:

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

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

(b) If the principal of all of the Bonds has become or been declared due and payable, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the 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, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Bonds.

The provisions of this section are in all respects subject to the provisions of the Resolution.

Whenever money is to be applied by the Trustee pursuant to the provisions of this section, such money 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 money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for application in accordance with this section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Bondholder or to any other person for any delay in applying any such money 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 Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. 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.

(Section 11.05)

Termination of Proceedings

In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each Provider, the College and the Bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

(Section 11.06)

Bondholders' Direction of Proceedings

Anything in the Resolution to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds or in the case of an event of default described in subparagraph (c) under the heading "Event of Default" above, the Holders of a majority in principal amount of the Outstanding Bonds of the Series affected thereby shall 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 to be taken by the Trustee under the Resolution and under each Series Resolution, provided such direction shall be in accordance with law or the provisions of the Resolution and of each Series Resolution and the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

(Section 11.07)

Limitation of Rights of Individual Bondholders

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Resolution, or for any other remedy under the Resolution unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or, in the case of an event of default under paragraph (c) of the provision of the Resolution summarized above under the caption "*Event of Default*", the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, shall 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 shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Resolution or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are 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 Resolution or for any other remedy under the Resolution and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Resolution or to enforce any right under the Resolution except in the manner provided in the Resolution, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds. Notwithstanding any other provision of the Resolution, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

(Section 11.08)

Defeasance

If the Authority shall pay or cause to be paid to the Holders of the Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, in the Resolution, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other money and securities pledged to such Bonds and all other rights granted by the Resolution to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all money or securities held by it pursuant to the Resolution and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College. The securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by the Trustee (through deposit of money for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds of any Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and

Appendix D

prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent to such defeasance of each Provider which has given written notice to the Trustee and the Authority that amounts advanced under a Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Provider, and (d) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating such maturity or redemption date upon which money is to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this section in the manner provided in the Resolution. Neither the Defeasance Securities nor money deposited with the Trustee pursuant to this section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds; *provided, however*, that any money received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on such Bonds on and prior to such redemption date or maturity date thereof, as the case may be; *provided further*, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such money so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required by the Resolution to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution or by the Loan Agreement.

For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of money, or Defeasance Securities and money, if any, in accordance with clause (b) of the preceding paragraph, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; *provided, however*, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of money and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (b) of the preceding paragraph, the Trustee shall pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College, and any such

money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Option Bonds shall be deemed to have been paid in accordance with the second paragraph of this section only if, in addition to satisfying the requirements of clauses (a) and (b) above, there shall have been deposited with the Trustee money in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; *provided, however*, that if, at the time a deposit is made with the Trustee pursuant to the second paragraph of this section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph. If any portion of the money deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the College, and any such money so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created by the Resolution.

Anything in the Resolution to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable either at their stated maturity dates or by call for earlier redemption, if such money were held by the Trustee at such date, or for one (1) year after the date of deposit of such money if deposited with the Trustee, after such date when all of the Bonds of such Series become due and payable, shall, at the written request of the Authority, be repaid by the Trustee to the Authority as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged and the Holders shall look only to the Authority for payment of such Bonds; *provided, however*, that, before being required to make any such payment to the Authority, the Trustee may, at the expense of the Authority cause to be published in an Authorized Newspaper a notice that such money remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such money then unclaimed shall be returned to the Authority.

(Section 12.01)

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**FORM OF APPROVING OPINION
OF BOND COUNSEL**

Appendix E

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FORM OF APPROVING OPINION OF BOND COUNSEL

February 11, 2010

Dormitory Authority of the State of New York
515 Broadway
Albany, New York 12207

Ladies and Gentlemen:

We have acted as bond counsel to the Dormitory Authority of the State of New York (the "Authority") in connection with the Authority's issuance of its \$12,700,000 principal amount of Hamilton College Revenue Bonds, Series 2010 (the "Series 2010 Bonds").

In such capacity, we have examined the Dormitory Authority Act (being Chapter 524 of the Laws of 1944 of the State of New York, as amended, and constituting Titles 4 and 4-B of Article 8 of the Public Authorities Law), as amended from time to time including, but not limited to, by Chapter 371 of the Laws of 1998 of the State, as amended to the date hereof (hereinafter collectively called the "Act"), creating the Authority as a body corporate and politic constituting a public benefit corporation of the State of New York. We have also examined a certified record of the proceedings authorizing the execution and delivery of the Loan Agreement (hereinafter mentioned) and showing the adoption on December 2, 2009 of the Dormitory Authority of the State of New York Hamilton College Revenue Bond Resolution (the "Bond Resolution"), and on December 2, 2009 of the Dormitory Authority of the State of New York Series Resolution authorizing the issuance of the Hamilton College Revenue Bonds in an amount not to exceed \$17,000,000 (the "Series Resolution" and, together with the Bond Resolution, the "Resolutions"), and other such proofs relating to the issuance of the Series 2010 Bonds as we have deemed necessary as a basis for the following opinions.

The Series 2010 Bonds are dated the date of this opinion, mature on July 1 of the years and in the respective principal amounts, bear interest, payable on July 1, 2010 and semi-annually thereafter on January 1 and July 1 in each year, at the respective rates per annum and are subject to redemption prior to maturity in the manner and upon the terms and conditions, all as set forth in the Bond Series Certificate of the Authority with respect to the Series 2010 Bonds and in the Resolutions.

The Series 2010 Bonds are secured by a pledge of revenues received by the Authority under a Loan Agreement, dated as of December 2, 2009 (the "Loan Agreement"), with The Trustees of Hamilton College (the "College").

From such examination, we are of the opinion that:

1. The Authority is a body corporate and politic constituting a public benefit corporation of the State of New York, with the right and lawful authority and power to adopt the Resolutions and to issue the Series 2010 Bonds thereunder.

2. The Bond Resolution and the Series Resolution have been duly and lawfully adopted by the Authority and the Series Resolution is authorized and permitted by and has been adopted in accordance with the provisions of the Bond Resolution. The Resolutions are in full force and effect, and are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms.

3. The Series 2010 Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State of New York, including the Act, and in accordance with the Resolutions. The Series 2010 Bonds are legal, valid and binding special obligations of the Authority payable as provided in the Resolutions, are enforceable in accordance with their terms and the terms of the Resolutions and are entitled to the equal benefits of the Resolutions and the Act.

Appendix E

4. The Loan Agreement has been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery thereof by the College, constitutes the legal, valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms.

5. Assuming compliance by the College and the Authority with their respective covenants to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and except as provided in the following sentence, interest on the Series 2010 Bonds is not includable in the gross income of the owners of the Series 2010 Bonds for purposes of federal income taxation under current law. Interest on the Series 2010 Bonds will become includable in the gross income of the owners thereof retroactive to the date of issue of the Series 2010 Bonds (a) in the event of a failure by the College or the Authority to comply, subsequent to the issuance of the Series 2010 Bonds, with certain requirements of the Code and covenants regarding use, expenditure and investment of proceeds of the Series 2010 Bonds and the timely payment of certain investment earnings to the United States Treasury, or (b) in the event that the \$150 million limitation imposed by Section 145(b) of the Code on certain outstanding tax-exempt non-hospital bonds is exceeded within three years of the date of issue of the Series 2010 Bonds. The College and the Authority have covenanted, among other things, not to take any action that would cause interest on the Series 2010 Bonds to be includable in the gross income of the holders thereof for federal income tax purposes. Interest on the Series 2010 Bonds is not a specific preference item in calculating the alternative minimum tax on individuals and corporations imposed by the Code. Such interest will, however, be included in the computation of the alternative minimum tax on corporations imposed by the Code. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Series 2010 Bonds or the inclusion in certain computations of interest that is excluded from gross income.

6. Interest on the Series 2010 Bonds is exempt from personal income taxes of the State of New York and its political subdivisions.

We have examined a fully executed Series 2010 Bond and, in our opinion, the form of said bonds and their execution are regular and proper.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Resolutions, the Loan Agreement and the Series 2010 Bonds against the Authority may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy. In rendering the opinion in paragraph 5 above, we have relied upon the representations made by the College with respect to certain material facts within the knowledge of the College, which facts and representations we have not independently verified and upon the accompanying opinion of Bond Schoeneck & King, PLLC, counsel for the College, that the College is exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code. Our opinion in paragraph 5 above with respect to the exclusion from gross income of the interest on the Series 2010 Bonds for federal income tax purposes may not be relied on to the extent that such exclusion is adversely affected as a result of any action taken, or not taken, or in reliance on an opinion of counsel other than this firm delivered subsequent to the issuance of the Series 2010 Bonds. Other than as described herein, we have not addressed and we are not opining on the tax consequences to any investor of the investment in, the ownership or disposition of or receipt of the interest on, the Series 2010 Bonds.

In connection with the delivery of this opinion, we are not passing upon the authorization, execution and delivery of the Loan Agreement by the College.

Respectfully submitted,

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